

1 time you have given us, Jessie, and Bob Card, thank
2 you very much. And, again, we might have some
3 additional questions that we will submit to you, for
4 the record.

5 And now Mr. Glenn Podonsky, Director,
6 Office of Independent Oversight and Performance
7 Assurance. Glenn? For the record, would you identify
8 your associates?

9 MR. PODONSKY: Yes, Mr. Chairman. Mr. Tom
10 Staker and Dr. Pat Worthington. We came prepared with
11 our own tents.

12 Thank you, Mr. Chairman, and Members of
13 the Board for inviting us to testify today. Our
14 Office of Independent Oversight, was established by
15 the Secretary of Energy, as the independent evaluation
16 element of the Department's integrated oversight
17 system.

18 We are responsible for overseeing
19 environment safety and health, safeguards and
20 security, cyber security, and emergency management.
21 I will focus our testimony today on the safety
22 oversight role.

23 I would like to submit my written
24 testimony for the record.

25 CHAIRMAN CONWAY: Fine.

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1 MR. PODONSKY: And if you will indulge me,
2 my oral statement summarizes the written testimony in
3 about six minutes.

4 CHAIRMAN CONWAY: Fine.

5 MR. PODONSKY: Next slide, please. Our
6 primary role is to provide information to DOE and NNSA
7 program management. The information, hopefully, is
8 used by DOE and NNSA management to improve their
9 systems for managing safety and to correct
10 deficiencies in technical aspects of ES&H programs.

11 We also routinely provide information to
12 non-DOE organizations, Congressional committees, and
13 the DNFSB. The DNFSB staff appropriately
14 characterized DOE as having three distinct roles: a
15 customer, an owner, and a regulator.

16 OA, the Office of Independent Oversight,
17 is neither a customer nor an owner. We focus, solely,
18 on our independent oversight. However, we do perform
19 some of the functions normally associated with the
20 regulator.

21 We evaluate safety performance and
22 compliance with safety requirements. We also evaluate
23 effectiveness of DOE policy and provide feedback to
24 improve it, from time to time. We do not assess
25 penalties and fines, we do not issue licenses or

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1 authorize activities, and we are not responsible for
2 establishing requirements.

3 Our inspections focus on performance. The
4 reviews of documents and procedures are necessary but
5 not sufficient to evaluate the effectiveness of safety
6 programs. We spend much of our time in the field
7 watching how work gets done.

8 We evaluate DOE line management and
9 contractor line management. We have a well-
10 established process for our activities. Part of this,
11 for example, is a rigorous process for validating the
12 information we collect to ensure that it is accurate
13 before we finalize our findings and our ratings.

14 In response to Board Recommendation 98-1
15 [Resolution of Safety Issues Identified by DOE
16 Internal Oversight], the DOE a number of years ago
17 took the important step of requiring that DOE line
18 management respond to OA findings with a formal
19 corrective action plan.

20 This requirement was a tremendous
21 enhancement to the effectiveness of the OA process and
22 does ensure that findings are addressed. Next slide,
23 please.

24 DNFSB has repeatedly stressed the
25 importance of technically qualified and competent

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1 staff. We wholeheartedly agree that quality and
2 credibility of our own program depends on the
3 inspector's competence.

4 We are fortunate to have a team of
5 experienced inspectors that average over 26 years of
6 operating safety experience. They have extensive
7 qualifications and education. We have personnel who
8 have served as senior reactor operators, certified
9 health physicists.

10 Our folks have degrees in fields such as
11 nuclear, mechanical, electrical, chemical, and civil
12 engineering, chemistry, physics, biology, radiological
13 health physics, and environmental health sciences.

14 Over one-third of our safety inspectors
15 have advanced technical degrees. Some of our folks
16 have experience in DOE sites, the Nuclear Regulatory
17 Commission, naval nuclear programs, as well as
18 commercial nuclear sites. Our OA federal staff, who
19 perform safety inspections, are all in the DOE
20 technical qualification program.

21 We assess the effectiveness of Integrated
22 Safety Management at the working level. The scope it
23 encompasses: facility safety, and worker safety, and
24 environmental protection, and a wide range of other
25 programs.

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1 Integrated Safety Management programs are
2 maturing, we believe, and have demonstrated a positive
3 impact on safety. However, adherence to procedures
4 and requirements is a continuing concern. Our
5 inspectors have, in fact, caused, and a number of
6 times have stopped work on a number of sites, once we
7 have identified deficiencies during the actual
8 inspections.

9 We have recently renewed our focus on
10 safety-related systems. These reviews indicate that
11 most aspects of essential systems are well
12 implemented, but some aspects of design, testing, and
13 maintenance were deficient, and the sites' internal
14 reviews had not identified the deficiencies.

