



Department of Energy
Richland Operations Office
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98-ESH-004

Ms. Marilyn B. Reeves, Chair
Hanford Advisory Board
723 The Parkway, Suite 200
Richland, Washington 99352

Dear Ms. Reeves:

HANFORD CONSENSUS ADVICE #81, "HANFORD SAFETY CONCERNS"

Your December 5, 1997, letter provided Hanford Advisory Board Consensus Advice #81 on "Hanford Safety Concerns." This office continues to advocate safety as Hanford's Number One priority in daily discussions and in our Strategic Plan; therefore, we endorse safety as a critical success factor for Hanford clean-up. Before responding to the five specific pieces of advice presented in your letter, I would like to discuss historical and current occupational safety statistics and safety culture indicators to lend context to Hanford Site occupational safety performance. This will provide perspective that supports my direct response.

Occupational safety statistics represent a lagging indicator of performance and cannot be the sole basis to evaluate safety programs, but they are very important measures which good managers must analyze. The tabulation presented in Attachment 1 compares occupational safety statistics from Hanford with both the private sector and the DOE complex. This information indicates that the occupational safety statistics for the DOE complex tend to be better than comparable measures from private industry.

Data also indicates that occupational safety statistics at Hanford have been improving over the last several years. According to the charts presented in Attachment 2, the occupational illness and injury statistics improved during Fiscal Year (FY) 1997. These charts indicate that a 34 percent reduction in the Lost Work Day Case Rate and a 51 percent reduction in the Severity Rate occurred during this period. As a result of continued implementation of initiatives relative to case management, progress in reducing accident and severity rates has been made during a period of downsizing, contract transition and increased physical work in the field.

Comparison of the occupational safety statistics presented in Attachment 1 indicates that most Hanford contractors tend to be below their respective private sector average with respect to Total Recordable Case Rate and Lost/Restricted Work Day Case Rate. It is worth noting that the Richland Operations Office (RL) has moved from nineteenth to fourteenth to tenth in the ranking of field organizations from 1995 to 1997.

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Although occupational safety statistics at Hanford tend to be better than those associated with the private sector and typically fall at or below the average for the DOE complex, analysis of this data and our DOE and contractor assessment programs (particularly the Fluor Daniel Hanford, Inc. [FDH] Facility Evaluation Board [FEB]) has also indicated specific areas where continued and significant improvements must be made, such as emergency preparedness, conduct of operations, conduct of radiological work, quality, etc. (see Attachment 3).

Emphasis on initiatives leading to improved performance continues, and is being pursued with the appropriate contractor organizations. Additional evaluation of occupational safety statistics is performed to determine if certain contractors at Hanford require attention. In particular, we have analyzed, in conjunction with FDH, occupational safety statistical data for the Project Hanford Management Contract's first year of operation. FDH is taking action with one major subcontractor with identified safety weaknesses.

There are other indicators which give us encouragement that progress is being made on the Hanford Site relative to improved safety culture and performance. Two major surveys have been utilized in the past year at Hanford to provide indication of the safety culture beyond that provided by the occupational illness and injury rates. These surveys support our belief that progress has and is being made. The surveys also point to areas for further improvement.

The HAB partnered with us in developing and conducting the "DOE Worker Involvement/Empowerment Survey" which was conducted in 1997 as a follow-on to a series of worker interviews in 1996. There were 206 responses to this survey, which included the option to submit written comments. Favorable ("yes") answers to questions relating to the safety culture ranged from 62 percent to 95 percent of the responders. Also, employees were asked to rate the occupational safety and health programs associated with Hanford on a scale of 1 to 10 (1 being poor and 10 being outstanding). The average response was a 7.

One area this survey identified, which we believe must be strengthened, relates to general employee knowledge of their authority to stop unsafe work and their willingness to exercise that authority without fear of reprisal. To the question, "Does management convey to you and do you feel you have Stop Work Authority without fear of reprisal from management?", nineteen employees responded with "no" or "not always." Although that was only ten percent of the responders, this indicates that we have not yet achieved our goal of 100 percent credibility and trust with the workforce on this issue. The communication of this authority and the willingness of the workforce to use it responsibly is a cornerstone of our safety improvement program. I am leading improvement in this area through publicizing examples of successful use of Stop Work Authority (such as the worker who stopped work in the 327 Building after discovery of picric acid), and I have asked the heads of all prime contractors and major subcontractors to advocate these policies. We are doubling our efforts in this and other areas with the objective of demonstrating significant increase in employee safety involvement activities and improved handling of employee safety concerns (see Attachment 4).

