

safety program will achieve the results that we have discussed and to which the Energy Facility Contractor Group directors have emphasized their commitment.

Examples of the strengths and weaknesses this review identified in your program are listed below and are described in full in the enclosure.

PAAA Program Strengths

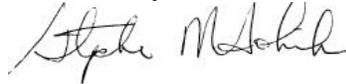
- Regulatory Point of Contact (RPOC) personnel were assigned in adequate numbers and were trained and knowledgeable.
- The PAAA Coordinator had adequate authority and independence.
- A self-assessment of the PAAA program had recently been performed.
- The diversity of sources providing information for PAAA noncompliance screening was reasonable and consistent with OE expectation and guidance.
- The initial review to determine PAAA applicability was performed in a timely manner.
- The Site Tracking, Analysis, and Reporting (STAR) database captures all site noncompliances except for nonconformance reports which are managed in a separate database.
- The Local Contractor Tracking System (LCTS) program provides a checklist to aid RPOC reviews.
- The Regulatory Compliance Committee added value in promoting site-wide consistency and communications.
- The Performance Analysis Advisory Group and performance analysis process provide a systematic means to identify recurring and programmatic issues.
- An independent review is performed of the closure of NTS corrective actions.
- An effectiveness review is performed for NTS corrective actions.

PAAA Program Weaknesses

- Reviews for PAAA applicability are not performed on significance category 3 and 4 deficiencies.
- Significance category 2 PAAA deficiencies do not receive formal root cause analyses.
- Approximately 85 percent of the deficiencies reviewed from the LCTS database were also reported to DOE's Occurrence Reporting Processing System (ORPS), and approximately 76 percent of WSRC's 2004 NTS reports have a corresponding ORPS report; these percentages indicate that self-identifying events are still the primary means for discovering reportable deficiencies.

No rely to this letter is required. You may contact me at (301) 903-0100, or a member of your staff may contact Steven Zobel at (301) 903-2615, if you have any questions.

Sincerely,



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Director
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Enclosure: PAAA Program Review

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Price-Anderson Amendments Act Program Review Westinghouse Savannah River Company, LLC

I. Introduction

The Department of Energy's (DOE) Office of Price-Anderson Enforcement (OE) performed a review of the Westinghouse Savannah River Company (WSRC) Price-Anderson Amendments Act (PAAA) program for the identification and reporting of nuclear safety noncompliances. The OE review included onsite interviews with key WSRC personnel on December 7 and 8, 2004. A prior PAAA program review, reported on June 14, 2001, found that the WSRC PAAA program was generally in compliance with DOE guidance though several weaknesses were identified. This review focused on determining if the prior weaknesses have been corrected and if WSRC's program continued to be consistent with DOE guidance.

II. General Program Implementation

The WSRC PAAA program is formally established by an approved procedure, a PAAA Coordinator is assigned, and appropriately trained and qualified personnel are designated to perform the necessary tasks. The PAAA program procedure Manual 8B, Procedure CAP 11, "Identifying, Reporting and Tracking Nuclear Safety Noncompliances Under the Price-Anderson Amendments Act," includes an adequate description of the PAAA program and establishes the core program requirements.

This procedure identifies the key program elements including roles and responsibilities, the PAAA noncompliance screening and reporting process, and the qualifications and training requirements for key personnel. The scope of the WSRC PAAA program addresses a broad scope of nuclear activities, including those performed by subcontractors and suppliers, and it is consistent with OE expectations. The PAAA Coordinator has adequate authority and independence to perform the responsibilities established in the procedure. Though the Coordinator does not report directly to senior management, his responsibilities as chairman of the Regulatory Compliance Committee allow direct access to senior managers as needed.

Each business unit is required to have a primary and alternate Regulatory Point of Contact (RPOC) to perform screenings of PAAA issues. OE notes that primary and alternate RPOC personnel are assigned in each business unit and that deficiencies are being screened in a timely manner. Formal training is provided to the RPOCs prior to their assignment and all of the personnel interviewed demonstrate adequate knowledge of PAAA program requirements. The experienced RPOCs also perform a mentoring

function to support less experienced personnel when a new person is assigned RPOC duties.

WSRC periodically reviews the adequacy and timeliness of the RPOC reviews as part of a self-assessment of the PAAA program. The most recent self-assessment was completed on September 30, 2004. That review compared the entire program with OE guidance supplement 00-02, "Price-Anderson Amendment Act (PAAA) Program Reviews," and assessed the effectiveness of program corrections made following OE's 2001 PAAA program review. The self-assessment determined that the previous weaknesses identified in 2001 had been effectively corrected, and it identified several relatively minor issues for further improvement.

Strengths

- The PAAA program is documented in a formally approved procedure that adequately describes the program.
- RPOC personnel are assigned in adequate numbers, and are trained and knowledgeable.
- The PAAA Coordinator has adequate authority and independence.
- A self-assessment of the PAAA program has recently been performed.