15 Recent inspections have also examined
16 unreviewed safety question processes, or USQs
17 [Unreviewed Safety Questions]. We are concerned that
18 site personnel sometimes appear to be reluctant to
19 implement the formal USQ process. Instead, sometimes
20 they do an informal analysis before, or sometimes even
21 instead of the formal process.

22 We believe that effective contractor
23 assurance programs, combined with effective DOE line
24 management oversight, are the linchpins of Integrated
25 Safety Management program.

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1 We have seen some improvements in the
2 contractor assurance program. However, contractor
3 assurance programs still vary in their effectiveness,
4 for the most part, and are not yet sufficiently
5 robust, rigorous, or self-critical, to warrant
6 reductions in DOE line management oversight.

7 Our inspections indicate that ISM process
8 is resulting in improved safety performance. However,
9 as the two Under Secretaries and the Deputy Secretary
10 have stated, further improvements are needed in a
11 number of areas.

12 The Secretary and Deputy Secretary have
13 repeatedly demonstrated their commitment to safety in
14 the Department. And I also would like to add that
15 Ambassador Brooks has impressed us, extensively, with
16 his commitment. He is probably one of the first
17 Secretary officers at his level that we have seen that
18 actually read our reports.

19 Also, as mentioned by the Deputy
20 Secretary, one of the hallmarks of a strong safety
21 culture is learning from experience. The Columbia
22 Accident Report has been brought up a number of times,
23 and I would like to conclude that we also believe that
24 it provides DOE with an opportunity to learn, to
25 determine the parallels, and to prevent or correct

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1 similar failures in management, organization, and
2 oversight.

3 I would be happy to take any of your
4 questions.

5 CHAIRMAN CONWAY: Well, let me say this
6 here. I want to take the opportunity of commending
7 you and your people for taking the initiative on the
8 counterfeit parts problem we ran into this past year.

9 Up until when you moved, we saw little or
10 no action whatsoever in the DOE, and the only problem
11 I have is they still haven't found the root cause.
12 And as I told you, on your report, I would like to
13 have the root cause to find out why so many top
14 officials within DOE and NNSA had the matter brought
15 to their attention, and none of them saw any need to
16 take any action.

17 That bothers me. And that, to me, is a
18 root cause that we haven't uncovered.

19 VICE CHAIRMAN EGGENBERGER: You were
20 talking about lots of things to be done yet. With
21 respect to NNSA, did you name three areas which you
22 believe require more attention, or more oversight at
23 this time? Is that a fair question that is asking you
24 to rank things a little bit?

25 MR. PODONSKY: Well, I'm going to -- I'm

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1 going to lead off, and then I'm going to ask my
2 colleagues to give some specifics, since they are at
3 the ground level, working.

4 But I would start off by saying that
5 Ambassador Brooks is, in fact, by our estimation
6 taking a hard look at how to make more effective his
7 organization.

8 When the NNSA was stood up, and I will get
9 to your specific question, it was stood up at a time
10 that it was not given a lot of careful thought from
11 the legislative arm of the government on how effective
12 that organization was going to be.

13 The architecture that stood the Department
14 up didn't think in terms of some of the bifurcated
15 issues that it created between the Department and the
16 NNSA. And one thing that comes to mind is something
17 that Ambassador Brooks and the Secretary are now
18 trying to address, is counterintelligence.

19 But if you have a counterintelligence
20 piece in the Department, and you have one in the NNSA,
21 which one works together with what part? And a lot of
22 confusion occurred.

23 So at the very beginning, and your
24 question, name three things in priority that they
25 needed to take care of --

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1 VICE CHAIRMAN EGGENBERGER: Maybe there's
2 only two.

3 MR. PODONSKY: Well, the first thing, from
4 our perspective, and Ambassador Brooks is doing this,
5 is getting his organization and structure together to
6 where people understand what their responsibilities
7 are, and starting to be held accountable for it.

8 And then putting in a robust line
9 oversight. That is from the top tier. I would turn
10 to Dr. Worthington and Tom Staker and ask them to give
11 you three examples, if they have three.

12 DR. WORTHINGTON: Thank you. I will talk,
13 a little bit, about the sort of trends that we are
14 seeing, and those things certainly apply to the NNSA
15 organization as well, and I will take up on the one
16 that Mr. Podonsky indicated already, and that was sort
17 of the oversight piece, in particular.

18 And I will sort of cast my comments in the
19 context of Integrated Safety Management, which I think
20 is an excellent structure. Feedback and improvement
21 mechanisms, across the board, including the NNSA
22 sites, certainly is one that continues to need
23 improvement.

24 We have seen tremendous improvement over
25 the last two or three years in that area, but

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1 certainly, you know, more critical self-assessment
2 programs on the part of NNSA would help them to find
3 things that we are finding when we are there, on the
4 ground, as well.

