

1 get that down to your working people?

2 MR. ALLISON: Well clearly we have to  
3 communicate as management and let them know, you  
4 know, why this change is being made --

5 CHAIRMAN CONWAY: Are you doing this in  
6 writing or is this all verbal?

7 MR. ALLISON: I think most of it is --  
8 I'll have to let Bob talk to that.

9 CHAIRMAN CONWAY: All right.

10 MR. ALLISON: I know I've had a lot of  
11 communication with my workforce in accelerated clean-  
12 up so that's just --

13 CHAIRMAN CONWAY: Okay. So these changes  
14 are being made because of the -- from the  
15 contractors' point of view?

16 MR. ALLISON: Well, the contractors  
17 proposed them clearly as --

18 CHAIRMAN CONWAY: So it's a contractor  
19 proposal. It's coming out of the contractor to you,  
20 and you're approving or disapproving some of them, I  
21 presume.

22 MR. ALLISON: Yeah.

23 CHAIRMAN CONWAY: Okay, so then I should  
24 turn to Bob Pedde and let him explain some of these  
25 changes you're making or proposing to the government

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 so you can speed up your work, but without in any way  
2 adversely affecting safety. Okay, I'll turn it over  
3 to you then, Bob.

4 MR. PEDDE: Okay. One example might be  
5 the utilization of use every time procedures. In the  
6 past, if we have had an event, it was not uncommon to  
7 rely on either a procedure modification or training  
8 as the common corrective action. After 14, 15 years  
9 of that kind of corrective action, a lot of things  
10 got built into our procedures that were addressing an  
11 issue but not necessarily the root cause of that  
12 issue, so what we have been trying to do is go back  
13 and reassess and do that very carefully, and this is  
14 not an easy task as you well appreciate, so that we  
15 take out the layering effect, the unnecessary  
16 requirements and keep the necessary requirements.  
17 Now we haven't done that just -- that's not a top-  
18 down process. That's got to be a bottom up and an  
19 integrated process with the workforce, and a lot of  
20 the changes that we have had in our procedures have  
21 been coming from the workforce to say that, "This is  
22 an impact and actually puts me at risk, may keep me  
23 in a radiation area longer," and from their  
24 perspective, they're recommending changes in the  
25 procedure. We have tried to solicit that very

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 heavily from the workforce. So we have changed a  
2 number of procedures --

3 CHAIRMAN CONWAY: When you have these  
4 manuals, I mean, that should be kind of pretty  
5 formal, should it not? People are operating under  
6 engineering manuals.

7 MR. PEDDE: Oh, yes.

8 CHAIRMAN CONWAY: And so if you're going  
9 to modify them, or change it, you should go through a  
10 pretty formal method.

11 MR. PEDDE: Yes, sir. Every change to  
12 one of our manuals is assessed for the kind of  
13 communication that's given to the workforce. That  
14 can range anywhere from notification that it is  
15 changed, to those that use that manual, to formal  
16 training.

17 CHAIRMAN CONWAY: Now do you submit this  
18 to DOE as suggestions, or do you do this on your own  
19 and do it whether or not DOE agrees or not?

20 MR. PEDDE: If they're internal  
21 procedures, they do not require DOE's approval.  
22 There is, obviously, oversight provided by DOE  
23 though, and as that process proceeds, if they see  
24 something that they're not comfortable with, we  
25 certainly have dialogue.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1                   CHAIRMAN CONWAY:    Okay, but you don't  
2 approve --

3                   MR. ALLISON:    No, I don't approve --

4                   CHAIRMAN CONWAY:    So they can do these --  
5 if you don't like what they're changing in their  
6 efforts to speed things up, what's your method then  
7 of ensuring that the safety is taken care of and that  
8 they don't make the changes?

9                   MR. ALLISON:    Well, if it's something  
10 that I feel strongly about, I'll send them a letter  
11 and --

12                  CHAIRMAN CONWAY:    But they let you know  
13 ahead of time before they implement it or are they  
14 free to implement it themselves without alerting you?

