



Department of Energy

Washington, DC 20585

May 19, 2009

Dr. Thomas O. Hunter
President and Laboratories Director
Sandia National Laboratories
P.O. Box 5800, MS 0101
Albuquerque, New Mexico 87185-0101

Dear Dr. Hunter:

The Office of Health, Safety and Security's Office of Enforcement conducted an onsite integrated program review from November 3 – 6, 2008, of the Sandia National Laboratories (SNL) regulatory compliance assurance programs. Our review included: an evaluation of processes for identifying noncompliances; reporting and tracking noncompliances in the Noncompliance Tracking System; Safeguards and Security Information Management System; internal tracking systems; and correcting deficiencies to prevent recurrence. The Office of Enforcement also conducted a limited review of SNL management and independent assessment programs.

The integrated approach used by SNL to implement your U.S. Department of Energy (DOE) Regulatory Compliance Program provides common processes across all enforcement disciplines (worker safety and health, nuclear safety, and classified information security) and benefits from direct access to senior management. The results of this review, described in the enclosed report, revealed strengths and weaknesses in each of the enforcement disciplines.

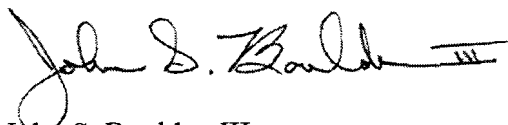
Failure to correct the weaknesses noted in this report may result in a potential reduction or loss of mitigation as described in DOE's Enforcement Policies (10 C.F.R. Part 820 appendix A, 10 C.F.R. Part 851 appendix B, and 10 C.F.R. Part 824) for any future enforcement action against SNL. In addition, should these weaknesses persist, the Office of Enforcement would be less likely to exercise enforcement discretion for noncompliance issues that are of lesser significance.



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No reply to this letter is required. If you have any questions regarding this review, please contact me at (301) 903-2178, or your staff may contact Mr. Glenn Morris, Director, Office of Price-Anderson Enforcement, at (301) 903-7707.

Sincerely,

A handwritten signature in black ink that reads "John S. Boulden III". The signature is written in a cursive style with a horizontal line at the end.

John S. Boulden III
Acting Director
Office of Enforcement
Office of Health, Safety and Security

Enclosure

cc: Stephen Ward, SNL
Richard Azzaro, DNFSB

**OFFICE OF ENFORCEMENT
INTEGRATED PROGRAM REVIEW
SANDIA NATIONAL LABORATORIES**

I. Introduction

During November 3-6, 2008, the Office of Enforcement conducted an onsite integrated program review (IPR) of the regulatory compliance assurance programs implemented at the U.S. Department of Energy's (DOE) Sandia National Laboratories (SNL). SNL is operated for DOE by the Sandia Corporation (Sandia). This review included: an evaluation of SNL's processes for identifying noncompliances; reporting and tracking noncompliances in the Noncompliance Tracking System (NTS); the Safeguards and Security Information Management System (SSIMS); and internal tracking systems; and correcting deficiencies to prevent recurrence. It also included a limited review of SNL's management and independent assessment programs and an evaluation of SNL's efforts to improve the regulatory compliance assurance program following the Price-Anderson Amendments Act (PAAA) program review conducted by the Office of Enforcement in 2004.

The Office of Enforcement review identified the following over-arching programmatic strengths during the course of the IPR:

- The SNL Enforcement Coordinator has a good appreciation of the status of the program, including its strengths, weaknesses, and goals. The SNL Enforcement Coordinator has been effective in his communications with the contractor organization, DOE, and the enforcement community.
- SNL senior management support for the program has been notable and management has responded positively to staffing needs over the past year to improve performance.
- The organizational structure of the SNL Safety and Security Regulatory Support Office reflects the successful integration of the enforcement disciplines into one office, effective use of embedded resources, and high level visibility and accessibility to senior management by the Enforcement Coordinator. Sandia Site Office (SSO) senior technical staff indicated the SNL Enforcement Coordinator acts like the "conscience" for SNL by ensuring senior SNL management is aware of safety and security issues.

Prior to this review, Safety and Security Regulatory Support Program (SSRSP) personnel had identified a number of improvement initiatives related to implementation of their regulatory compliance programs. These initiatives are discussed in section VII of this report.

