

1 those viewing our proceedings electronically.

2 In accordance with the Board's practice,
3 and as stated in the Federal Register, we will welcome
4 comments from interested members of the public at the
5 completion of the -- at the conclusion of today's
6 testimony.

7 This concludes my opening remarks.

8 Dr. Eggenberger?

9 VICE CHAIRMAN EGGENBERGER: Mr. Chairman,
10 I really don't have any remarks, except I would like
11 to say that I'm very interested in hearing the
12 testimony today, because in my view, the Laboratories
13 are a most important part of the weapons complex, and
14 appropriate oversight of the Laboratories by the
15 Department is very important.

16 Thank you, sir.

17 CHAIRMAN CONWAY: Thank you.

18 Dr. Mansfield?

19 DR. MANSFIELD: No, nothing.

20 CHAIRMAN CONWAY: All right. Dr. Bruce
21 Matthews?

22 DR. MATTHEWS: No comments.

23 CHAIRMAN CONWAY: Very good. And with
24 that, we are pleased now to welcome Admiral Pete Nanos
25 and Ralph Erickson. Ralph Erickson is the Director of

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1 the Los Alamos Site Office for the Department of
2 Energy. And as we all know, Admiral Nanos is Director
3 of the Los Alamos National Laboratory [LANL].

4 We will turn to Mr. Ralph Erickson first.

5 MR. ERICKSON: Thank you, Mr. Chairman.
6 With your permission, I'd like to summarize my formal
7 testimony and give us more opportunity to get to the
8 questions.

9 CHAIRMAN CONWAY: All right. We'll put
10 your prepared statement in the record as if read, and
11 we'll listen to you as you make your presentation.

12 MR. ERICKSON: Thank you, sir.

13 Mr. Chairman, members of the Defense
14 Nuclear Facilities Safety Board, thank you for this
15 opportunity to provide testimony on the Los Alamos
16 Site Office's current practices for oversight and
17 management of the Los Alamos National Laboratory.

18 I have four priorities at the Site. At
19 least in my mind, the following are in this order:
20 safety first, security, environmental compliance, and
21 finally programmatic aspects and the mission of the
22 Laboratory.

23 My responsibility as Manager is to ensure
24 that my staff and the staff of the management and
25 operating contractor carry out these four in

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1 accordance with the laws and orders governing the
2 Department of Energy. To effectively accomplish this,
3 an active partnering relationship must exist between
4 the federal and contractor workforce.

5 In making this relationship work, an
6 understanding of the roles and responsibilities of
7 each of the two entities must exist. The NNSA
8 [National Nuclear Security Administration]
9 reengineering process of the last 18 months has
10 produced a base concept for roles and
11 responsibilities.

12 The federal component is responsible for
13 the "what," and the operating contractor is
14 responsible for the "how." I recognize this may sound
15 oversimplified, but the reality is that this
16 straightforward concept can be applied and understood
17 by all levels of the individuals in both the federal
18 and contractor organizations.

19 The concept of what and how is then
20 applied across the broad range of activities that
21 occur at the Site. This ranges from safety to
22 security to QA [Quality Assurance] to business
23 practices, and finally to the programmatic mission.
24 This concept allows the Site Office personnel to spend
25 the majority of their time focusing on the "what" of

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1 oversight.

2 My primary responsibility and that of my
3 staff is oversight of the contractor's performance,
4 whether that's budget or procurement or safety or
5 security or environmental matters.

6 The increased staffing that has occurred
7 at Los Alamos in the Site Office over the past 12
8 months further enhances this increased focus on
9 oversight by Site Office personnel.

10 I'm going to go through each of the six
11 lines of inquiry and just give you a quick and brief
12 summary of my testimony. Under the first line of
13 inquiry, the primary goal of the Los Alamos Site
14 Office is to enhance safety. My goal is to coordinate
15 our oversight activities with the Los Alamos National
16 Laboratory self-assessment.

17 The joint goal is for performance in
18 health, safety, environmental business practices and
19 programs are established and measured, through the
20 Appendix F appraisal process which we have just
21 completed for fiscal '03 [Fiscal Year 2003].

22 Present mechanisms to identify facility
23 issues in a proactive manner, predict that a
24 particular facility is headed for problems, and assess
25 the effectiveness of corrections, are so far limited.

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1 The Los Alamos Facility Rep Program, the LANL PS
2 [Performance Surety] Division Advisor Program, and the
3 Enhanced PAAA [Price-Anderson Amendments Act] Program,
4 are examples of programs that are actually increasing
5 safety and mission effectiveness. We need to find
6 ways to increase and improve these.

7 In the second line -- from the second line
8 of inquiry, I'm not satisfied with our self-assessment
9 within the Site Office. We currently lack an office-
10 wide program to effectively assess all aspects of our
11 mission. There are a few good examples, and I intend
12 to bring this -- to use these to bring self-assessment
13 to the next level within the Site Office.

14 The NNSA-wide effort to produce a common-
15 to-all self-assessment program will provide the basic
16 building blocks that will be implemented at the Site
17 Office over the next year. Good self-assessment
18 models exist within DOE today. My personal goal is to
19 implement the best ones which have the best fit for
20 our mission at the Site.

21 The third line of inquiry -- approximately
22 a year ago, a managed staffing plan was completed to
23 determine the adequate staffing of the entire Site
24 Office based on guidance provided by Headquarters.
25 The staffing plan identified a number of new

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1 functions, and, therefore, additional FTEs [Full-time
2 Equivalentents] necessary to meet these.