15                  MR. ALLISON:    There's always a lot of  
16 communication as they're, you know, usually when  
17 they're proposing changes, there's a lot of dialogue  
18 with my staff, and I usually get a very early warning  
19 if there is an issue that we don't agree with, and I  
20 usually review those and make sure I understand what  
21 the issues are.

22                  CHAIRMAN CONWAY:    Well, help me on this,  
23 if you would. There is no requirement that they have  
24 to let you know about these proposed changes prior to  
25 implementation? That's what I'm hearing.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 MR. PEDDE: That is correct.

2 CHAIRMAN CONWAY: Okay.

3 DR. MANSFIELD: But you would rely on  
4 your Facility Reps to notice if there has been a  
5 change?

6 MR. ALLISON: My Facility Reps or my  
7 technical reps.

8 DR. MANSFIELD: Could one of you give me  
9 an example of what an unnecessary requirement --  
10 maybe a few examples, of unnecessary requirements  
11 that you might relax.

12 MR. PEDDE: We use every time procedure  
13 as an example of requiring the individual to take the  
14 procedure with them, or relying on an element of  
15 skill to craft in a generic procedure. Most of the  
16 changes I would say that we have made are not  
17 significant changes in major processes. What we're -  
18 - it's -- they're more specific to the individual  
19 implementation arena. Truthfully, I can't think of  
20 any off the top of my head, major changes we've made  
21 in a policy document. They're more specifically  
22 implementations within a facility --

23 DR. MANSFIELD: I was looking for the  
24 specific implementation.

25 MR. PEDDE: I'll be glad to continue to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 think on those.

2 CHAIRMAN CONWAY: Bob, as you know, we've  
3 had in the past, it's been impressions given down at  
4 the working level that you have to try to then  
5 counter, if you will, that speed up was such that  
6 safety was not as important as it had been. That's  
7 the impression that started to come up from the  
8 working force, as you know.

9 MR. PEDDE: Agreed.

10 CHAIRMAN CONWAY: And this was always a  
11 problem when you're starting to speed up work and not  
12 making it clear, so notwithstanding all the  
13 statements you can make from up above, that safety is  
14 still our prime responsibility, and objective, then I  
15 think they think you're winking at it, as you know.  
16 Okay, Bob, I'm going to try to -- let me say this  
17 here. In these statements, I will prepare to put  
18 your full statement in the record as given, as if we  
19 read it, but I'm going to suggest from the witnesses  
20 as we proceed that we sort of summarize your  
21 statement, but we'll put the full statement in the  
22 record. If you would, Bob.

23 MR. PEDDE: Thank you very much. Just  
24 for the record, my name is Bob Pedde. I'm President  
25 of the Westinghouse Savannah River Company [WSRC]. I

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 too, with Jeff [Allison], appreciate the opportunity  
2 to be able to provide some information on our overall  
3 assessment program. I'll just very quickly go over  
4 our assessment program, the staffing that we utilize  
5 to perform those assessments, and our corrective  
6 action program, and provide the time for comments and  
7 questions.

8 Just from a management philosophy  
9 perspective, we have a strong and a long philosophy  
10 of maintaining a strong and robust assessment  
11 program. It's been recognized for many years that -  
12 and many of us came from a commercial background  
13 where a self-assessment program is really the key to  
14 maintaining a strong operations program - it's a  
15 precursor, management needs to be in the field, they  
16 must be in the field setting standards, and the best  
17 way to do that is through assessment programs, and it  
18 fosters continuous improvement that we all expect.  
19 Our program is a two-tiered process, independent  
20 assessment along with management assessments.