5 Glenn talked about a clear definition of
6 roles and responsibilities; they certainly would apply
7 to the feedback and improvement mechanisms, making
8 sure that both on the federal and the contractor side,
9 their roles and responsibilities regarding the types
10 of assessments that need to be done. They certainly
11 have been laid out.

12 And then making sure that those processes
13 are rigorous and comprehensive and structured in such
14 a way that they are finding the things, and they have
15 a process that they are timely in terms of identifying
16 the root causes, and that they are preventing
17 reoccurrence.

18 Additionally, in the area of things
19 needing improvements, and Glenn mentioned on one of
20 the earlier slides, and that was the process for sort
21 of managing and controlling changes to the nuclear
22 safety role.

23 So those are certainly some key things.
24 Core function one through four, in terms of
25 identifying, you know, hazards. And following

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1 procedures, and Glenn has talked about that, just
2 making sure that they are not backsliding.

3 Because, for the most part, they have
4 defined their systems, their ISM systems are defined,
5 and they need to focus more on the actual
6 implementation in certain key areas. Tom, if you have
7 other things to add?

8 MR. STAKER: I think those are the right
9 points. If it were up to me, we don't have a list or
10 anything, but corrective action management is one of
11 the key items that we probably need to improve,
12 throughout the Department.

13 I think another area I would mention is
14 just implementation of requirements down at the
15 working level, and we need to improve that particular
16 area.

17 VICE CHAIRMAN EGGENBERGER: Thank you.

18 DR. MATTHEWS: Based on your field trips
19 and assessments, do you think the contractors, I'm
20 asking kind of a broad brush question here, are really
21 prepared to take on this independent self-assurance
22 type of activity that the new policy, particularly at
23 NNSA, seems to be going on?

24 And, you know, in -- and I'm not asking to
25 name names -- but it seems to me that is an important

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1 step before this [DOE] lets them loose [and this] type
2 of transition occurs. And I'm wondering how you are
3 judging that.

4 MR. PODONSKY: Well, first and foremost,
5 if you look at the history of the orders in the
6 Department and how the oversight was being looked at,
7 at one point in the early '90s, I think there really
8 were a lot of checkers checking the checkers, and that
9 is the case where more was not better, it was
10 confusing.

11 And then there was an attempt to roll that
12 back with 450.5, and that was misinterpreted to where
13 we were potentially capitulating federal
14 responsibility for oversight to the contractor.

15 Today, as then, we see varying degrees of
16 performance out there, and it is not consistent. And
17 that is why I even include it in my oral statement, as
18 well as written statement, our concern that while the
19 Department is moving towards more accountability for
20 the contractors' performance, there still needs to be
21 that federal presence there.

22 And so specifically, I wouldn't call them
23 field trips, as my kids go on field trips, we go on
24 inspections. But the inspections that we partake in,
25 we have seen as many sites as we go to, we see as many

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1 different effective programs.

2 An example: at Y-12 the self-assessment
3 program, as well as the contractor performance in the
4 safety area, is far better at Y-12 than their security
5 performance in both, the same areas. And so there is
6 one site, right there, that is not ready for prime
7 time.

8 And so the variance is very important, so
9 that is why we very much appreciate Ambassador Brooks'
10 engagement with independent oversight, and not only
11 listens to, but hears what we have to say, oftentimes,
12 about his sites' performance.

13 DR. MATTHEWS: And I will say, when I was
14 on the other side, they didn't feel like field trips,
15 either.

16 (Laughter.)

17 CHAIRMAN CONWAY: Again, we thank you for
18 coming here. And I would say this, since Ambassador
19 Brooks is cutting back some of the other "field
20 trips," it looks like you are going to be his key eyes
21 and ears, and he is going to depend upon you, and your
22 people, very heavily, to assure that what he is doing,
23 and what he is setting forth as his management
24 methods, that they will succeed.

25 He is going to be heavily dependent upon

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1 you, from what I have heard today.

2 MR. PODONSKY: That is what our
3 understanding has been, actually, all along. It is
4 just that Ambassador Brooks is actually listening to
5 us.

6 CHAIRMAN CONWAY: Thank you very, very
7 much. We always attempt to give individuals from the
8 public time to speak, in each and every one of our
9 hearings. I have one individual: Mr. Herman Potter,
10 who represents PACE International Union [Paper,
11 Allied-Industrial, Chemical and Energy Workers], has
12 indicated the desire to speak this morning.

13 Mr. Potter, please come forward, and we
14 welcome you.

15 MR. POTTER: Thank you. Thanks for
16 listening to this testimony this morning. My name is
17 Herman Potter, I work for PACE International Union,
18 and I was formerly the health and safety
19 representative for the Portsmouth Gaseous Diffusion
20 Plant in Ohio.

21 PACE represents hourly employees at 11 of
22 the nuclear DOE sites. There is a need for
23 technically qualified, enforceable federal oversight
24 to police DOE's health and safety practices. This
25 need is presently underscored by the situation at the

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