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In addition to occupational safety statistics, occurrence reporting data also provides information relative to safety performance. In particular, evaluation of data associated with events involving worker contact with, or potential contact with electrically energized equipment, indicates the rate of occurrence for these types of events increased after a lull in mid 1996 and has not improved (see chart presented in Attachment 5). This ongoing hazard prompted evaluations of the electrical safety programs within all contractor organizations to determine what improvements could be made. The rate increase also resulted in issuing the site Stop Think Act Review (STAR) poster (Attachment 6) to reinforce careful pre-job planning. Efforts are continuing within both RL and the Hanford contractors to understand the electrical hazards and allow identification of additional initiatives that can be implemented to improve performance.

A second survey tool has become part of the required annual worker training (Hanford General Employee Training [HGET]) for the Environmental Restoration Contract (ERC), Hanford Environmental Health Foundation, and Project Hanford Management Contract (PHMC) employees. While this survey is a continuing element of HGET, an analysis of the data collected for the first six months (involving input from approximately 4,000 employees) is being prepared as a baseline. The baseline data results of this survey generally align with the results of the "DOE Worker Involvement/Empowerment Survey." Positive ("agree" or "strongly agree") responses to the fifteen Voluntary Protection Program (VPP) questions of this survey have ranged from 56 percent to 93 percent. This is an encouraging result, but there are areas for improvement. The weakest agreement resides in the question related to Employee Safety Council activities. Also, there is a significant difference between the managers' responses to the survey as compared to the workers' responses (and especially Bargaining Unit). The managers have a much more positive perception of VPP implementation than do the workers.

The HGET survey has been validated by performing a benchmarking of the same questions at the DOE-VPP "STAR" Waste Isolation Pilot Plant (WIPP) Site. There is a measurable difference between the Hanford responses and the WIPP Site responses, with fourteen of the fifteen questions being rated higher at WIPP. This benchmarking effort shows that as improvements are made at Hanford in progressing towards "STAR" status, we should expect to see measurable improvement in the HGET survey data. Thus the survey will serve as an important measurement and feedback tool, in addition to occupational illness and injury performance indicators. Contractor management and other workforce elements, including union principals, have been asked to identify actions that can be initiated to help improve VPP implementation and employee perceptions of this implementation (see Attachments 7 and 8). Pacific Northwest National Laboratory (PNNL) and Bechtel Hanford, Inc., have also embraced VPP principles, and PNNL's completion of their Operations Improvement Program has significantly improved their safety performance and culture over the past three years.

Lastly, the PHMC has rolled up its FEB data into several areas needing improvement, and has identified a mentor team that is available on request to support facilities in upgrading weaknesses or preparing for readiness reviews. This effort will support improved Environment, Safety and Health (ES&H) performance in the PHMC. Similar efforts are under way within PNNL and BHI.

I believe Hanford has achieved significant safety and health performance improvements over the past years, and I also believe that our hazardous work warrants even more aggressive advances in performance to achieve additional "step improvements" that lead to a safer work environment.

As evidenced from the above presentation, my organization continues to utilize all available tools to identify specific areas of safety performance concerns that require increased attention. In addition to this, I view our continuing efforts in implementation of the DOE-VPP initiative and the implementation of the Integrated ES&H Management System (ISMS) as the beginning of an aggressive safety evolution at Hanford to achieve this higher level of performance.

In direct reply to the five specific items presented in your letter, the following actions have been taken or are planned, relative to the specific elements of your advice:

1. There should be visible management and worker accountability for accidents and for any retribution against employees for reporting accidents, injuries, safety concerns, or other safety issues.

RL has issued a series of policy statements related to this (Attachment 4) and, most recently, widely publicized the Hanford Site "Stop Work" Responsibility (Attachment 9). RL has also issued the "STAR" poster and badge cards to further advocate our safety policies (Attachment 6). Implementation of these policies is realized through contractual requirements to incorporate ISMS. The cultural environment that provides sufficient openness and trust to allow uninhibited worker involvement and communication is further enhanced through voluntary implementation of the principles associated with DOE-VPP.

The Independent Assessment (IA) program conducted by the RL Performance Assessment Division (PAD) and contractor internal assessment programs (the PHMC's FEB and PNNL's Integrated Assessment Program) provide one mechanism by which we determine level of performance against these programs and policies on the Hanford Site. Reviews conducted by the RL Office of Employee Concerns provide an additional mechanism for holding contractors accountable for adequate performance under these policies. We have recently redoubled these efforts by forming special contractor investigation teams, with DOE involvement, to address anonymous employee concerns raised on safety culture issues.