3 Vigorous efforts were initiated to recruit
4 qualified individuals for these positions from within
5 NNSA. I recognize that there has been recent
6 discussions of the FR [Facility Representative]
7 staffing within the Site Office, and there has been a
8 recent turnover in the FR program, primarily due to
9 the fact that these individuals are highly trained
10 technical personnel with field experience, and,
11 therefore, strong candidates for other positions
12 within the Site Office where they can contribute to
13 the success of NNSA.

14 I have been, and continue to be, a strong
15 supporter of the FR program and helping FRs move to
16 the next level of responsibility.

17 The Site Office current staffing includes
18 16 Facility Rep positions, of which fully qualified
19 personnel fill 11. Recently, four qualified FRs moved
20 to other technical positions within the Site Office to
21 enhance their careers and bring greater technical
22 knowledge and qualifications to the program and
23 engineering positions that they took.

24 A vigorous recruiting effort for FRs is in
25 place for the Site Office, and I expect to fill at

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1 least two of these vacant positions with qualified FRs
2 in the next month. New guidance from Headquarters
3 will now allow us to recruit for these and other
4 positions outside of NNSA.

5 I fully support personnel obtaining
6 recognized professional certificates and registration,
7 to include the support of required recertification,
8 and have changed the office policy to allow
9 reimbursement for this professional certification.

10 Also, personnel are encouraged to
11 participate in formal academic programs, and we
12 currently have several participating in a master of
13 science degree program.

14 I'd like to note that the technical
15 support from the Albuquerque Service Center will
16 continue to enhance the technical reviews at the Site
17 Office as implemented through the service level
18 agreements.

19 CHAIRMAN CONWAY: Mr. Erickson, could I
20 interrupt you a second?

21 MR. ERICKSON: Certainly.

22 CHAIRMAN CONWAY: As you know, the Board
23 has been strong supporters of the Facility Rep
24 program. And we've also encouraged DOE to utilize the
25 Facility Reps and give them additional training and

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1 help them move into positions of higher -- higher
2 positions. But it requires a pipeline of people
3 coming in and being mentored.

4 So when I -- if I heard you correctly, you
5 are about five short of Facility Reps now.

6 MR. ERICKSON: Four short.

7 CHAIRMAN CONWAY: Four short. Are all of
8 them qualified -- have been all qualified that are
9 currently in the --

10 MR. ERICKSON: We had 11. We have 16
11 total positions.

12 CHAIRMAN CONWAY: That's five short.

13 MR. ERICKSON: So we're five short. We
14 have one that we've hired, but the person is not on
15 duty yet because --

16 CHAIRMAN CONWAY: That's what I --

17 MR. ERICKSON: -- we haven't got the PCS
18 [Permanent Change of Station] funds because the
19 appropriation that was just passed a month ago allows
20 us now to get the PCS funds to actually move that
21 person, who is coming from another site.

22 CHAIRMAN CONWAY: Okay. We're looking for
23 a continuation of, obviously, smooth replacements.

24 MR. ERICKSON: Right.

25 CHAIRMAN CONWAY: So you don't have these

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1 hiatuses.

2 MR. ERICKSON: And that is an issue, and
3 it is a problem. On Friday of last week, one of my
4 individuals from my Safety Basis Authorization team
5 came forward and said he'd like to become an FR. And
6 so we're in the process of moving that individual,
7 probably in the next week to 10 days, into FR, where
8 he'll have to become certified, certainly.

9 But I think this kind of movement within
10 the ranks is important, not only to the FR program
11 itself but also to ensure that the expertise that is
12 gained as being -- as part of being an FR is then
13 brought to the other functions within our Site Office.

14 I concur with what you're saying. We are
15 short. A pipeline would be a nice to have thing. We
16 currently don't have the kind of staffing that
17 supports that, sir.

18 DR. MANSFIELD: Mr. Chairman, could I
19 follow up on that? As I understand it, not only are
20 you short, but some Fac Reps have been assigned to
21 other duties -- for instance, implementing the interim
22 work program, and things like that. "Feet on the
23 floor" time is what we look for, and anything that
24 dilutes that is a significant dilution of the program
25 we think.

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1 The ones -- the four qualified Fac Reps
2 that moved on to other challenges, how long had they
3 been in Fac Rep positions? Do you know?

4 MR. ERICKSON: Anywhere from six months,
5 fully qualified, to about a year.

6 DR. MANSFIELD: And how long had that
7 taken them to be qualified?

8 MR. ERICKSON: Some of these happened
9 before I was there, so I'm going to -- I'm not going
10 to be able to give you a full answer, but I'll provide
11 that for the record. But I think it's on the order of
12 12 months average.

13 DR. MANSFIELD: Right. It seems to me it
14 is a significant investment for everybody to get them
15 qualified, for them and for you. And to me it seems a
16 shame when they leave early.

17 Have you looked at any ways of making
18 longer term agreements, perhaps with an increase in
19 pay when you get a qual card, and a commitment to
20 managing their career, so that they don't feel they
21 have to move on to other positions other than Fac Reps
22 in order to advance their careers?

23 MR. ERICKSON: We haven't looked into that
24 precisely. We have a program where we discuss with
25 Facility Reps their future, future plans. But we

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1 don't have a process where we can sign an agreement
2 which says, "You'll stay as a Facility Rep for three
3 to five years," or something like that. That
4 currently doesn't exist, and I'm not sure within DOE
5 personnel policies whether that's strictly
6 approachable. I just don't know the answer to that.

7 DR. MANSFIELD: I'll bet it is.

8 MR. ERICKSON: I know we have where if you
9 go to school, then you sign an agreement that says
10 you'll stay with the Department for a year or two,
11 depending upon the length of schooling that you went
12 to. So we do have those kinds of things. I'm not
13 sure about in a particular position. That would limit
14 their ability to move for personal reasons if they had
15 a family situation or something like that.