21 It's a flow-down from the requirements  
22 documents. I think you're well aware of our  
23 Standards and Requirements Identification Document,  
24 our S/RIDs. The requirements flow in through our  
25 S/RIDs, that's a contractual requirement for us, and

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 then flow into our procedural requirements, including  
2 our 1-Q and 12-Q manuals, which are our QA [Quality  
3 Assurance], and our assessment manuals.

4 The independent assessment program goes  
5 back to the mid-nineties. It was established based  
6 on a model from the INPO [Institute of Nuclear Power  
7 Operations], as a totally independent assessment  
8 process. We have modified it slightly, expanded it  
9 over the years. We have included Integrated Safety  
10 Management as a focus area for every review, and just  
11 recently we included all of our project activities  
12 into the field process.

13 As I mentioned, really all of our  
14 facilities, projects, and programs now fall under  
15 that independent process. Nominally, we will do a  
16 review on every facility in a 12 to 18 month time  
17 frame, depending on the performance in the last  
18 review. It is standards-based, but it's also very  
19 much performance-based. The teams spend a minimum of  
20 two weeks in the field watching evolution, so they're  
21 seeing the real activity, 24 hours a day, seven days  
22 a week, and when you have people in the field for  
23 that long in true observations, you get a very good  
24 feel for the reality of what's going on. We do all  
25 of our independent assessment for a Operational

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 Readiness Reviews through our Facility Evaluation  
2 Board, and I think a testimony to the effectiveness  
3 of the system is that we see on a continual basis  
4 now, requests for assist visits coming from the  
5 facilities to the Facility Evaluation Board, so  
6 they're seen as value-added to the Facility Managers.

7  
8 The process itself is that the evaluation  
9 is performed, the report is a direct report out to  
10 me. We have done over 170 evaluations since the  
11 Facility Evaluation Board was put in place. All but  
12 two of those, the president of the company was in the  
13 report-out, and I think that's a testimony to the  
14 value that not only I have, but my predecessors have  
15 had for this process.

16 One additional change we have made, we  
17 used to schedule these evaluations. They're now all  
18 unannounced, so that when we do switch them around,  
19 there's not necessarily a preparation time so people  
20 know when those evaluations are going to take place.

21 The evaluations really look at, from a compliance  
22 perspective, are we in compliance with our  
23 requirements? If we are not, the resultant findings.

24 The team is also looking for strengths. How can we,  
25 if somebody has developed something that we need to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 move around the Site, or if there are improvement  
2 opportunities, and that's the continuous improvement  
3 arena, and that could cover any area from  
4 productivity and scheduling to safety issues.

5 Our management assessment program  
6 formally started about the same time as our FEB  
7 [Facility Evaluation Board] process. It actually is  
8 an outgrowth of the Replacement Tritium Facility  
9 start-up activities, as many of you will remember.  
10 We put in place at that time an independent, or a  
11 self-assessment element of the program. It started  
12 out being very standards-based, it is now very  
13 performance-based, and it's used in a tailored manner  
14 throughout the organization now.

15 The self-assessments are performed by  
16 line organization and the functional program  
17 managers. Again, it is a tailored perspective, and  
18 we cover everything from our business practices to  
19 our safety practices. We have used INPO very  
20 heavily, tried to incorporate the lessons learned  
21 from industry to do an assist visit for us, evaluate  
22 our self-assessment program, and give us  
23 recommendations on how we could strengthen it, as  
24 well as made several benchmarking trips to commercial  
25 units to understand how the commercial industry has

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 evolved over the time period that we've had our  
2 Facility Evaluation Board in place, and the things  
3 that have changed and improvements that they have  
4 made.

5 The management evaluation process is  
6 essentially an annual assessment by management of our  
7 overall programs. Again, this process has evolved  
8 somewhat. We started out doing that with only the  
9 senior management team and functional managers, with  
10 the functional managers reporting to the senior  
11 management team their findings. We've broadened that  
12 now, more direct involvement of the senior management  
13 team in the evaluations, and we've broadened the  
14 information that we include in those assessments to  
15 assure we're looking at all of the trends and  
16 functions across the 23 functional areas we have in  
17 our S/RIDs.

