

Department of Energy

Washington, DC 20585

April 22, 2004

Mr. Frederick A. Tarantino
[]
Bechtel Nevada
2621 Losee Road
North Las Vegas, NV 89030-4129

Subject: Follow-Up to the November 2002, Bechtel Nevada Price-Anderson

Amendments Act Program Review

Dear Mr. Tarantino:

In November 2000, the Department of Energy's (DOE) Office of Price-Anderson Enforcement (OE) conducted a Price-Anderson Amendments Act (PAAA) program review of Bechtel Nevada's (BN) PAAA program, and a number of weaknesses were observed at that time. In November 2002, at the urging of the National Nuclear Security Administration Nevada Site Office (NNSA/NSO), OE conducted a second review of the BN PAAA program. The results of that review were provided to you in a letter dated February 11, 2003. OE concluded in that letter that BN's PAAA program did not meet DOE expectations and guidance and that there were no significant strengths and a number of significant weaknesses with the program. The results of the second PAAA program review demonstrated that BN had not taken actions to improve its PAAA program since the initial review, and in fact a further degradation of the program was evident.

In an effort to monitor BN progress in implementing corrective actions aimed at improving its PAAA program, OE conducted a follow-up review on April 7, 2004. This review focused on the previously identified weaknesses and sought documented evidence that BN is aggressively pursuing improvements to its PAAA program.

OE has concluded, based on this limited review, that significant progress has been made by BN in improving its PAAA program since the two previous reviews were conducted. Specific areas of improvement include the following:

1. Staffing of the PAAA function within the BN organization has increased to a level fully commensurate with the scope of your activities. In addition, the BN PAAA organization reports directly to BN senior management, enabling PAAA issues to surface readily to senior management attention. These changes, perhaps more than any others, indicate the importance and commitment BN

- has now placed on its PAAA program. Further, these changes place your organization in a position to utilize the PAAA program effectively as a valuable tool to improve nuclear safety performance.
- 2. BN's screening and reporting of potential PAAA noncompliances, as demonstrated though the use of form BN 1415, *Price-Anderson Amendments Act (PAAA) Screening,* is fully consistent with DOE expectations and guidance if implemented consistently.
- 3. Evidence was provided that BN identifies and tracks potential noncompliances below Noncompliance Tracking System (NTS) reporting thresholds. This improvement in the BN PAAA program should enhance BN's ability to identify potential programmatic or repetitive noncompliances.
- 4. BN has modified the processes it uses to screen, identify, and report potential noncompliances, allowing for a more efficient and timely processing of nuclear safety issues.
- 5. BN has implemented a corrective action tracking system known as caWeb. This system serves as the primary means by which potential nuclear safety noncompliances are screened, identified, reported and associated corrective actions are tracked. CaWeb draws from a number of source documents, to include those generated external to the BN organization.
- 6. Formal documentation to support the BN PAAA program has been developed and integrated into other BN organizational activities such as work planning, self-assessment, and issue reporting.
- PAAA training has been provided for BN general employees and all levels of management, including senior management. The training appears to be comprehensive and tailored appropriately to the personnel being trained.

While OE recognizes the significant strides BN has made in the recent past to improve its PAAA program, OE noted several opportunities for improvements in the BN PAAA process to include the following:

- Procedural documentation of the BN PAAA program could be enhanced though the development of formal procedures related to screening and reporting of potential noncompliances, tracking and trending of nonreportable nuclear safety issues, and identifying programmatic and repetitive noncompliances.
- 2. Currently BN internally tracks 53 nonreportable PAAA noncompliances. However, trending of these noncompliances is accomplished in an informal manner. It was stated during the OE visit that this informal practice is effective because the re are a relatively small number of noncompliances

currently being tracked. However, as BN's performance assessment program becomes more effective, many more issues will be identified for internal tracking. Failure to formalize the trending of these internally tracked noncompliance issues may impede BN's ability to identify repetitive or programmatic noncompliances.

- 3. In reviewing documentation associated with the BN corrective action management process, OE noted that there was no discussion on the conduct of "extent of condition" reviews to aid in the identification of cross site nuclear safety issues associated with a particular adverse condition. Extent of condition reviews are viewed by OE as an important tool in preventing recurrence of nuclear safety related events. Because Bechtel has a number of organizations involved in DOE activities, Bechtel should consider formally instituting the practice of determining extent of condition related to noncompliance issues and sharing lessons learned across all Bechtel DOE activities.
- 4. Discussions with BN personnel revealed that the BN management assessment process is a work in progress and has yet to reach a full state of maturity. The BN management assessment program would benefit from a mentoring program such as that used at the Savannah River Site to enhance the quality of its assessments.
- Training requirements for BN personnel conducting critiques and management assessments are extremely weak. Training requirements for BN personnel conducting these activities should be enhanced and formally documented in procedures.

In summary, OE has concluded that significant improvements have occurred in the BN PAAA program since our November 2002, program review. OE is pleased with the aggressive actions BN has taken to correct its longstanding PAAA program deficiencies. Nonetheless, opportunities for further improvement are present and we encourage BN to pursue them.

No reply to this correspondence is required. OE in conjunction with NNSA/NSO will continue to monitor your performance and appreciates your continuing cooperation with our efforts to improve nuclear safety in the DOE complex. If you have any questions, please contact me at (301) 903-0100 or have your staff contact Richard Day, at (301) 903-8371.

Sincerely,

for Stephen M. Sohinki

Director

Office of Price-Anderson Enforcement

Howard M. Wilchine

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