16 So I'm just not sure how we could apply
17 that. It's something we could look into. I'll talk
18 to Mike Kane, who heads up the folk -- the personnel
19 organization here at NNSA headquarters and find that
20 out.

21 DR. MANSFIELD: Okay. Well, just to
22 repeat my concern, you know, investing a year for --
23 to get six months worth of assignment to an FR
24 position, it seems to me we're missing something.

25 MR. ERICKSON: I agree with that, but I

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1 point, then, to the fact that those individuals are
2 going into other organizations within the Site Office,
3 which can use that training and education and
4 experience to better advance the mission of the
5 Office.

6 So if we were losing these to outside
7 organizations or companies, I would certainly have
8 more concern than I do about keeping them, if you
9 will, within our house.

10 DR. MANSFIELD: How about making Fac Reps
11 more untouchable when it comes to collateral
12 assignments?

13 MR. ERICKSON: And that's important, too,
14 and there was a strong conscious decision on my part
15 for the individual FRs who recently have joined with
16 the Laboratory in the integrated work plan effort. I
17 recognize, exactly as you said, that these people
18 would not be available for floor work.

19 But given the importance of the integrated
20 work plan activities, given the discussions that Dr.
21 Nanos and I had on this issue, I felt that for the
22 short term -- and it was just a short term, a matter
23 of less than two months, these FRs would be assigned
24 to this group to, in fact, bring the kind of expertise
25 and experience so that we could produce an integrated

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1 work plan change in the policy that would benefit the
2 Laboratory.

3 Now, those people are done for the most
4 part, and they're back on their "regular assignments"
5 on the floor as you say. And I don't disagree with
6 you, but that was a conscious management decision on
7 my part in what I felt was the best interest of safety
8 at the Los Alamos site.

9 DR. MANSFIELD: Thank you.

10 CHAIRMAN CONWAY: Why don't you proceed.

11 MR. ERICKSON: I'll scoot through the rest
12 of this, and we can get to more questions.

13 In line of inquiry four, in order to
14 minimize the probability that gaps in oversight
15 develop as new approaches to contractor assurance and
16 line oversight are implemented, the Site Officers work
17 with the contractor in the conduct of the program
18 reviews.

19 Efforts to base the Site Office oversight
20 and the quality and integrity of the UC [University of
21 California] LANL self-assessment programs continue as
22 part of DOE 450.5. Reviews of the LANL contract
23 assurance system documents that required -- that most
24 required elements of the assurance system exist
25 through, and have been implemented, although the

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1 effectiveness to date has been somewhat limited.
2 Director Nanos will discuss this later in his
3 testimony.

4 In regard to line of inquiry number five,
5 having to do with the Columbia investigation, I've
6 read the Columbia investigation report, and I am
7 personally participating in the NNSA-wide lessons
8 learned program being led by General Haekel.

9 Copies of the report were provided to all
10 my senior managers and are required reading. Senior
11 managers subsequently discussed the report with their
12 technical staff, their SMEs [Subject Matter Experts].

13 The Laboratory, with encouragement from my office,
14 also conducted a review and evaluation of these
15 processes. And, again, I think Director Nanos will
16 have more comment on that in his testimony.

17 And, finally --

18 DR. MANSFIELD: Mr. Chairman, one
19 question. It appears appropriate to interject our
20 questions now rather than later.

21 On the question of oversight, some
22 activities that you do at Los Alamos are similar to
23 activities at the plants, which we have noted profit
24 greatly from good technical oversight from
25 Headquarters. Some of those Los Alamos activities,

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1 for instance, are pit fabrication, the TA-55 [a LANL
2 facility] work, the plutonium [Pu] 238 work, perhaps
3 TA-18 [a LANL facility], things like that.

4 We have been concerned that unlike, for
5 instance, the situation at Naval Reactors [NR] as
6 observed upon in the -- as commented on in the
7 Columbia report, we've observed that there are no
8 really strong technical contact points at Headquarters
9 to be in daily contact with you and Admiral Nanos on
10 technical issues that need to be fixed real quick, and
11 fixed right, and fixed carefully.

12 That Headquarters, in my opinion, as a
13 remote observer, far less involved than SP [Navy
14 Strategic Systems Project Office] or NR were in their
15 work. Do you think that's healthy?

16 MR. ERICKSON: I think it's different. I
17 know that doesn't answer your question. And I say
18 that only because where we require specific kinds of
19 technical expertise that currently doesn't exist at
20 our Site, we do reach out to those individuals,
21 whether they're in the Service Center or whether
22 they're in Headquarters, and there are --

23 DR. MANSFIELD: That's not really what I
24 meant.

25 MR. ERICKSON: Okay. I'm sorry.

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1 DR. MANSFIELD: I don't -- when the NR
2 representative at the shipyard sends a pink up to --
3 or sends a letter up to Headquarters -- part of the
4 system of reporting -- he's not asking for advice.
5 He's doing his job of communicating, so that a -- so
6 that the system can be assured that everybody that
7 needs to weigh in has weighed in.

8 My comment really is that nobody at
9 Headquarters needs to weigh in, because they seldom
10 have anything to offer. Is that healthy?

11 ADMIRAL NANOS: Would you like me to
12 comment?

13 DR. MANSFIELD: Yes, I would.

14 ADMIRAL NANOS: Well, the issue with NR --
15 and it's interesting because at the Naval Sea Systems
16 Command I set up an NR-like system for non-nuclear
17 shipyard quality. And the difference in the spirit is
18 that in the NR system, or in the system that I set up
19 at NAVSEA [Naval Sea Systems Command] -- with the help
20 of NR, by the way -- and in my experience at SP, it
21 was expected that the Site Reps, the Representatives,
22 would report directly to Headquarters, to the top of
23 the management chain, and were required to write
24 letters and develop issues for discussion.