III. Identification and Screening of Noncompliances

In 2004, WSRC implemented a new site-wide deficiency tracking system called Site Tracking, Analysis, and Reporting (STAR). OE's 2001 review of the program found that all sources providing information on possible noncompliances had not been utilized, partly due to the existence of multiple databases, and thus not all relevant information was being screened. The STAR system addresses this weakness by providing a single database for all noncompliances. Nonconformance reports (NCR) (concerning new equipment and parts) are still maintained in a separate database; however, they are being reviewed for PAAA noncompliances and, upon identification of a noncompliance, they are also entered into STAR.

Primary and alternate RPOCs assigned to each business unit perform the identification and screening of nuclear safety noncompliances. These noncompliances are primarily identified through a review of the STAR database. Procedure CAP-11 establishes a graded approach to reviews based on significance categories. All deficiencies are assigned a significance category from one to four, with category one being the most significant. The procedure requires that only significance category 1 and 2 deficiencies be screened for PAAA applicability. An exception to this is that all Occurrence Reporting and Processing System (ORPS) reports are required to be reviewed for PAAA applicability. A concern existed with the graded approach in that the manager responsible for an issue also assigned the significance category, thus a reportable noncompliance might not be reviewed and reported if it was assigned a low significance category. However, a review of selected significance category 3 and 4 noncompliances found they would not likely be NTS reportable. The PAAA Coordinator stated that

reviews performed to identify possible repetitive or programmatic issues included all deficiencies, regardless of significance category. A review of noncompliances in the PAAA database found that approximately 85 percent of the issues were also reported to ORPS. Thus, a large majority of nuclear safety noncompliances identified at the time of this review were self-disclosing.

The RPOCs are completing their reviews in a timely manner and the reviews are documented. The screening process is automated in a Local Contractor Tracking System (LCTS) that assists the RPOCs with a checklist of requirements and Noncompliance Tracking System (NTS) reporting thresholds. The automated process also generates the documentation.

Strengths

- The diversity of sources providing information for PAAA noncompliance screening are reasonable and consistent with OE expectation and guidance.
- The initial review to determine PAAA applicability is performed in a timely manner.
- The STAR database captures all site noncompliances, except for NCRs which are managed in a separate database.
- The LCTS program provides a checklist to aid RPOC reviews.

Weaknesses

- Reviews for PAAA applicability are not performed on significance category 3 and 4 deficiencies. This creates the potential that a non-conservative assignment of a significance category to an issue may prevent that issue from undergoing a PAAA review in a timely manner.
- Approximately 85 percent of the deficiencies reviewed were also reported to ORPS. This indicates that WSRC has some work to do to strengthen its management and self-assessment processes in order to reach the goal of identifying noncompliances that are predominately by assessments rather than as the result of incidents or events.

IV. Evaluation for Reportability

As stated, the initial review and determination of NTS reportability is performed by the RPOCs. This review is aided by the LCTS that provides a checklist and facilitates documentation of the evaluation. When an RPOC identifies a potential NTS-reportable noncompliance, the evaluation is submitted to the responsible business unit manager for concurrence. If the manager concurs, the evaluation is then provided to the Regulatory Compliance Committee (RCC) for a second level of review and approval. The requirement for the responsible manager's approval was identified as a weakness in the 2001 program review due to a concern about sufficient independence in the evaluation process. This review found no evidence that this concurrence process prevented any potential NTS-reportable issues from being presented to the RCC; therefore, it was not being identified as a program weakness in this review. The RCC is

comprised of RPOCs from each business unit and is chaired by the PAAA Coordinator. RCC meetings are scheduled weekly, or as needed, to review noncompliances and to make the final decision whether an issue will be reported into the NTS.

OE reviewed WSRC's PAAA noncompliance database, selected ORPS reports, and selected assessment reports for calendar year 2004 (to date) to determine if potential issues are being reported into the NTS. This review found that potential issues, consistent with OE expectations, are being identified by the RPOCs and are being reviewed by the RCC in a timely manner. OE's review also identified that approximately 76 percent of WSRC's 2004 NTS reports have a corresponding ORPS report. Though this is not an exact measurement of event-related NTS reports, it does provide a reasonable approximation. Seventy-six percent is consistent with the norm for the DOE complex; however, this is still considered higher than desirable and indicates that events rather than assessments are still the predominate initiator of WSRC's NTS-reportable noncompliances.

WSRC's performance analysis process is described in Manual 12Q, Procedure PA-1, "Performance Analysis." This procedure establishes the Performance Analysis Advisory Group (PAAG) that is responsible for site-level analyses of noncompliances for repetitive and programmatic issues. The PAAG is required to perform these analyses and report on the results on a quarterly basis. The performance analysis process was established in 2004 and the first quarterly report was issued in November of last year. In addition to the PAAG quarterly report, each business unit is required to conduct a semi-annual performance analysis. A weakness was identified in the 2001 PAAA program review concerning the failure to consistently perform reviews for recurring and programmatic issues. Procedure PA-1 addressed this weakness through the establishment of a systematic process for their identification and analysis. However, since this process was recently implemented, its effectiveness could not be determined at the time. A review of NTS reports for 2004 identified that several site-wide programmatic issues had been reported.