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One of our ES&H monthly performance indicators includes the number of safety related employee concerns at the PHMC. The PHMC President's Zero Accident Council reviews these concerns in detail.

Additionally, the PHMC critical self-assessment identified a management leadership initiative to reinforce FDH's commitment to an environment where safety concerns can be raised and solutions implemented without fear of reprisal. The PHMC Team will be using the President's Zero Accident Council (a management and bargaining unit safety committee) as the focus of a reaffirmation campaign to the Stop Work Responsibility and the Hanford Workers Bill of Rights.

RL and contractor management will not tolerate any retribution against those raising safety issues and reporting accidents, injuries, or concerns. This is fundamental to our ISMS approach which is founded on worker involvement and open communications.

Also, in order to better ensure our Employee Concerns Program is enforcing accountability to our ES&H values, I have transferred the RL Employee Concerns Program to the RL Office of Environment, Safety and Health, effective February 1, 1998.

2. Incentives for improving safety performance should be structured to encourage open and straight-forward identification of safety concerns within both the DOE and contractor organizations.

RL and the Hanford Site contractors have established contractual implementation of ISMS along with implementation of the basic tenets of DOE-VPP as the fundamental approach to safety performance improvement. Integral and fundamental to both of these is employee involvement and empowerment, management commitment to safety, and open communication between all parties.

Our line projects within the PHMC have incorporated implementation of the ISMS (see Attachment 10), as has PNNL, with plans for future implementation by the ERC.

Within the PHMC, the key elements of our safety approach (ISMS, Emergency Preparedness Implementation Plan, Radiological Control Improvement Plan and Chemical Management System) have been appropriately incentivized. This data as to where fee has been allocated for the PHMC is shown as Attachment 11.

The Hanford Site contractors have also voluntarily embraced DOE-VPP as a significant complement to ISMS that encourages employee involvement and empowerment. RL's ES&H policy statement (Attachment 4) articulates these values, and DOE investigates and holds managers accountable for performance against these values.

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Our site safety statistics are improving. In order to continue improving, the prime contractors must continue to ensure that the ISMS principles are fully incorporated into all aspects of work planning, ES&H programs, management accountability, and subcontractor management and oversight. RL has both contractually directed this activity and financially incentivized it in our fee earning programs.

3. Environmental, safety and health performance objectives and agreements should be incorporated at a significant level into incentive fee arrangements with the contractors.

ES&H performance objectives and agreements are currently incorporated contractually as incentive fee arrangements with the PHMC, ERC and PNNL. For example, the FY 1998 Performance Objectives, Measures, and Expectations were delivered to the PHMC on December 23, 1997. This document identifies \$50 million as the total eligible amount of fee that can be earned for FY 1998 Contract Performance. Of this, \$42.5 million can be earned through successful completion of Performance Agreements (PAs). The remaining \$7.5 million can be earned through successful completion of activities identified in the FY 1998 Performance Expectation Plan (PEP). ES&H performance objectives, compliance deliverables, and initiatives are incorporated under project-specific PAs and under the PEP. Sixty-seven percent of the project-specific PAs contain ES&H related activities, representing about 53 percent of the potential \$42.5 million fee that can be earned (see Attachment 11). In addition to this, ES&H activities are referenced throughout the PEP (actual potential fee earning allocation for these activities in FY 1998 is currently under review).

In addition, the PHMC contract clause H.47(A) and H.47(B) establishes the RL Manager the determining authority in deciding the PHMC Contractor's ES&H performance relative to fee award. The contract states:

"In order for the Contractor to receive a fee or profit payment or share of cost savings, in whole or in part, the following minimum requirements must be met and must have been performed at a satisfactory level. If the following conditions are not met and performed at a satisfactory level, the RL Manager may reduce the fee or profit payment or share of cost savings, in whole or in part, which has otherwise been determined to have been earned under the terms and conditions of this contract. Any determination under this clause is not subject to the contract clause entitled "Disputes - Alternate I" (Clause I-65) or otherwise subject to litigation under the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). This clause does not apply to any Base Fee included in the contract." and

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"If, in the performance of this contract, the Contractor should cause, through negligence or misconduct, a fatality or an event to occur that results in significant damage to the environment, and/or endangers the safety and health of workers and/or the public in excess of government (Federal, State and/or Local) regulated limits (if any), the Manager, Richland Operations Office, may reduce any otherwise earned fees (other than Base Fee), in whole or in part."

Similar ES&H incentive fee arrangements are provided under the current contracts associated with the ERC and PNNL.