18 Looking at the Contractor Assurance  
19 System, and the 17 key attributes that it has, we've  
20 evaluated our processes for self-assessment against  
21 those 17 key attributes. There's really only two  
22 attributes that we didn't feel our system, as it  
23 currently exists, fully implemented those 17  
24 attributes. One was third-party assessments. We  
25 have not relied heavily on third-party assessments,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 although we certainly have them, and the risk and  
2 opportunity management plan aspects. We do risk  
3 assessment on project work, we do risk assessment in  
4 safety analysis and safety evaluations. We have not  
5 done as much risk analysis in mission deliverables.  
6 We are doing much more of that with the accelerated  
7 clean-up and our operational aspects to assure our  
8 facilities meet all the mission requirements, so that  
9 is an added aspect that we believe is fundamental  
10 anyway to our program, so we'll have activity going  
11 on in that area over the next number of years.

12 Staffing-wise, our Facility Evaluation  
13 Board for independent assessment is fully staffed.  
14 We have three teams available, and they're deployed  
15 at all times. As I mentioned, a lot of activity now  
16 in the assist visit arena. The management assessment  
17 program is a line management function anyway, so if  
18 we've staffed our organization, we have Staff  
19 Management Assessment Program. It is a key element.

20 We recognize that it has to be done if we're going  
21 to be effective and maintain our facilities, so  
22 again, that is staffed because we've staffed our  
23 projects and facilities.

24 CHAIRMAN CONWAY: That last line now, go  
25 back to that. You do not see any significant impact

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 from proposed DOE oversight program changes?

2 MR. ROBERTSON: No, sir.

3 CHAIRMAN CONWAY: Okay. Let me, if I  
4 may, Bob, stop you at this point. I'll put the rest  
5 of your prepared statement in the record as if given,  
6 and turn to Dr. Eggenberger.

7 VICE CHAIRMAN EGGENBERGER: Yes. In my  
8 view, the basis for your safety management program is  
9 probably the best in the complex. That's my personal  
10 belief, and please note that I said the basis, and  
11 the reason is, of course, and you alluded to it, it  
12 has a lot of commercial input to it, had a lot of  
13 Bettis input to it, had a lot of Westinghouse input  
14 into it, so it should be good. Now, the Chairman  
15 stated in one of his questions that there was a, it  
16 seemed, appeared to be a problem with this concept of  
17 doing more, quicker for less, or whatever, and we  
18 have specific things that we can pick out of  
19 occurrences in the recent past that would indicate  
20 that that may be a -- that there may be a problem.  
21 The F-Canyon incident is, I guess, is the one that  
22 comes to my mind.

23 Now, going back to the idea that I  
24 believe your basis is one of the best, I think what  
25 I'm worried about is the degrading of what we have

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1       seen, and furthermore, this hearing is about  
2       oversight. Now you have two bosses. You have Mr.  
3       Allison and then you have NNSA [National Nuclear  
4       Security Administration]. You run two types of  
5       facilities at your operation. You do the  
6       Environmental Management [EM], and then you do the  
7       production side from NNSA. Now, we as a Board have  
8       been attempting to understand the oversight policies  
9       of both NNSA and of Environmental Management. Now,  
10      this is a perfect opportunity for us to look at  
11      somebody, namely you, who is subject to both of them.

12      My question to you is, in doing your operations,  
13      what are the differences in your actions to NNSA and  
14      to Environmental Management as a result of these two  
15      differing oversight policies?

16               MR. PEDDE: There are virtually no --  
17      there is no difference in our implementation of our  
18      programs. They are based on the same program base,  
19      the implementation procedures and processes are the  
20      same procedures and processes. When we do a  
21      management assessment, when we look at all of our  
22      functional areas --

23               VICE CHAIRMAN EGGENBERGER: Let me  
24      interrupt. See, I cannot buy that because of the  
25      incidents that we've seen where in the Environmental

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 Management program, some things have deteriorated, so  
2 there's got to be a difference, otherwise this would  
3 not happen, if my thesis is correct that the basis of  
4 your program is one of the best in the complex. Do  
5 you see what I mean?