II. General Implementation

Observations

- Nuclear safety (NS) and worker safety and health (WSH) noncompliance screening, trending and reporting are performed by the SSRSP. The SNL Enforcement Coordinator reports to the SNL Vice President for Infrastructure Operations, with access to the SNL President as necessary.
- The SSRSP is extensively documented with multiple policies, program plans, operating procedures and job aids. The SNL *Nuclear and Worker Safety Requirements Program Plan* (PG 470208) provides the program description of the SNL process for administering the nuclear safety and worker safety and health noncompliance reporting program.
- SNL regulatory enforcement training includes a general overview course and an in-depth enforcement course (PAAA 100 and 200, respectively). SNL has also developed a qualification process for SSRSP staff and documents progress using qualification cards.
- Office of Enforcement staff reviewed 2007 and 2008 self-assessments of SSRSP implementation. The assessments identified multiple findings (including deficiencies related to issue screening and categorization, timeliness of categorization, trending, and records) that resulted in the submission of an October 2008 NTS report describing deficiencies in SSRSP implementation. The SNL Enforcement Coordinator has also performed a recent “benchmarking” review of enforcement program implementation at another site.
- At the time of the IPR, the use of metrics to monitor the effectiveness of SSRSP implementation was limited. Discussion with the SNL Enforcement Coordinator indicated he was currently evaluating additional metrics to monitor program performance.
- SNL holds quarterly construction safety seminars that represent well-attended and organized outreach efforts to share lessons learned from recent events and information about the SNL safety and health program.
- Follow-up to the May 15, 2008, Office of Enforcement Security Enforcement Letter to SNL (noting concerns with security causal analyses and corrective actions) indicated definitive steps have been taken by SNL to enhance 10 C.F.R. Part 824 related program areas. These include assignment of an additional Inquiry Officer to the Security Incident Management Program (SIMP) and reduction of the incident backlog. SNL management has self-identified and begun to address inherent problems associated with the correction of deficiencies identified during security incidents and assessments.

Program Strengths

- The SNL Enforcement Coordinator is experienced, effectively communicates enforcement-related issues to cognizant laboratory managers and among SNL staff, and is taking positive actions to facilitate the full integration of worker safety and health and classified information security regulatory programs with the existing nuclear safety program.
- The SSRSP staff is familiar with DOE regulatory requirements and invoked regulatory standards as well as DOE expectations for implementing a regulatory compliance program.
- Laboratory senior management is actively engaged in addressing 10 C.F.R. Part 824 noncompliances.
- SNL has effectively integrated the SNL Safeguards and Security Program with the Enforcement Program. In addition, SNL has formally documented this relationship through plans and procedures.

Program Weaknesses

- Qualification cards for SSRSP staff with responsibility for nuclear safety did not require review of 10 C.F.R. Part 820.
- SSRSP screening procedures did not identify Computerized Accident/Incident Reporting System (CAIRS) reports or employee concerns as potential sources of noncompliance data.
- SSRSP procedures did not clearly identify superseded or cancelled documents; consequently, the reader could not determine the current version of specific procedures. Office of Enforcement staff also noted several inconsistencies among the various reviewed SSRSP documents.
- Standard operating procedures for the SNL SIMP do not reflect currently implemented processes. For example, the SIMP Manager has recently implemented a “Peer Review” process for crosschecking appropriate categorization and reporting of security incidents which is not reflected in the current procedure.

III. Identification and Screening

Observations

- SSRSP staff review events and conditions from a variety of SNL data streams to identify potential regulatory noncompliances. These sources include: assessment findings, occurrence reports, near-occurrence reports, radiological problem reports,

etc. The results of line organization self-assessments represent the largest category of issues screened by a factor of 10 compared to occurrence reports, the next largest category.

- SSRSP screening decisions and reportability determinations are documented on a Safety and Security Rules Issue Disposition (SSRID) worksheet and entered and tracked on the SSRSP Local Tracking System (LTS).
- Office of Enforcement staff reviewed 17 security incidents to evaluate SNL screening and categorization. Incident reports were found to have been screened and categorized within 24 hours of discovery using appropriate source documents. The majority of incidents were categorized correctly; however, enforcement staff did identify specific examples of security incidents lacking sufficient supporting information. There is a tendency at SNL to rule out the possibility of compromise too quickly and without sufficient supporting information for categorization. The Office of Enforcement advises caution in ruling out compromise prematurely. Inappropriate categorization (i.e., categorizing all but blatant compromises as an Incident Measurement Index rating of 3.4) may result in inaccurate reporting, less rigorous inquiry, lack of an appropriate response by management, inaccurate trending, and insufficient corrective actions to prevent recurrence.

