



Department of Energy
Washington, DC 20585

November 13, 2006

Mr. Charles Terhune
Senior Vice President and Project Manager
Parsons Infrastructure and Technology
1080 Silver Bluff Road
Aiken, SC 29803

Dear Mr. Terhune:

The Department of Energy's (DOE) Office of Enforcement, now within the Office of Health, Safety and Security, which administers the Price-Anderson Amendments Act (PAAA) nuclear enforcement program, has been conducting a limited, informal review of the Parsons Infrastructure and Technology (Parsons) PAAA program. The purpose of this limited review has been to aid Parsons in identifying PAAA program strengths and weaknesses with the overall goal of enhancing the effectiveness and efficiency of your program for identifying, screening, reporting, and correcting nuclear safety noncompliance issues. Because of the importance our office places on contractor performance assessment processes, we also performed a limited procedural review of your Management and Independent Assessment programs. While our usual practice is to conduct a site visit in connection with our PAAA Program review, we have decided to conduct this review without a site visit in order to be as unobtrusive as possible to your operations while conserving our staff resources. Nonetheless, we are confident that this review will assist Parsons in calibrating its PAAA program to the performance of other PAAA programs in the DOE complex and to the expectations of the Office of Enforcement. In support of our review of your program, the documents provided by Parsons in response to our request have been reviewed by our office. On September 5, 2006, a telephone conference was conducted with members of your staff to gain additional insight into your PAAA program and Management/Independent Assessment programs, and to obtain clarification of certain issues. We particularly appreciate your staff's assistance and cooperation.

Based on the critical mission associated with the design, construction, and operation of the Salt Waste Processing Facility (SWPF) and the potential impact on workers, the environment, and the public, it is important that your PAAA program be an effective and integral part of your operations. There are several areas of strength in the current program, but opportunities for improvement exist which must be addressed to achieve the level of excellence we seek for all segments of the DOE contractor community.

The Office of Enforcement identified several positive attributes in the Parsons PAAA program which include the following:

1. The review of the corrective actions management and assessment related procedures demonstrated that PAAA functions are well integrated into these procedures.
2. The PAAA Coordinator serves as the Chairman for the Senior Review Board (SRB). This provides the PAAA Coordinator with access to Parsons senior management in the evaluation of PAAA noncompliances for potential reporting into the Noncompliance Tracking System (NTS).
3. The causal analysis procedure lists several types of analytical techniques available to personnel in conducting a root cause analysis. With each of the techniques the procedure details the circumstances in which it is appropriate to use a given technique, and the advantages and disadvantages of each technique.
4. A single database called the Issues and Corrective Action Tracking and Trending (ICATT) is used to monitor issues for which formal corrective actions have been identified. Through discussions with Parsons personnel it was identified that a recent revision to ICATT included an additional field to flag those issues which involve PAAA noncompliances. The addition of this field will enable the PAAA Coordinator to readily track and trend nonreportable PAAA noncompliances for potential programmatic or repetitive noncompliances.
5. Corrective action effectiveness reviews are procedurally required for significant issues. In addition, a periodic assessment of sampled issues from ICATT is performed to verify effectiveness of closed corrective actions.

In addition, the Office of Enforcement also identified several areas of weakness in the Parsons PAAA program and Management/Independent Assessment programs that require attention in order to be consistent with the Office of Enforcement's guidance and expectations. These weaknesses include the following:

1. The PAAA procedure does not address training requirements for the PAAA Coordinator. It is recommended that the procedure be revised to include these training requirements.
2. The PAAA procedure is often confusing or inaccurate with regard to PAAA noncompliance screening and NTS reportability evaluation. The terminology used to describe these two distinct functions is not stated in a manner such that it accurately describes what is meant. For example, the procedure references the use of Appendix B in making a PAAA noncompliance determination. However, Appendix B contains the criteria used to make the NTS reportability determination once a PAAA noncompliance has already been determined to exist. The stated use of Appendix A of the procedure to screen noncompliances and make NTS reportability evaluations

is likewise confusing or inaccurate. For example, Appendix A implies that the SRB is to make a PAAA noncompliance determination after the PAAA coordinator has previously determined that a PAAA noncompliance exists. However, the body of the procedure states that the SRB is convened to determine NTS reportability of the previously determined PAAA noncompliance using the criteria contained in Appendix B. It is recommended that the PAAA procedure be rewritten to more closely reflect the Office of Enforcement's guidance.