6 MR. PEDDE: The basis is the same, and I  
7 would tell you the implementation is the same. Have  
8 we had some problems and issues because there have  
9 been some perceptions of a change in emphasis? We  
10 did not find, when we looked at FB-Line, and the  
11 analysis of the specific event, we did not find  
12 anything specific to that event that said anyone was  
13 doing anything improper because of accelerated clean-  
14 up. That particular job was scheduled to go for two  
15 additional shifts, had no reason, and was not driven  
16 from a perspective of accelerated clean-up. There  
17 was an element of workers who wanted to go ahead and  
18 get the job done, and that's a trait that exists in  
19 FB-Line that we have to be very careful of that  
20 desire to get on with things.

21 We did -- I believe we did make some  
22 mistakes when we implemented the concept of "safe  
23 mission essential." We didn't get that message  
24 across to the workforce as we had intended, although  
25 we certainly tried, and we have backed up from that

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 and focused on Integrated Safety Management. We know  
2 that in implementing our Integrated Safety Management  
3 program that if we have breakdowns in the system,  
4 that is going to cost us time, it is not going to  
5 accelerate clean-up, so that from a management  
6 perspective, and that's management down through the  
7 organization, and my challenge as you are well aware,  
8 is to get that down to first line management, is that  
9 they have to recognize we have got to, if conditions  
10 change, you know, the issue is stop, and get it  
11 straightened out before proceeding, and not cut  
12 corners. If we allow that to happen, if that does  
13 happen, it is going to cost us accelerated clean-up,  
14 not accomplish it. We've tried to make that message  
15 very, very clear through the whole organization.

16 It is a challenge. At the same time,  
17 we're changing requirements to get the right  
18 requirements out, not to leave the impression that  
19 we're willing to accept anything but the absolute  
20 best excellence in performance. We've got to just  
21 keep communicating that over and over, and that's why  
22 I mentioned it's so important that the managers  
23 themselves, the Facility Lead Managers, be out in the  
24 field and reinforcing that message to the workforce  
25 to assure that a first line manager doesn't get over-

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 zealous in trying to accomplish their specific task.

2 It is a challenge. I will be the first to admit it,  
3 but I would also like to point out that from a safety  
4 statistic, this is just industrial safety statistic,  
5 2002 was the best year that we had at Savannah River  
6 Site since Westinghouse Savannah River Company has  
7 had the contract. 2003 through November is 26  
8 percent better than 2002. I hope we can finish out  
9 the year at that level, and we'll have recorded the  
10 best year ever even with accelerated clean-up.

11 VICE CHAIRMAN EGGENBERGER: We had a  
12 lecture yesterday from Captain Hicks on industrial  
13 safety statistics. I suggest that you read his  
14 testimony.

15 MR. PEDDE: Be glad to.

16 VICE CHAIRMAN EGGENBERGER: Thank you.

17 CHAIRMAN CONWAY: Dr. Mansfield?

18 DR. MANSFIELD: Just one short one. On  
19 the closure business unit, this is going to take a  
20 particular level of oversight that may be different  
21 from your other operating units. How do you  
22 adequately oversee the closure business unit?

23 MR. PEDDE: When you say overview, do you  
24 mean the self-assessment --

25 DR. MANSFIELD: Yeah, how do you --

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 MR. PEDDE: -- management assessment  
2 perspective?

3 DR. MANSFIELD: Does it have -- I mean,  
4 it doesn't have the same degree of oversight of  
5 safety and operations that say FB-Line as a treatment  
6 facility has?

