

August 8, 2002

The Honorable Spencer Abraham  
Secretary of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585-1000

Dear Secretary Abraham:

The Defense Nuclear Facilities Safety Board (Board) has examined the Integrated Safety Management (ISM) annual review process. This annual review process is intended to ensure that ISM programs remain current, and for those programs not functioning effectively, to provide a means of identifying deficiencies and corrective actions. The Board's letter of November 8, 2001, challenged the effectiveness of the process as implemented at some sites.

Review of DOE's January 25, 2002, response to that letter indicated that concerns regarding the robustness of the annual review process were warranted. The Board's staff subsequently reviewed the procedures of the Department of Energy's (DOE) field offices and contractors for performing annual ISM reviews and updates. This review confirmed that there are significant differences in the approaches used by the sites to carry out the ISM reviews. Discussions at the May 2002 ISM Forum further confirmed the broad variation in rigor and senior management attention being applied to these reviews.

While the Board recognizes that some flexibility in executing annual ISM reviews is necessary, the differences in implementation documentation among the sites go beyond what might be expected—ranging from essentially no review at some sites to a full verification-like review at others. The cause for these differences appears to stem from a failure to use the guidance provided in DOE Guide 450.4-1B, *Integrated Safety Management Guide*, with regard to establishing a consistent baseline for the reviews.

The Board is aware that one outcome of the May 2002 ISM Forum was a commitment to conduct a workshop hosted by DOE's Idaho Operations Office on Processes for Maintaining and Improving Integrated Safety Management Systems. The Board is encouraged that this meeting may resolve some problems associated with the ISM annual review process, and that discussion of the implementation of the DOE Acquisition Regulation (DEAR) clause on ISM could lead to more uniform application across the complex to achieve safety goals. The Board offers the following suggestions for incorporation into the plans for the workshop:

- ! Strongly encourage attendance at the workshop by DOE and contractor line management responsible for implementing ISM annual review requirements.
- ! Have the offices of primary interest for DOE Guide 450.4-1B and the ISM DEAR clause provide an overview of the annual review requirements and guidance that currently exist. Identify the minimum actions required for an adequate annual ISM review based on these requirements and guidance.
- ! Discuss the various options available with respect to the formality and resource requirements for annual reviews.
- ! Highlight those approaches and techniques associated with annual reviews that have proven beneficial and those that have been of little value. Consider developing appropriate lessons learned to document these findings for the DOE complex.
- ! Discuss how the ISM annual review process supports the updating of safety performance objectives, performance measures, and commitments required by the ISM DEAR clause.
- ! Discuss the importance of ensuring that timely corrective actions are taken to address any findings from ISM annual reviews, as illustrated by the Board's March 19, 2002, letter and DOE's response.

The Board considers an effective ISM annual review process to be critical to the long- term health of ISM. In addition to issuing up-to-date Functions, Responsibilities, and Authorities documents as discussed in the Board's letter of January 31, 2002, the establishment of robust ISM annual review processes is one of the last remaining actions required for closure of the Board's Recommendation 95-2, *Safety Management*.

Sincerely,

John T. Conway  
Chairman

c: The Honorable Jessie Hill Roberson  
The Honorable Linton Brooks  
Mr. Mark B. Whitaker, Jr.  
Mr. Warren E. Bergholz, Jr.