3. Documentation of PAAA noncompliance screening is not consistent with Appendix A of the PAAA procedure. Appendix A of the procedure requires that both the PAAA coordinator and the SRB conduct PAAA noncompliance determinations and record their decisions. However, in practice what is being performed and recorded are the NTS reportability evaluations. Results of PAAA noncompliances determinations are not formally documented as required by Appendix A. It is recommended that the PAAA procedure be rewritten to more closely reflect DOE guidance and that this revised procedure be implemented in accordance with the requirements contained therein.
4. The PAAA procedure states that the SRB uses the guidance in Appendix B (guidance provided in Enforcement Guidance Supplement 03-02) or *an equivalent methodology* to determine if an issue is a reportable PAAA noncompliance. Parsons personnel interviewed could not provide an example of *an equivalent methodology*. It is recommended that the use of an alternate methodology to evaluate PAAA noncompliance reportability not be procedurally allowed to remain as an option to the Office of Enforcement's noncompliance reportability criteria detailed in EGS 03-02.
5. Should a PAAA noncompliance be determined to meet the NTS reportability criteria detailed in EGS 03-02 the issue is reported to DOE Savannah River for reporting into the NTS. It is recommended that Parsons contact the Office of Enforcement and register as an NTS user and self-report all noncompliances meeting the NTS reportability criteria.
6. The PAAA procedure, Appendix B, addresses NTS reporting of programmatic and repetitive noncompliances. However, the procedure is silent on how programmatic and repetitive issues are identified. It is recommended that the PAAA procedure be revised to clarify how this determination is made.
7. The PAAA procedure is silent on how Parsons subcontractor noncompliances are identified and reported. It is recommended that the PAAA procedure be revised to reflect this activity.
8. A review of completed PAAA procedure Appendix A forms reveals that in some cases it has taken as long as 10 months for Parsons to evaluate PAAA noncompliances for NTS reportability. It is recommended that once a PAAA

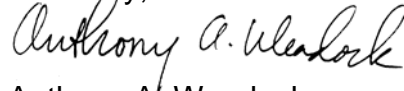
noncompliance has been determined to have occurred, and if the NTS reportability criteria are met, an NTS report be submitted within 20 days.

9. The ICATT procedure states that a corrective action delinquency report is generated and the report is provided to the Functional Area Managers for their consideration. However, Revision 1 of the procedure does not provide for review of delinquency reports by Parsons personnel independent of the Functional Area Manager. Discussions with Parsons personnel indicate that this issue is being addressed in Revision 2 of the procedure.
10. The ICATT procedure, Revision 1, does not address a process for granting an extension to corrective action target completion dates. Discussions with Parsons personnel indicate that this issue is being addressed in Revision 2 of the procedure.
11. The distinction between self-assessments and independent assessment is not clearly established. The Integrated Assessment Program procedure, Revision 0, Figure 2.1, depicts the Parsons assessment program. The graphic indicates that independent oversight assessments are a type of self-assessment conducted. Typically, assessments conducted by entities external to the organization being assessed are not considered self-assessments. This confusion is further exacerbated by the definition of self-assessment in the procedure whereby a self-assessment is defined as “an organization’s self-administered process for identifying problems and implementing changes....” Depending on how one defines “organization,” this definition may include independent assessments as a subset of self-assessments. It is recommended that the Integrated Assessment Program procedure be modified to clarify what is meant by self-assessment and how self-assessment relates to independent assessment.
12. The Integrated Assessment Program procedure requires that Parsons personnel conducting independent assessments be trained and qualified. However, the procedure does not provided any further detail as to what type of training is required, nor are qualification requirements identified for personnel conducting independent assessments. It is recommended that the Integrated Assessment Program procedure be modified to include training and qualification requirements for those personnel conducting independent assessments.
13. The Integrated Assessment Program procedure requires that “Internal independent assessments will be performed by SWPF organizations or personnel that have authority and independence from line management, to support unbiased evaluations.” Further, the procedure states that team members conducting independent assessments “may have line responsibility for area team reviews, as long as they do not review or influence evaluations of their areas of responsibility.” It is recommended that the Integrated Assessment Program procedure be modified to clearly establish the independence of Parsons personnel conducting independent assessments.

We hope that these candid comments will assist Parsons in improving its PAAA program as well as its Management and Independent Assessment programs. We expect that such enhancements will result in improved nuclear safety performance, which is the overarching goal of the DOE PAAA program. In addition, in the event of a future investigation of noncompliance issues, the program improvements discussed above may permit the Office of Enforcement either to forego formal enforcement action or to mitigate any enforcement action that is taken.

No reply to this letter is required. If you have any questions, please contact me at (301) 903-0100, or have your staff contact Mr. Richard Day at (301) 903-8371.

Sincerely,

A handwritten signature in black ink that reads "Anthony A. Weadock". The signature is written in a cursive style with a large initial 'A'.

Anthony A. Weadock
Acting Director
Office of Enforcement
Office of Health, Safety and Security

cc: Robert Bentley, Parsons PAAA Coordinator