25 So that it was presumed that nothing was

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1 perfect, and that, therefore, if you couldn't -- if
2 you didn't have any issues to discuss, you weren't
3 properly doing your job. And it was this proactive
4 nature of management -- and it was one that the top
5 management at the -- for me at NAVSEA, for Admiral
6 Skip Bowman at NR, for me when I was in SP, it's this
7 attitude of management -- "If you're not trying or
8 developing issues, you're not trying, and you're not
9 looking" -- that created a spirit of inquiry that kept
10 everybody on their toes. And it was the proactive
11 central interest in that that counted.

12 That doesn't exist at all that I can find
13 yet in the DOE culture. It certainly doesn't even
14 exist in my own laboratory, which is a weakness.

15 MR. ERICKSON: Let me try one more on this
16 one, see if I can do a little bit better. One of the
17 things that we do do -- the FRs produce a quarterly
18 report, each one, and in that quarterly report,
19 identify -- I'm not sure how familiar you are with --
20 but identify findings, good practices, issues that
21 need to be resolved. That comes to me. I read that
22 every month, provide them with comments, but it also
23 goes to the appropriate Headquarters counterparts
24 within Ev Beckner's organization for their review.

25 And occasionally -- I mean, I'll be blunt

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1 -- occasionally we do get some feedback from
2 Headquarters, but it -- we don't have on, I'll say, a
3 day-to-day kind of contact in that regard. And part
4 of the difference there is, frankly, because
5 Headquarters is more focused on program.

6 The Site -- myself -- we're charged with
7 the authority and responsibility for accepting the
8 risk of operations at the Site. We are not charged
9 with program.

10 Somebody always told me, "You can always
11 tell what you're responsible for. You just have to
12 look at your performance appraisal plan." You look at
13 my performance appraisal plan, and there's nothing in
14 there about programmatic activities. It's all about
15 safety, security, environmental compliance. Program
16 doesn't enter into it.

17 So we take our view that we at the Site,
18 the Site Office personnel, and especially in oversight
19 and other activities, are focused on assuring that
20 there's a safe, secure facility that can accomplish
21 whatever mission the program people deem appropriate
22 and assign to us, and obviously provide the funding.

23 So that's a difference that exists. I
24 don't know whether it's right or wrong, but it's a
25 difference. And it's certainly the one we're

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1 employing, because, as I said before, I'm responsible,
2 I'm accountable. If there's an issue of safety and
3 security at the Site, they come to me. They don't
4 come to the program people in Washington.

5 DR. MANSFIELD: Well, all right, then. Is
6 there the kind of communication between the field and
7 Headquarters that the Columbia Report and Admiral
8 Nanos described, does that take place in the program
9 area? I mean, are there people at Headquarters that
10 must be involved in resolution of technical issues at
11 every step? And are in continual contact with the
12 Laboratory on program issues?

13 MR. ERICKSON: I wouldn't say at every
14 step. It's a second order kind of relationship. The
15 big decisions, whether we're doing a particular --
16 whether we have to make a determination whether to
17 spend money on something to do with pit certification
18 versus W-76 [designation for a nuclear warhead]
19 activities, that's a decision that's made by the
20 program people in Headquarters, not one that I get
21 involved with, other than to be perhaps aware of, but
22 none that concern me on a specific basis.

23 If there's an issue over whether we can
24 conduct an experiment safely, yes, I'm very much
25 involved with that. So this is a different view, and,

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1 frankly, I think part of the difference in how NNSA
2 reengineering has approached the oversight model, in
3 the sense, again, that the Site Offices are
4 responsible for safety, for security, less or not at
5 all responsible for program. Headquarters, on the
6 other hand, is where the programmatic decisions and
7 direction come from.

8 DR. MANSFIELD: Okay. Thank you.

9 VICE CHAIRMAN EGGENBERGER: Let me help
10 you. You, in the first part of your testimony, talked
11 about the "what" and the "how" relative to the
12 Headquarters and to the field organization.

13 What I'd like you to try and tell me is,
14 what do you believe is the appropriate oversight of
15 your operation by Headquarters? You have spoken about
16 what things are. I'm asking you: what do you believe
17 the appropriate oversight model or amount of oversight
18 should be?

19 MR. ERICKSON: I think we are learning
20 what that should be through the last 12 or 18 months
21 of reengineering NNSA. I think it needs to provide
22 the necessary appropriate independence. We get some
23 of that from Glenn Podonsky's organization. We get
24 that from -- some of that from Mr. Sohinki's
25 organization.

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1 We also should get some of that from
2 internal NNSA organizations, either from a project
3 standpoint, from Jim Mangeno as the Senior Technical
4 Safety Advisor to the [NNSA] Administrator. We should
5 get some of that from the Service Center, which is
6 basically an arm of Headquarters.

7 We recently, for instance, had a review on
8 Quality Assurance at the Los Alamos Site Office by
9 Dick Crowe and a number of people. It went well.
10 They pointed some lessons learned out to us and things
11 that we're going to attend to and apply.

12 So I think that's the kind of oversight
13 that is appropriate to the Site Office at this point
14 in our, let's say, maturation of this new way of doing
15 business within NNSA. That's not to say that over
16 time we won't find things that need to be improved,
17 changed, and we'll take those.

18 I mean, we're not -- this is not cast in
19 stone. This is a work in progress, and we're still
20 trying to understand the best way to make it better.

21 VICE CHAIRMAN EGGENBERGER: Well, the
22 important thing, I would think, is whatever the
23 oversight is now needs to be effective. And I believe
24 you have problems in that area. Let me give you an
25 example.