Program Strengths

- The SSRSP screening process identifies WSH noncompliance citations at a detailed level that aids line organizations in understanding the regulatory basis for the noncompliance and in formulating corrective actions that address the specific deficiency. For example, instead of identifying 29 C.F.R. Part 1910 Subpart D, *Walking and Working Surfaces* as the noncompliance, citations are provided at a level that enables specific identification of the issue, i.e., 29 C.F.R. § 1910.23(a)(7) – “Every temporary floor opening shall have standard railings, or shall be constantly attended by someone.”
- The SNL SIMP effectively integrates Classified Matter Protection and Control (CMPC) and Classified Cyber Security subject matter experts to ensure appropriate incident identification and risk determination.

Program Weaknesses

- Office of Enforcement staff noted a relatively small number of NS noncompliances had been identified and locally tracked (40 for 2008 to date) considering the large amount of items being screened. Follow-up review of specific screened items identified multiple examples in which SSRSP screens of events and issues erroneously concluded that nuclear safety related noncompliances did not occur. Discussion with SSRSP staff indicated that an informal significance criterion was inappropriately being applied in making noncompliance determinations (i.e., if the noncompliant condition was viewed as low significance it was screened as not being

a regulatory noncompliance). Guidance issued by the Office of Enforcement has long cautioned against the use of such a significance threshold in making noncompliance determinations.

- Office of Enforcement staff identified multiple examples of items describing potential noncompliances that were not being screened. Employee concerns are not regularly screened for noncompliances; as noted in section II, this may be attributable to a deficiency in the relevant procedure. Two electrical safety assessments (a January 2008 corporate assessment and a July 2008 analysis of electrical events) were not screened by the SSRSP although these reports identified electrical safety findings. Additionally, CAIRS reports are not being screened for noncompliances; Office of Enforcement staff identified 12 CAIRS reports with potential noncompliances that had not been screened.
- Office of Enforcement staff identified several WSH-related issues that appeared to have been inappropriately categorized and/or evaluated for NTS reporting. In these instances, the supporting documentation contained on the SSRID worksheet did not adequately provide the basis for the screening determination. For example, a 2007 internal assessment of the SNL Pressure Safety Program identified nonconformances with the SNL Pressure Safety Manual which implements the requirements in 10 C.F.R. Part 851, appendix A (4). The SSRID worksheet indicated the reported conditions complied with 10 C.F.R. Part 851, but it did not provide documentation for the rationale for this screening determination.

IV. Evaluation for NTS and SSIMS Reporting

Observations

- SSRSP staff routinely evaluates identified issues for potential NTS reporting as part of the noncompliance screening process. Reportability decisions are made using a job aid which reflects the Office of Enforcement NTS reporting thresholds. If an issue meets an NTS threshold, a SSRSP staff member recommends reporting to the SSRSP Manager, who makes the final decision regarding reporting. The SSRSP staff member then notifies the appropriate line organization of the disposition decision. Issue owners are responsible for performing required causal analyses and developing and implementing corrective actions for both locally tracked items and NTS reported issues.
- Office of Enforcement staff noted a significant decline in SNL NS related NTS reporting for 2007 and contacted SSRSP staff concerning this decline in early 2008. SSRSP staff subsequently investigated this decline through self-assessment activities in 2008. During this IPR the SSRSP Manager indicated the 2007 decline was real and attributed it to a shift in SSRSP focus and attention to new 10 C.F.R. Part 851 screening and reporting responsibilities. During the IPR review, Office of Enforcement staff did not identify any current examples of unreported NS related

issues; however, a concern with timeliness of issue recognition and reporting is discussed below.

- Based on the Office of Enforcement review of selected WSH data from the SSRIDS worksheets, in general SNL is appropriately reporting noncompliances associated with events into NTS.

Program Strengths

- A high percentage of SNL NS-related NTS reports describe issues that are self-identified (i.e., identified through assessments or as a roll-up of lower significance events).
- SNL has reported a comparatively large number of WSH noncompliances to the NTS system, reflecting an overall open approach to self-reporting in this area. NTS reports associated with WSH events are well written and frequently provide supplemental information and details which enables the reader to fully understand the significance of the event.
- SNL has established a strong culture for “self-reporting” security incidents, which reflects a significant level of trust between management and employees. SNL management recognize that planned modifications to the SNL incident related programs must be made judiciously so as to not endanger this trust or inhibit employees’ willingness to report incidents.