7 MR. PEDDE: Actually it has. FB-Line is  
8 part of the closure organization, so -- in fact, I  
9 think we're very sensitive to the fact that as we  
10 accelerate clean-up, we're facing risks that we have  
11 not previously faced. A good example of that is  
12 we're into the decommissioning of the 247F Facility,  
13 the Naval Fuels Facility. There are risks in that  
14 facility that some, at this point, are unknown. We  
15 have to be very, very careful as we go into that  
16 process, and identify the hazards before we start the  
17 work. We're giving that arena more assessment and  
18 more evaluation to assure that as we walk into those  
19 new hazards, we have done as good a job in Integrated  
20 Safety Management as we possibly can before we enter  
21 that new work. So, on one hand it's the same and on  
22 the other hand it may, in fact, be increased.

23 DR. MANSFIELD: This is for Mr. Allison.  
24 Does your office feel that a different degree of  
25 oversight is required for activities like the closure

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 business unit where there are large financial  
2 incentives to get the work completed?

3 MR. ALLISON: I don't believe there is a  
4 different level of oversight needed. I think we need  
5 to, again, focus on the work that's being done, and  
6 as Bob mentioned, even in some of the Deactivation  
7 and Decommission [D&D] areas that, you know, some  
8 people think well, it's just industrial hazard as  
9 opposed to nuclear, we're putting the same level of  
10 focus and oversight because those hazards we found,  
11 and if you look back at prior Type Bs  
12 [investigations] and other events, those industrial  
13 hazards can be just as significant as the nuclear  
14 hazards, so we are not changing our oversight, but  
15 we're clearly understanding the scope of the work.

16 CHAIRMAN CONWAY: Dr. Matthews?

17 DR. MATTHEWS: Yes. Just one short  
18 question. In my view is, the buzz phrase is managing  
19 the contract not the contractor, and I'm just  
20 interested, from your point of view as the  
21 contractor, have you seen a change because of that,  
22 and what are those changes, particularly in terms of  
23 oversight? What does that mean to you, and has it  
24 changed since that's been in the --

25 MR. PEDDE: I think probably the most

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 significant change that falls into that category is  
2 the location of direction that we receive. In the  
3 past, we would receive direction from a variety of  
4 levels within the Department of Energy, from a  
5 variety of people. That has been defined to a fewer  
6 number of people and a clearer direction. Now we  
7 have a lot of interface with, for example, the  
8 Facility Reps, and a lot of communication goes on,  
9 but if there is a direction to be given on how we're  
10 doing work that comes from the appropriate level  
11 within the Department of Energy, not necessarily from  
12 an individual Facility Rep. That has allowed a  
13 consistency, I think, in the direction that we're  
14 receiving that has been of great benefit to us rather  
15 than a personality-driven direction.

16 DR. MATTHEWS: I think I understand. I'm  
17 not quite sure. Like, for example, is there a  
18 difference between your interaction with the EM  
19 office at Headquarters and your interaction with Mr.  
20 Allison, has that changed in this --

21 MR. PEDDE: Not at all.

22 DR. MATTHEWS: "Not at all." Okay. It's  
23 just a clarify of direction is what you're saying.  
24 Okay. Good. Thank you.

25 CHAIRMAN CONWAY: Let me follow up again,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 if I may. Have you had problems with Facility Reps  
2 in the past, the individuals?

3 MR. PEDDE: I wouldn't say problems.  
4 There's -- obviously every Facility Rep has a  
5 different personality, and maybe a level of eagerness  
6 or aggressiveness in things that they would like to  
7 see. We don't always agree with Facility Reps, but -  
8 -

9 CHAIRMAN CONWAY: Well, you have --

10 MR. PEDDE: -- that dialogue takes place  
11 at the right level.

12 CHAIRMAN CONWAY: Well, you always have,  
13 with Jeffrey Allison, if I understand you correctly,  
14 you guys work very close together --

15 MR. PEDDE: Absolutely.

16 CHAIRMAN CONWAY: -- so that was -- I  
17 said you could, if it were an individual problem or  
18 whatever, to bring immediately to his attention. Am  
19 I hearing Mr. Allison, that you're getting your  
20 Facility Reps to back off and not be as aggressive as  
21 they had been, is that what I'm hearing?