4. DOE should reaffirm and accelerate its commitment to establishing independent regulatory oversight of health and safety conditions on the Hanford Site.

RL welcomes external oversight and currently complies with State of Washington Department of Ecology and U.S. Environmental Protection Agency requirements in areas of their regulatory purview. The Occupational Safety and Health Administration (OSHA) has been invited to participate in addressing some Hanford Site issues. Our Tank Waste Remediation System waste treatment privatization efforts are being structured to support moving to Nuclear Regulatory Commission (NRC) and OSHA oversight after a transition period. Many other Hanford Site activities are being performed under NRC Standards.

However, absent statutory authority and funding, OSHA and the NRC are not in a position to provide direct oversight or support to all DOE programs. The initiative to establish independent regulatory oversight is being pursued by DOE Headquarters (HQ). RL will continue to support this initiative.

5. RL management should implement a system like NRC's safety conscious work environment that promotes reporting of employee safety and health concerns.

The NRC currently has a policy statement titled "Freedom of Employees in the Nuclear Industry to Raise Safety Concerns without Fear of Retaliation" that was published in May 1996. This policy statement provided clarification of the expectation that licensees and other employers subject to NRC authority will establish and maintain a safety-conscious work environment in which employees feel free to raise concerns without fear of retaliation. Based upon indications that suggest not all licensees are able to maintain a safety-conscious work environment, the NRC is considering several strategies for implementation as a standardized approach that would:

- o Require licensees to establish and maintain a safety-conscious work environment with clearly defined attributes;

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- o establish indicators that would be monitored to provide evidence of potential adverse trends in maintaining this type of work environment; and
- o outline specific remedial actions that the NRC may require when it determines a particular licensee has failed to establish or maintain this type of work environment.

The NRC brought these strategies forward for public consideration and comment in the Federal Register (Volume 62, Number 38, February 26, 1997).

Subsequent to your letter transmittal to me, the Government Accountability Project placed a formal petition for rulemaking related to this very topic before DOE on December 12, 1997.

Specifically, the petition calls for DOE to take positive steps to implement a "safety-conscious work environment" in its facilities, using the recently issued guidelines of the NRC for evaluating and achieving the presence of a "safety-conscious work environment." I anticipate that response and required actions associated with consideration of this petition and potential subsequent development of rulemaking will be initiated by the Secretary of Energy and coordinated through DOE HQ. RL stands ready to support this activity as requested through HQ elements. RL will also move to integrate elements of the NRC "safety conscious work environment" into our internal policies and contractual requirements, and provide training to DOE and contractor staff on implementation of a "safety conscious work environment." I will provide a status to you on this by June 1, 1998.

In closing, let me reiterate that RL's commitment to safety excellence at Hanford is being achieved by:

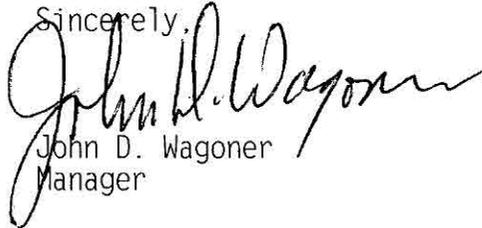
- o Aggressive implementation of a sitewide ISMS and VPP at Hanford.
- o Continued promotion of worker involvement and empowerment in our ES&H programs through the principles that are fundamental to both ISMS and DOE-VPP.
- o Strict accountability for those who do not honor our site ES&H values.

Let me also state unequivocally that I do not tolerate any suppression of ES&H issues, or recriminations against those having such issues.

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My staff stands ready to discuss this response with you and the HAB members personally, and I invite you, or any interested representatives of the HAB, to come onsite to view ES&H efforts in person. ES&H site visits should be coordinated through Paul Kruger of my Office of ES&H on (509) 376-7387. If you have any questions on this, please contact me, my Assistant Managers, or Mr. Kruger.

Sincerely,



John D. Wagoner
Manager

ESH:PWK

Attachments:

1. Injury and Illness Data
2. Lost Work Day Case Rate/
Severity Rate Chart
3. Facility Evaluation Performance
Grades Definition
4. Reiteration of RL Policies on
Worker Involvement, Letter
Dated December 23, 1997
5. RL Occurrence Reporting
Electrical Shock or Electrical
Shock Near Miss Chart
6. STAR Poster
7. VPP Survey Data
8. Analysis of 1996 VPP Participant
Data
9. Stop Work Responsibility
10. Work Planning and Commitment by
RL and FDH, Letter Dated
September 12, 1997
11. PHMC FY 1998 ES&H Related Fee
Distribution

cc: See page 10