Program Weaknesses

- SSRSP is not regularly meeting the 20-day timeliness guideline for reporting NTS reports established by the Office of Enforcement. Office of Enforcement calculations indicate the average timeframe from noncompliance determination to filing a report for 2008 WSH and NS NTS reports is 45 and 52 days, respectively.
- Office of Enforcement staff noted several NTS reports filed in 2008 reflected a “roll-up” of multiple related events, signifying a recurrent issue. These included two reports describing issues related to radiation generating devices and radioactive material (RAM) control. Further review indicated, however, that the underlying trends were identifiable significantly earlier than the timeframe of the NTS reports. The RAM NTS report, for example, was based on 15 events and assessment issues occurring from 2005-2008; 11 of the events occurred prior to 2008. In these instances, trending was not effective in identifying recurring issues in a timely fashion.
- After SNL identifies corrective actions, it does not update all NTS reports to reflect corrective actions in a timely manner.

V. Issue Management and Trending

Observations

- SNL utilizes a risk-based, graded approach to document findings; perform causal analyses; develop, implement and verify the completion of corrective actions; close corrective actions, and validate effectiveness. SNL has also established a corporate issues (CI) management process to address cross-cutting or high impact weaknesses, or issues that have resisted resolution. Examples of SNL CI areas include work controls, classified matter destruction, and electrical safety. Review of a recent presentation to the Sandia Assurance Review Board and discussion with SSRSP personnel indicated SNL has identified a concern in timeliness of CI completion. Specifically, CIs remain open for extended periods (several range from 25 – 30 months) with no apparent consequence for continual extension. See section VII for additional discussion.
- In January 2008, SNL submitted an NTS report identifying a programmatic weakness in the SNL root cause analysis program. The weakness was identified as a result of a SNL internal audit. A subsequent Office of Independent Oversight inspection identified additional concerns with the SNL corrective action and causal analysis processes, and their effectiveness in correcting safety issues (see section VII for additional discussion). In response, SNL issued ID015, *Interim Measures for Conducting Causal Analysis*, to supplement the existing procedure. The ID015 establishes graded categories based on the risk or consequence of the issue. These categories then correlate to specific requirements for qualifications of cause analysts, issue processing time, extent of condition reviews, and results documentation. SNL now requires root cause analysis training from Apollo Associated Services, LLC for its qualified analysts and sets qualification levels based on experience.
- The IPR team reviewed several WSH NTS reports that had been sent to the SSO for closure. The SSRSP team captured root-cause analyses, corrective action plans, emails, and related correspondence in LTS, effectively reviewed and documented NTS report completion in LTS, and forwarded objective evidence for SSO closure consideration.
- Trending of noncompliance data is performed by the SSRSP to identify programmatic or repetitive noncompliances. An October 2008, NTS report describing assessment issues related to SSRSP implementation noted deficiencies related to trending (specifically, a lack of procedures governing trending and lack of evidence that trending was being performed). Review of SSRSP trending during the current IPR identified that trending was being performed and that an administrative procedure and job aid had recently been developed to improve the process. Trending performance requires additional formality, however; NS-related trend analyses were largely qualitative narratives of repetitive issues and appeared based on memory and expert

judgment. As noted in section IV, timeliness of NS trending was viewed as a weakness.

- Review of a variety of data sources during the course of the IPR (including NTS reports, assessment results, and locally tracked issues) indicates that a number of SNL NS and WSH deficiencies are long-standing in nature and continue to occur. Specific examples include issues related to radiological control training, radioactive material and source control, electrical safety and subcontractor activities. The recurrence of such issues illustrates deficiencies in the SNL corrective action process. An Office of Independent Oversight inspection report issued in April 2008 included a finding related to the SNL corrective action program. SNL corrective actions for this finding were considered an ongoing initiative as discussed in section VII.

Program Weaknesses

- Office of Enforcement staff reviewed the closure packages of two NS NTS reports and found them to be incomplete. Corrective actions associated with NTS-SS-SNL-NMSITE-2007-0003 required the performance of a causal analysis and extent of condition review; however these reviews were not included in the closure packages. Corrective actions associated with NTS-SS-SNL-NMSITE-2006-0015 required the performance of an effectiveness review; however, Office of Enforcement review of the associated documentation determined it to be a verification that corrective actions had been completed, not a review of their effectiveness.
- SNL Corporate Process Requirement 001.3.13, *Risk Management*, appendix A includes probability and consequence descriptors for identifying risk associated with specific activities or issues. Once determined, the risk value influences, among other things, consideration of compensatory actions and closure timeframes for corrective actions. Office of Enforcement staff noted the distinction between “Low” and “Medium” consequence for potential injuries and illnesses is based solely on the predicted length of recovery time; this is subjective and not consistent with traditional WSH severity criteria. Enforcement staff also noted the thresholds for “Low” consequence appear elevated, and would include fines up to \$500,000.
- Corrective actions are typically developed in response to security incidents without the use of apparent or root cause analysis methods or an identification of the extent of condition of the underlying deficiencies. Corrective actions are developed by line management, and do not typically receive review by security subject matter experts. Consequently, there is little assurance that developed corrective actions will adequately address the cause of security incidents or effectively prevent recurrence of the issue.
- SNL findings, incidents and assessment results are tracked on a number of separately maintained databases which do not provide for cross-communication. SNL trending of issues is consequently limited in scope, does not integrate all available data, and therefore does not provide a comprehensive perspective of SNL performance.