22 MR. ALLISON: No. Let me just clarify  
23 something Bob said. We used to have 26 people on my  
24 staff that could provide formal direction to the  
25 contractor. That's now five, and so I've done a --

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 you know, I've streamlined the number of people that  
2 can actually provide him direction. Just by that  
3 fact, he's not getting as many letters to do, you  
4 know, A, B, or C. My Facility Reps, I've also talked  
5 to them, about what their role is. Clearly there is  
6 a difference between providing oversight and  
7 providing, you know, day-to-day direction on telling  
8 the contractor what to do.

9 You know, oversight, they understand that  
10 very clearly because I've sat down with them,  
11 explained to them my expectations, so they understand  
12 what their role is, and if you talk to my Facility  
13 Reps, they know that they're supposed to still be out  
14 in the field overseeing what the contractor is doing,  
15 and providing that feedback up to somebody who can -  
16 if there is an issue, who can transmit it over as  
17 opposed to sitting down themselves and providing  
18 direction to the contractor. That's the subtle  
19 difference.

20 CHAIRMAN CONWAY: So it's a subtle  
21 difference? Do the Facility Reps understand that,  
22 because I was very impressed with your statement that  
23 you did not see any significant impact from the  
24 proposed DOE oversight program. No significant  
25 impact. Now this is one of the impacts I'm hearing

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 is the Facility Reps are not to give you the amount  
2 of direction that they apparently were giving you in  
3 the past, or at least down where the work is done?

4 MR. PEDDE: Again, I want to emphasize  
5 there is strong communication that takes place with  
6 the Facility Reps, but they don't provide direction  
7 to the facilities on how to operate. They do that  
8 through those selected individuals.

9 CHAIRMAN CONWAY: And that was not -- in  
10 the past, that was not the case in the past. I'm  
11 trying to find out what changes have taken place. I  
12 mean, you see, if we talk about subtleties, and it  
13 bothers me when you talk about subtleties, because  
14 that's where the "winks" come in. You know, safety is  
15 still important, and we wink at it. Do you  
16 understand what I'm getting at? So the subtleties  
17 are what bothers me. I'm looking for specifics.  
18 What changes in the new policy is taking place other  
19 than "subtleties." Do you follow me? And I'm not  
20 getting there.

21 DR. MATTHEWS: Maybe I can follow up on  
22 the follow-up. You quoted from Under Secretary Card  
23 on accelerated clean-up, potentially inducing new  
24 hazards, and you gave an example in your last  
25 response to Dr. Mansfield, and I was also pleased to

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 hear you using the foundation of Integrated Safety  
2 Management is how you're doing this. My curiosity is  
3 in the impacts and changes. Can you give us an idea  
4 how the, you know, first-line supervisors and the  
5 folks who are handling hazardous materials, are  
6 interpreting the changes that we see? Is there an  
7 impact on how they do work? Do they see new hazards  
8 coming out of it? Can you speculate on that if not  
9 give me examples?

10 MR. PEDDE: They do see new hazards from  
11 a perspective of the kind of work that we're doing.  
12 We're doing, as I mentioned, D&D work. We were not  
13 previously decommissioning facilities. We are  
14 decommissioning facilities today. That's a whole new  
15 hazard arena that they have not seen. Would they say  
16 that there is a change, for example, in the  
17 operations of H-Canyon or HB-Line, I would hope that  
18 they would say there is not a change in our safety  
19 posture or our program in the way we're operating  
20 those facilities. In fact, if nothing else, the  
21 focus -- they should be seeing more and more focus on  
22 safety. As I said, that is the only way that we're  
23 going to be able to accelerate our risk reduction,  
24 and accelerate the clean-up at the site.