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1 We have been talking with you for more
2 than a year about the Plutonium Recovery Line in
3 TA-55. I just find that unbelievable, that we cannot
4 come to some type of agreement on what should be done
5 with respect to safety. And, hence, I conclude that
6 you need help, because it's -- it can't be done.

7 And I would believe that a strong
8 Headquarters organization who worries about the
9 mission, the mission being done safely, would worry
10 about things like that, rather than let this go on so
11 long. So I'm not convinced, Mr. Erickson, that you
12 have the horses to do what your -- what you have been
13 explaining in your testimony.

14 MR. ERICKSON: Specifically on that, it's
15 interesting in the sense that that's, of course, a
16 Nuclear Energy [NE] program, not an NNSA program. And
17 you're correct, we have not received much, I'll say,
18 "help" from the Headquarters organization and NE on
19 that directly.

20 But that's not because -- it's not because
21 of anything in particular. I believe the Laboratory
22 has indeed, as you said, struggled with the issue on
23 scrap recovery. We've had continuing, and I think
24 sometimes challenging, discussions with the Board, the
25 Board staff, and our own Site Rep.

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1 If we would not have had the incident in
2 TA-55 where we released some material and had uptake
3 of two individuals back in August, I think we probably
4 would have made better progress.

5 But when that occurred, I made the
6 conscious decision, along with the Director, that
7 because of the implications that that had for all the
8 activities associated with Pu 238, we would put those
9 things on hold until the Type B investigation report
10 was completed, the judgments of need were identified,
11 and then, utilizing those, how they could be applied
12 not only to the specifics of that incident, but across
13 the board, for all Pu 238 activities at the Site, and
14 then, frankly, even as a result of that, even more
15 broadly to all of the activities where we handle these
16 kinds of materials at the Site, because that was --
17 that investigation revealed some pretty serious
18 concerns.

19 And so you're right, we're behind on that
20 mission. We're not probably going to be able to
21 support the Pluto Mission that was coming from that.
22 I made that consciously -- decision not to be -- not
23 to do that, because I didn't see program getting in
24 the way of doing the right thing for safety. So --

25 VICE CHAIRMAN EGGENBERGER: See, I contend

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1 that both of these are related. And I don't see that
2 strong connection being made by your operation. And
3 if you had appropriate oversight, I think that a
4 strong technical organization would find the
5 relationship between these two incidents and may have
6 even prevented them from happening.

7 There is a problem with being down in the
8 forest bumping around the trees when one needs to
9 stand back and look at things. We see this all over
10 the Complex. And we have lost that strong, enveloping
11 look at operations and safety, I believe.

12 Thank you.

13 CHAIRMAN CONWAY: Okay. Dr. Matthews.

14 DR. MATTHEWS: Yes. You said earlier that
15 you are now in this risk acceptance role. We've heard
16 that and read it in some of the documents coming out
17 of NNSA. I wonder if you could spend a little time
18 explaining what exactly that role means, and how in an
19 operational sense you'll execute that, how will you
20 quantify risk, and how you will make decisions based
21 on risk.

22 I'm particularly interested in the context
23 of nuclear safety, not industrial safety risk.

24 MR. ERICKSON: And I'll try to answer
25 that. Let me start from a little bit different

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1 perspective, because it's -- the authority and
2 responsibility that has been delegated to me is more
3 than just nuclear safety risk. It's nuclear safety,
4 but it's also security, it's also environmental
5 compliance.

6 So any time we take on any activity, we
7 have to include all of those. But to specifically go
8 to nuclear safety, I have a very strong nuclear safety
9 team headed up by Chris Steele and seven, I think,
10 very qualified, intelligent, experienced people.

11 Their job is to review those documents,
12 review the USQs [Unreviewed Safety Questions], review
13 those nuclear safety issues that come across our plate
14 -- to put it that way -- at the Site. I rely on their
15 expertise, I rely on their experience and their
16 recommendations.

17 When we are in the process of accepting a
18 particular DSA [Documented Safety Analysis] or
19 accepting, or giving direction to the contractor with
20 regard to a USQ, those are discussions that, first of
21 all, take place within that group, and then they are
22 brought to me as informational in the sense that my
23 responsibility is to kind of quiz them, I guess, to my
24 own satisfaction that the risks that they've
25 identified, or the contractor has identified, and the

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1 mitigative measures, both -- either engineered
2 controls or administrative controls, are appropriate
3 and reasonable and acceptable.

4 Does that answer your question? Or I'll
5 elaborate more.

6 DR. MATTHEWS: Well, sort of. But I'll
7 continue --

8 MR. ERICKSON: Help me out.

9 DR. MATTHEWS: -- if I can. Based on
10 that, what I don't understand is how you quantify
11 risk. So can you tell me what the two or three top
12 risks are at the Los Alamos Site, the things that --
13 in a nuclear sense, of course -- but the things that
14 keep you awake at night.

15 MR. ERICKSON: Yes. I think certainly it
16 centers on probably three facilities right now: CMR
17 [Chemical and Metallurgy Research], TA-55, and TA-18,
18 not in any particular order, but just in the ones that
19 come to me.

20 And those three facilities, because they
21 have the most significant material at risk, they have
22 the most serious potential consequences of releases,
23 and, frankly, there are facilities, at least in two of
24 them, that are very old -- CMR and TA-18 -- and that
25 need to be either replaced or significantly modified.

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1 Obviously, CMR, our replacement project
2 which is being considered right now, would solve the
3 issue of the current CMR, but not for another decade
4 approximately. That's why I'm concerned about CMR.

5 TA-18 -- obviously, we understand not only
6 the safety but the security risks associated with
7 that. But in the area of safety, there are
8 significant concerns that keep me awake at night. And
9 TA-55, again, because of the material involved there,
10 the variety of operations that occur there, those are
11 my top three that keep me awake at night.