Additionally, SNL does not track corrective actions resulting from security incidents in Corrective Actions Tracking Systems.

- There have been excessive delays in closing security incidents and providing timely submission of final incident reports to Headquarters. Corrective action completion lag-times, in combination with SIMP staffing shortfalls, resulted in an average of over 200 days to close security incidents. The lack of timely closure of incident reports directly and negatively affects the effectiveness of trending, causal analysis, and implementation of corrective actions to prevent recurrence.

VI. Assessment Programs

Observations

- 10 C.F.R. Part 835 requires radiation protection (RP) program elements be audited on a 3 year cycle. The SNL RP triennial assessment process consists of a mix of line management self-assessments and assessments performed by the RP organization. The Feedback and Improvement (F&I) subcommittee of the Radiation Protection Safety Committee then reviews RP assessment results, along with any issues identified via Radiological Process Improvement Reports (RPIR), to identify trends or emerging issues.

Two weaknesses were noted with this approach during the prior triennial assessment period (2005-2007). RP assessments performed by line management suffered from a lack of RP expertise. Additionally, the F&I subcommittee did not formally evaluate RP assessment results until after completion of the 3-year assessment period. Consequently, although the Office of Enforcement noted that the F&I subcommittee performs a real-time and effective review and binning of RPIR issues, their formal analysis of RP assessment information was not timely. At the time of this IPR, SNL had identified the above two issues and had determined corrective actions (pair line management assessors with RP technical staff and evaluate assessment results quarterly); however, the corrective actions had not been institutionalized through policy or procedure.

- Office of Enforcement review of a limited number of NS related self-assessments noted inconsistencies in quality and level of documentation. It was specifically noted that documentation sometimes failed to identify the scope or level of review of the assessment; also examples were noted in which a valid issue appeared to have been identified yet no formal finding was identified. During discussion with SNL staff, it was indicated that many SNL self-assessments are not effective in identifying significant issues. Review of SNL performance data indicated that during 178 planned self-assessments conducted during the last half of FY 2008 only 1 significant and 18 minor findings were identified.

An Office of Independent Oversight inspection issued in April 2008 included a finding against the SNL Environment, Safety and Health (ES&H) assessment

program. SNL corrective actions in this area were considered an ongoing initiative as discussed in section VII.

- SNL has implemented a three-tier approach to conducting self-assessments for security issues, each with different objectives. Tier I and II assessments are performed by the Security Assurance Office (SAO) and the individual security programs, respectively, and focus on security program activities. Tier III assessments are performed by the line organizations using yes/no checklists developed by the SAO; these assessments focus on CMPC and other selective security program activities implemented by the line organization. Separate from the tiered self-assessments, an Independent Assessment Group performs assessments of the Cyber Security Program. Office of Enforcement staff noted the SNL security self-assessment multi-tier structure has the potential to be an extremely effective program; implementation of the program is discussed in the strengths and weaknesses below.

Program Strengths

- The Radiation Protection Program Manager was found to have a thorough knowledge of the details and corrective action status for incidents reported in the RPIR system. RPIR issues are typically being closed out in a timely fashion.
- Well-designed management surveillances, routinely performed by SNL senior managers, including the President of SNL, serve as an effective means to maintain awareness of laboratory conditions and associated hazards, and identify ES&H problems and noteworthy practices.
- Tier I security self-assessments are well organized and contain both compliance and performance elements. Assessment results can be useful to management in evaluating the status of SNL security programs.