25 DR. MATTHEWS: Do you -- are you using

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701



1 more overtime or shift work in order to accelerate?

2 MR. PEDDE: We are using some additional  
3 overtime, but not significantly.

4 DR. MATTHEWS: Okay.

5 CHAIRMAN CONWAY: Any other questions?

6 VICE CHAIRMAN EGGENBERGER: Just let me  
7 make a comment, and I believe I have the quote right.

8 This is for Mr. Allison. In the beginning, when the  
9 Facility Reps were put together in the '89, or '90,  
10 or '91, or '92 in that, the definition of a Facility  
11 Rep was, the primary contact between the contractor  
12 and the Department of Energy is the Facility Rep. Do  
13 you believe that? That was the definition.

14 CHAIRMAN CONWAY: Admiral Watkins made  
15 that up.

16 VICE CHAIRMAN EGGENBERGER: Yes, and that  
17 SEN [Secretary of Energy Notice] has never been  
18 withdrawn, so I assume that that's still the way it  
19 is, and am I correct?

20 MR. ALLISON: I believe that the primary  
21 interface with the contractor at the facility is the  
22 Facility Rep. I'm not -- I'd have to read the  
23 notice. I haven't read that in a number of years, of  
24 course --

25 VICE CHAIRMAN EGGENBERGER: You remember

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 it.

2 MR. ALLISON: -- the primary contact --  
3 oh, yeah, I am familiar with the SEN notice. I would  
4 say they are the primary interface, but, you know, my  
5 feeling is that providing direction to the  
6 contractor, that's something that, you know, I  
7 provide to Bob. It's not something that I expect my  
8 Facility Reps to do, but I do expect them to be in  
9 the facilities, to be, you know, interfacing with  
10 Facility Managers for facilities they're cognizant  
11 with, and that, to me, is their role.

12 VICE CHAIRMAN EGGENBERGER: Okay.

13 MR. PEDDE: Can I add to that just to  
14 clarify and make sure you understand where we're  
15 coming from, and I go back to my days in the tritium  
16 facilities. The Facility Reps are actually a  
17 resource for the contractor also.

18 CHAIRMAN CONWAY: Yes. Yes.

19 MR. PEDDE: They're eyes and ears that  
20 are out in the field all of the time, so we listen to  
21 them. We don't always agree with them, but we listen  
22 to them, because their observations are usually  
23 pretty valid, so it's -- I don't want to leave the  
24 impression that the effectiveness of the Facility  
25 Reps have in any way been diminished. We still

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701

1 listen to them, but our direction from a contract  
2 perspective comes from those selected individuals.

3 CHAIRMAN CONWAY: Okay. I might say we  
4 have a list here that runs more than, I forget, three  
5 or four pages over the years where contractors were  
6 going down the road that would have been a major  
7 problem from a safety point of view, and it was the  
8 Facility Reps that caught it. We just had one this  
9 past week, not at your location, elsewhere, but it's  
10 a serious problem, and if it hadn't been for the  
11 Facility Rep, it would have been really -- it could  
12 have been a bad accident.

13 MR. PEDDE: (Nods).

14 CHAIRMAN CONWAY: Thank you, gentlemen.  
15 Incidentally, Bob, I agree with the Vice Chairman  
16 that on the basis what you fellows have had on the  
17 self-assessment has been the best that we have  
18 observed. I would agree with him on that, and I hope  
19 you'll keep it, and you don't let it weaken.

20 MR. PEDDE: I have no intention of  
21 changing it.

22 CHAIRMAN CONWAY: Okay. Keith? Keith,  
23 I'm going to encourage you and Mr. Gallagher to  
24 whatever extent you can, to summarize some of it, and  
25 we'll take your whole statements if given, but please

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS  
1323 RHODE ISLAND AVE., N.W.  
WASHINGTON, D.C. 20005-3701