12 DR. MATTHEWS: Okay. Well, this is going
13 to go back to the previous --

14 MR. ERICKSON: Sure.

15 DR. MATTHEWS: -- conversation. Then, why
16 has the safety analysis report for TA-55 been
17 languishing, for better word, for, what, a year and a
18 half?

19 MR. ERICKSON: Right.

20 DR. MATTHEWS: Can you explain that? Is
21 that the resource issue that we've been talking about?

22 MR. ERICKSON: It's a combination.
23 Certainly, it is part of a resource issue within our
24 own Site Office. Two, it's the fact that probably the
25 TA-55 operation is "in better shape" than the other

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1 two at this point in time. It's a newer facility.

2 But I have been, and continue to be,
3 disturbed by the lack of progress on that. And my --

4 DR. MATTHEWS: Well, it just seems to me
5 if that's one of your highest risks, that's something
6 that deserves a lot of attention.

7 Let me just go a little bit further, if I
8 may, Mr. Chairman. We had previous testimony by
9 Captain Hicks that basically suggested some of the
10 changes in oversight could degrade the focus on
11 nuclear safety. You know, that our most important
12 safety programs are really aimed at preventing and
13 regulating a nuclear explosive incident, if you like.

14 And I'm just curious, have you read that
15 testimony from Captain Hicks?

16 MR. ERICKSON: I was here for his oral
17 testimony, and I've also read since then the actual
18 testimony for -- that was submitted for the record.

19 DR. MATTHEWS: So just discuss a little
20 bit for me, there seems to be a trend to move some of
21 the responsibility for oversight and regulation to the
22 Site Office. And I wonder if you could comment on the
23 strength of nuclear explosive safety relative to the
24 new changes in roles and responsibilities in oversight
25 that are coming.

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1 MR. ERICKSON: Yes. I was taken by Mr.
2 Hicks' testimony. I mean, he presents this regulatory
3 model with three elements -- requirements,
4 implementation, and enforcement, I believe it was.
5 And I think he makes a good case on requirements. He
6 talks about the DOE orders. He talks about the
7 various 10 CFR 835 [Radiation Protection Rule], 830
8 [Nuclear Safety Rule], etcetera, etcetera.

9 And I think I'm in pretty much full
10 agreement with that. Where I may differ from his
11 model is -- and it goes back to a previous discussion
12 we had this morning -- is that implementation and
13 enforcement.

14 I see the implementation being done at the
15 Site, and the oversight as a part of the
16 implementation being done at the Site, closer to where
17 the work is actually being done on a day-to-day basis
18 without having people coming from alternate locations,
19 Headquarters, or anywhere else. But every single day
20 that implementation and the oversight by the
21 contractor and the oversight of the contractor by feds
22 is done right there on the ground. We don't rely on
23 people from other places.

24 The third part -- enforcement -- is a
25 little bit interesting, because it comes from almost

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1 two places. I've talked about Podonsky's
2 organization, and I've talked about the PAAA
3 organization as being enforcement kinds of activities.

4 But through the Appendix F process, which
5 is an agreement basically between the Laboratory and
6 the Site Office as to what kinds of things are
7 important, what kinds of things are going to be
8 performed that year, and then the assessment that goes
9 on -- self-assessment by the contractor as well as the
10 assessment by the feds on the Site -- I think lend a
11 very real time kind of approach to "enforcement" --
12 not all enforcement, but it's an enforcement activity
13 that there's constant back and forth during the year
14 on how progress is being made, where shortfalls are;
15 "Do you need to pick up the pace?", for instance, in
16 the areas of Documented Safety Analysis, which I'm
17 sure Director Nanos will agree has not been a strong
18 point for the Laboratory over the last couple of
19 years.

20 So I think that Mr. Hicks' testimony was
21 intriguing to me. I'm not sure he has a full
22 understanding of how it would work specifically at the
23 Los Alamos Site Office, because, as far as I know, he
24 hasn't been to our office in the last two years.

25 DR. MATTHEWS: Thank you.

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1 CHAIRMAN CONWAY: Dr. Mansfield, do you
2 have another question?

3 DR. MANSFIELD: Just one more. You know,
4 we've been -- it's not the subject -- precise subject
5 we're going to be addressing today, but we've been
6 concerned for years that Los Alamos is the last Site
7 without an implementation plan for nuclear residues in
8 94-1 [Board Recommendation 94-1, Improved Schedule for
9 Remediation in the Defense Nuclear Facilities
10 Complex].

11 And we -- you know, we've seen areas --
12 directions where that program might be improved, like,
13 for instance, changing the economic discharge limit.

14 MR. AZZARO: Excuse me. You are nodding
15 your head, and it appears to be in agreement, but I --
16 the Court Reporter can't pick that up. If you
17 could --

18 MR. ERICKSON: Yes, I'm in agreement with
19 you, sir.

20 DR. MANSFIELD: And the exposure reduction
21 line --

22 MR. ERICKSON: Yes.

23 DR. MANSFIELD: -- for startup and things
24 like that. Can you give us any indication when you
25 expect to see improvements in that area?

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1 MR. ERICKSON: Well, I expect to see
2 improvements on a daily basis. Unfortunately, we
3 haven't had that. And I'd like to go back just for a
4 moment to the recent -- in August -- TA-55 incident
5 with the Pu 238, which further pointed up this issue
6 that says, look, you know, we have this material
7 that's just sitting around. And we ought to be doing
8 something with it, whether it's through the economic
9 discharge limit, or whether it's just good practice of
10 taking material that's no longer appropriate and
11 usable and dealing with it.