Program Weaknesses

- SNL has not formally demonstrated that the specific RP functional areas assessed by their triennial assessment process adequately covers all required 10 C.F.R. Part 835 functional areas. Office of Enforcement review of the areas assessed during the last triennial assessment period indicated that one 10 C.F.R. Part 835 functional area (reports to employees) was not assessed.
- Tier II and III security assessments lacked sufficient formality, were of limited scope, and did not utilize performance-based evaluation methods to effectively evaluate line CMPC implementation. Corrective actions in response to Tier II and III findings are developed by line management without review or independent validation of closure by security program personnel.
- The number and level of assessments proposed by the 2009 Tier III security assessment schedule appear inadequate to effectively evaluate the scope of the CMPC

program. For example, for the several thousand personnel and hundreds of locations storing and/or processing classified information at SNL, the 2009 Tier III self-assessment will consist of only 33 assessments dealing with classified material, 43 associated with the accountable classified removable electronic media, and 25 associated with vault-type rooms. There will be no assessments of the approximately 286 Classified Assistant Specialist positions.

VII. Ongoing Initiatives

The following items were identified as weaknesses or areas needing improvement during the course of this IPR. Subsequent discussion, however, revealed that SNL had previously identified or was made aware of these areas of concern, and ongoing initiatives were underway at the time of this IPR to improve performance. Consequently, this report does not identify specific weaknesses for these items and lists them here instead. The items include the following:

- SSRSP deficiencies – SNL filed an NTS report in October 2008 that identified deficiencies in implementation of the SSRSP. Specific deficiencies included timeliness of issue screening and disposition, failure to maintain required records, and lack of formal processes for issue trending. Office of Enforcement staff noted that several initiatives to improve SSRSP performance were in development or had recently been established at the time of the IPR (i.e., SSRSP metrics were in development, a procedure and job aid addressing trending had recently been established, a graded approach and required timeframe for screening issues had been established). These initiatives were too recent, however, to be able to determine the impact on performance.
- Assessment program – The Office of Independent Oversight Environment, Safety and Health inspection report issued in April 2008, identified deficiencies in the scope and effectiveness of SNL environment, safety and health assessment programs. SNL has developed corrective actions in response to the identified finding.
- Corrective action/root cause analysis - SNL filed an NTS report in January 2008, identifying programmatic deficiencies associated with their causal analysis process. The Office of Independent Oversight Environment, Safety and Health inspection performed in early 2008, identified an additional finding related to the SNL corrective action process, which also cited deficiencies in the SNL causal analysis program. SNL has developed corrective actions in response to the above reports.
- Corporate issues – SNL has identified that the corporate issue process is suffering from stagnation (protracted time to closure, delays in evaluating proposed corporate issues). SNL staff indicated revisions are being made to add accountability and rigor to the process.

VIII. Conclusion

This IPR determined that SNL has established some important elements of an effective WSH regulatory compliance monitoring and reporting program. These include an experienced SSRSP Manager, staff, and quality NTS report narratives. To meet the Office of Enforcement's expectations, SNL should ensure that it screens all potential data sources, such as CAIRS and employee concerns, for noncompliances, expand its tracking and trending capabilities, and ensure that corrective actions prevent the recurrence of noncompliances.

With respect to NS related noncompliances, SNL processes for identification, screening, and reporting are well established. Several implementation weaknesses; however, were observed during the IPR. Specifically, weaknesses were identified in the areas of noncompliance screening, reporting, trending, and NTS report closure. Many of these weaknesses were known to the SNL Enforcement Coordinator through SSRSP self-assessment activities and improvements are already taking place or are in the development stage. As part of the nuclear safety portion of the IPR, identified weaknesses associated with causal analysis and self-assessments confirmed the need for the SNL ongoing initiatives in these areas.

SSRSP has effectively integrated its Enforcement Program into the activities of the Safeguards and Security Division. The assignment of a security enforcement representative and the formal documentation of the responsibilities is a positive attribute of the SNL Enforcement Program. SNL security management has recognized inefficiencies and other program problems associated with the SIMP as a result of the issuance of the Security Enforcement Letter in May 2008. SNL management has indicated that SNL is taking definitive steps to enhance program areas related to 10 C.F.R. Part 824 to include the active involvement of Senior Management. In addition, SNL management has begun to address inherent problems associated with the causal analysis/correction of deficiencies identified through security incidents, and Tier II and Tier III self-assessments. However, a final course of action to address these concerns has yet to be determined.

Attention is required in the near term to implement a meaningful corrective action methodology to prevent recurrence and an integrated system to effectively track and trend noncompliances. Of particular concern is the reliance on line management to appropriately conduct causal analysis, determine appropriate corrective action, and ensure adequate implementation of such action without the benefit of an independent verification/validation.