Strengths

- Potential NTS issues are identified and reported in a timely manner consistent with OE guidance.
- The RCC adds value in promoting site-wide consistency and communications.
- The PAAG and performance analysis process provide a systematic means to identify recurring and programmatic issues.

Weaknesses

- Approximately 76 percent of the NTS reports for 2004 have a corresponding ORPS report which indicates that self-disclosing events are still the primary noncompliances being reported.

V. Cause Determination and Corrective Action Closure

WSRC's corrective action program was also revised in 2004, and it has been integrated into the STAR system. The corrective action program is described in Manual WSRC-1-01, Policy 5.35, "Corrective Action System"; Manual 1Q, Procedure 16-3, "Corrective Action Program"; and Manual 1B, Procedure 4.23, "Site Tracking, Analysis, and Reporting (STAR)."

A graded approach, through the assignment of significance categories, is used to determine the level of causal analysis, extent of condition review, and rigor of corrective action management required for deficiencies. Root cause analysis is required for significance category 1 and NTS-reported deficiencies, an apparent cause analysis is performed for significance category 2 and 3 deficiencies, and significance category 4 deficiencies typically do not undergo an apparent cause analysis. Extent of condition reviews are also required for significance category 1 and NTS-reported deficiencies. OE's review found that causal analyses were performed for NTS-reported deficiencies and corrective actions were implemented in a timely manner. A concern was identified in that a significance category 2 deficiency would not receive a formal root cause analysis unless it was reported into the NTS. OE's concern is that one or more significance category 2 deficiencies could indicate an underlying problem that might not be readily recognized through an apparent cause analysis. An additional concern is that not all category 4 deficiencies are given a cause code. A review of the STAR database found that approximately 75 percent of the category 4 deficiencies have been assigned a cause code; thus, it is inconsistent that the remaining, similar deficiencies have not been.

All noncompliance corrective actions are tracked in the STAR system with target and actual completion dates. The responsible manager can modify corrective action due dates, however, changes to NTS corrective actions require additional approval by the appropriate senior manager (e.g., business unit manager). No reports were created or issued to management on overdue corrective actions due to adequate tracking of corrective action completion dates. A review of the STAR database found that significance category 1 and 2 corrective actions were generally being completed by the scheduled due dates. Significance categories 1 and 2, and NTS corrective actions require the preparation of a closure package upon their completion as well as an independent verification of their completion. In addition, effectiveness reviews are also required for significance category 1 and NTS corrective actions to assure that the problems have been adequately corrected.

Though not reviewed in detail, the Corrective Action Review Board being piloted for the H-Completion Project (HCP) (the H-designated facilities) was found to be noteworthy in that it applied consistency in categorizing deficiencies. This "global" approach to deficiency management within such a broad-scoped project, compared to a piecemeal approach, should provide the HCP a more effective means for determining consistent corrective actions and benefit management in identifying repetitive problems.

Strengths

- Corrective actions are tracked in a single site-wide system.
- A formal causal analysis is performed for NTS-reported deficiencies.
- An independent review is performed of the closure of NTS corrective actions.
- An effectiveness review is performed for NTS corrective actions.

Weaknesses

- Significance category 2 deficiencies do not receive formal root cause analyses.
- No apparent cause analysis is required for a significance category 4 deficiency.

VI. Management and Independent Assessment Programs

A review of WSRC's management and independent assessment programs was performed. These programs are described in Manual 1Q, Procedure 18-4, "Management Assessments," and Manual 12Q, Procedure FEB-1, "Facility Evaluation Board." In 2004, WSRC revised its management assessment program to make it more effective in the identification of precursor issues and more consistent across the business units. Each business unit is required to develop an annual management assessment plan that identifies the assessments to be performed in the upcoming year. These plans are reviewed and approved by senior management. In developing the plans, managers are required to include some mandatory assessment areas and can supplement them with discretionary areas. The discretionary areas are selected by each manager based upon the business unit's performance analysis results, lessons learned about potential problem areas at other facilities and sites, and other management concerns. Management assessments are formally documented and any identified deficiencies are entered and tracked in the STAR system. Since the management assessment program, including the performance assessment process, were implemented fairly recently, no assessment of their effectiveness was made. However, it was noted that these assessment programs, including their integration with the STAR system, are regarded as substantive replacements when compared to the assessment program in effect during the previous WSRC PAAA program review.

One major change in this program is the inclusion of a performance analysis process. The performance analysis process identifies adverse trends related to nuclear safety performance. Each business unit is required to perform an assessment and issue a report twice a year. This is in addition to the quarterly reports issued by the PAAG. Business unit managers use these reports to determine what discretionary assessments are to be included in their management assessment plans.

WSRC's independent assessments are conducted by the Facility Evaluation Board (FEB), which consists of senior personnel with significant experience and expertise. The assessment team members are selected for each scheduled assessment to ensure independence and the requisite experience for the assessment scope. The FEB assessments are formally planned and scheduled, and the plans approved by the

WSRC President. The FEB documents findings, observations, and good practices. In addition, FEB reports discuss similar deficiencies that have been identified in prior assessments. The FEB process is found to be an effective independent assessment tool.