12 Part of that is a programmatic issue, and
13 we've got to do a better job of working with the
14 programmatic people in Washington, within NNSA, within
15 NE, within who -- whichever organization happens to
16 "own" that material.

17 I'll say it again for the record. You are
18 absolutely right. We've done less than a stellar job.

19 We've done a poor job in that implementation plan.
20 We don't have an implementation plan. There are a
21 number of reasons, and we've had some of these
22 discussions before. I'm not satisfied and -- I'm not
23 satisfied.

24 DR. MANSFIELD: My last question, Mr.
25 Chairman. Previously NNSA has conducted integrated

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1 safety management verifications in the field that
2 focused on the operations office. Now that you don't
3 have an operations office, how is NNSA Headquarters
4 going to conduct their ISM [Integrated Safety
5 Management] verifications?

6 MR. ERICKSON: Actually, we're doing that
7 within the Site Office. And we do that in the
8 traditional way of doing that verification. When we
9 have a need for it, again, we would use resources from
10 the Service Center or perhaps Headquarters. But I
11 really see that as a responsibility of the individual
12 Site Office, not one of Headquarters.

13 Again, going back to the model I'm using
14 that Headquarters is really focused on the program
15 kinds of decisions, and the Site Offices are
16 responsible for the activities, including ISM at the
17 individual Site.

18 CHAIRMAN CONWAY: Okay. You talk of
19 utilizing the personnel from the Albuquerque Service
20 Center to make up on the shortfall of some of your
21 technical needs. These are people who are full-time
22 feds, are they not?

23 MR. ERICKSON: Yes.

24 CHAIRMAN CONWAY: Yes. They are Q-cleared
25 [a DOE security clearance].

1 MR. ERICKSON: Yes.

2 CHAIRMAN CONWAY: What is the problem --
3 administrative problem -- when they come to help you
4 that they must be under escort when you're being --
5 when they're trying to work with your people?

6 MR. ERICKSON: I'm not --

7 CHAIRMAN CONWAY: I'd suggest you look
8 into it. Our Site Representatives tell us that they
9 don't have unescorted access in your facility, and
10 that they require -- the Facility Reps have to drop
11 their job and take them around and escort them. It
12 seems to me there is something wrong administratively.
13 I'd look into that.

14 MR. ERICKSON: I will --

15 CHAIRMAN CONWAY: Do you read our reports?

16 MR. ERICKSON: I will look into that.

17 CHAIRMAN CONWAY: Do you read our Site Rep
18 reports?

19 MR. ERICKSON: Absolutely.

20 CHAIRMAN CONWAY: Okay. Okay. Kent, did
21 you have any questions you'd like to ask?

22 MR. FORTENBERRY: Yes, I did. One of the
23 reasons for this series of hearings has been
24 questioning the -- what appears to be a reduction in
25 oversight, clear reduction in oversight from

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1 Headquarters and more reliance on the Field Office.

2 And if I can summarize your written
3 testimony, Ralph -- and you can take exception to this
4 if you would like -- but what I heard was that the
5 Site contractor performance assessment or Performance
6 Assurance System is not mature and needs improving.

7 MR. ERICKSON: Agree.

8 MR. FORTENBERRY: You are looking toward
9 establishing a good self-assessment program for the
10 Site Office.

11 MR. ERICKSON: Agree.

12 MR. FORTENBERRY: And you need people, you
13 need Facility Reps, you need subject matter experts.
14 Your Contractor Assurance System, the contractor
15 system, has shown limited effectiveness.

16 MR. ERICKSON: Agree.

17 MR. FORTENBERRY: The Site Office
18 corrective action tracking is not satisfactory, and
19 you're looking to --

20 MR. ERICKSON: Agree.

21 MR. FORTENBERRY: -- improve that. That's
22 sort of my summary. So my conclusion from that is
23 that we clearly are -- are right in being very
24 concerned about an idea of saying we're going to just
25 turn oversight over pretty much completely to the

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1 Field Office, and Headquarters will worry about the
2 program, and the Field Office will do the oversight.
3 Any reaction to that conclusion?

4 MR. ERICKSON: I would react to the
5 conclusion from the sense that it's a challenge we
6 face. We have an opportunity, I believe, to take out
7 many of the questionable value-added layers of
8 organization that existed before the NNSA
9 reengineering, and get to an organization that can
10 become more effective, more efficient, in oversight by
11 focusing that oversight at the pointy end of the
12 spear, so to speak, right where the work is going on
13 on a day-to-day basis.

14 That we can take ourselves out of the
15 programmatic kinds of decisions and say, look, I'm
16 responsible, and my people are responsible at that
17 Site, on a day-to-day basis -- morning, noon, and
18 night -- for all aspects of operational safety and
19 security and environmental compliance.

20 We don't come there once a week, or we
21 don't come there once a month and do a review. We're
22 there every day doing our job, doing reviews,
23 interacting with the contractor.

24 That's a different model; I agree with
25 you. But it's a model that I don't believe has had a

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1 full chance yet to be successful.

2 MR. FORTENBERRY: Yes. And I kind of
3 wanted to point out there is certainly discussion
4 about the model, and which one is appropriate, and
5 whether you can rely fully on the Field Office, or
6 whether you need different types of oversight.

7 But I just wanted to make the point that
8 regardless, even if you decide -- or, you know,
9 there's a decision about the model, there are still
10 some problems at the Field Office in terms of being
11 ready to implement either one, either model. I just
12 wanted to point that out.

13 MR. ERICKSON: We still face those
14 challenges, I agree.

15 MR. FORTENBERRY: Yes. I wanted to ask a
16 little bit about the Federal Technical Capability
17 Program, implemented in large part through the Federal
18 Technical Capability Panel. The November quarterly
19 report from this year points out that -- it basically
20 reports progress on meeting the goal of qualified
21 federal folks of 20 Sites' locations. Eight of those
22 Sites did not -- have not met that goal, and this goal
23 has been around for many years.

24 MR. ERICKSON: Yes.

25 MR. FORTENBERRY: Seven of those eight

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1 Sites are NNSA Sites.

2 MR. ERICKSON: Yes.

3 MR. FORTENBERRY: And one of them, of
4 course, is Los Alamos.

5 MR. ERICKSON: Yes.

6 MR. FORTENBERRY: And what I've also
7 observed is a lack of participation by NNSA in
8 general, but LANL specifically, in the Federal
9 Technical Capability Panel work, the lack of
10 attendance.

11 And so it begs the question again, if the
12 field elements have taken on this responsibility, and
13 now have to decide what capabilities they need, they
14 have to implement, again, it looks like there is --
15 they are not quite ready to take on those
16 responsibilities in terms of focusing on the key
17 elements of making that successful technical
18 capability and competence.

19 Any comments on that?

20 MR. ERICKSON: Yes. I don't disagree with
21 the facts and figures that you've put forward. The
22 only mitigating circumstance I'll try to lay out for
23 you is the fact that, because of the changes that are
24 going on over the last 12 months, we've had people
25 moving from one kind of activity to another, out of

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1 program into oversight kinds of activities.

2 And so because their jobs and
3 responsibilities have changed, we need to reevaluate
4 how they fit into the Federal Technical Capabilities
5 Program. Are we behind on that? Yes. Is it a
6 criticism that's well founded? I agree.

7 MR. FORTENBERRY: Well, just one more
8 quick comment, and that is there was some discussion
9 about the TA-55 SAR [Safety Analysis Report], the
10 Safety Authorization Basis Team, and inadequate
11 resources in terms of your having to pick what -- for
12 example, what SARs are more important to you.

13 And I'll point out that there was -- the
14 current SAR that's unapproved has some very specific
15 controls in terms of packaging of Pu 238 that may
16 have, in fact, prevented your uptake.

17 So, but I wanted to ask about what I
18 understand to be the lack of any assistance from the
19 Service Center and the lack of any assistance from
20 Headquarters for reviewing these SARs. In other
21 words, you have this backlog. There's a lot of work
22 to be done. You don't have enough resources at the
23 Site.

24 And apparently, there are not people
25 available or qualified to provide you any assistance.

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1 Well, you've got the Service Center out there, and
2 they come and do help you when you need it, and what
3 not. But I don't see that in action in areas that are
4 very vitally important.

5 MR. ERICKSON: Let me go back to one thing
6 you said about the recent uptake. In fact, the
7 requirements for how those cans were to be taped was
8 not how they were taped. The way they are shown in
9 the draft SAR is the correct way, with cross tape, not
10 circular tape. So, unfortunately, that would have not
11 necessarily prevented this incident, because they were
12 taped incorrectly.

13 But to get to your point, I have not had
14 an instant yet -- instance yet where I have asked for
15 support, either from Headquarters or from the Service
16 Center, where that support has not been forthcoming by
17 appropriately qualified technical people.

18 MR. FORTENBERRY: So you have not
19 attempted to get any help in the -- with reviewing
20 SARs that have languished for a long period of time?

21 MR. ERICKSON: I haven't asked for that
22 kind of support because of the specificity that those
23 SARs have and the fact that you really need to have a
24 more day-to-day understanding of the activities at the
25 Site to really be helpful in that area, in my opinion.

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1 CHAIRMAN CONWAY: Dr. Eggenberger?

2 VICE CHAIRMAN EGGENBERGER: You made
3 reference in response to one of Mr. Fortenberry's
4 questions about these tiers of oversight that have
5 been eliminated now. Could you tell me specifically
6 which tiers have been eliminated?

7 MR. ERICKSON: Starting with the
8 Albuquerque Operations Office, and the fact that that
9 organization ceased to exist approximately a year ago,
10 is probably the biggest bureaucratic level, tier,
11 however you'd like to term it. The fact that I have
12 responsibility and authority in my office for the
13 activities at the Site is -- and not having to go to
14 Albuquerque to request permission or whatever, has
15 made a tremendous difference at the Site.

16 And, again, the remodeling if you will of
17 NNSA so that the Site has responsibility for risk
18 acceptance and oversight and the programmatic
19 activities are then dealt with by the Headquarters
20 individuals.

21 VICE CHAIRMAN EGGENBERGER: What other
22 tiers have been eliminated?

23 MR. ERICKSON: Well, that's the primary
24 tier, but you've got to remember that the Albuquerque
25 Operations Office was itself made up of a number of

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1 sub-tiers. So you might have to go through two or
2 three parts of that organization before you could get
3 an answer to a particular question or a decision.

4 So I would say two or three tiers have
5 been eliminated because of the removal of the
6 Albuquerque Operations Office.

7 VICE CHAIRMAN EGGENBERGER: Any tiers at
8 Headquarters?

9 MR. ERICKSON: I would say no.

10 VICE CHAIRMAN EGGENBERGER: Okay. But
11 now, you do have a tier still existing if you desire
12 to use the Albuquerque Service Center, is that
13 correct?

14 MR. ERICKSON: I don't see that, I guess,
15 as a tier. I see that as a Service Center. They
16 provide service. They provide individual expertise,
17 federal for the most part, but they also have some
18 very valuable non-federal people under contract that
19 we also can utilize.

20 VICE CHAIRMAN EGGENBERGER: I see. Thank
21 you.

22 MR. ERICKSON: Okay.

23 CHAIRMAN CONWAY: Admiral Nanos, we will
24 turn to you now.

25 ADMIRAL NANOS: Okay. Mr. Chairman,

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