

REMARKS

PREPARED FOR

**PRICE ANDERSON WORKSHOP
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BY

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I am pleased to be able to say a few words to all of you at the beginning of your workshop on the Department of Energy's (DOE) Price Anderson Enforcement Program. As you know, the provisions of the Price Anderson statute provide, in essence, for insurance coverage by the Federal government of its contractors who perform work with radioactive materials. For such coverage DOE contractors must agree to perform to nuclear safety requirements prescribed by DOE as rules. In addition, DOE's contractors are also bound by other safety requirements established as contract terms. Requirements so defined generally result in the preparation by the contractors of "Manuals of Practice" or "How To" documents for guidance of their employees on how the requirements are to be satisfied. These requirement sets and manuals of practice form the underpinning of the Integrated Safety Management (ISM) program that has been adopted for universal application to the hazardous work of DOE (Policy P 450.4).

Under ISM the responsibilities for protection of workers, the public and the environment are being addressed as an integrated whole. The objective is to preplan work to identify the hazards, both nuclear and non-nuclear, and to construct those measures needed to ensure safety as the work is performed. Process safety and engineered safeguards are preferred to administrative procedures. Both the identification of hazards and the measures devised to ensure safety must be the product of sufficient quality to ensure the reliable performance required. DOE's Quality Assurance (QA) program is an important contributor to this quality objective. As you know, every contractor is required by Rule to have a QA program.

I am sure all of you have heard the expression, "Rules are made to be broken." I submit to you, this is a misguided point of view. Rules/requirements are intended to define expected norms of behavior. In principle, one should not lay down "requirements" that one is not willing or able to enforce. This is true whether they are rules for the home or safety rules for the contractor. While deviations for cause may be justifiable at times (e.g., who among us would not risk a speeding violation in response to a life threatening situation requiring an emergency run to the hospital), noncompliance evidencing negligence, ineptness or wilful deviations from known safety measures are not to be tolerated. If requirements are disregarded because they are found to be unduly onerous or ineffective, then they should be subject to modification processes set up for such purposes. This is very much a part envisioned for the feedback and improvement function of ISM.

People trained to those safety measures are expected to perform as planned with the attention of management to results. The lessons learned from every work experience provides valuable feedback to work which is yet to be done.

DOE's overall enforcement program is a part of a rewards-penalty system. This rewards-penalty system is an important part of the feedback and improvement function of ISM. The rewards are intended to encourage behavior patterns that meet or exceed expectations. Penalties are levied to highlight unacceptable practices and to bring behavior within the norms defined by requirements and associated good "how-to" practices. The system as a whole is intended to be corrective not punitive.

It is important, in my view, that enforcement of safety requirements under provisions of the Price Anderson Act be done in the context of the total rewards-penalty system of DOE. The rewards-penalty provisions of contracts are administered separately through the awards fee provisions by the Field Office Managers. It is my impression that Congress enhanced the enforcement authorities of DOE by strengthening the Price Anderson Act in this regard, but did so to provide another tool of enforcement, not to diminish the awards fee adjustment as a strong behavior modifier. In recent years, EH-10 has developed and deployed an effective program for Price Anderson actions. This program recognizes the benefits of contractor self-assessments and associated corrective action planning and grades behavior patterns and mishaps according to safety significance. On the other hand, DOE's own Inspector General has observed (DOE/IG-0510, dated July 2001) that the use of performance-based incentives at a selected number of sites has not been deployed to good advantage. The EH-10 program, no matter how effective, should not be used to the exclusion of contract award adjustments, particularly if lack of tough fee adjustment actions is motivated by concerns for the amicable working relations with contractors. On the other hand, any rewards-penalty system must be perceived as just and fair, with penalties proportional to the seriousness of the infractions, and rewards proportional to benefits accruing to the government.

I recently reread a book entitled "Managing the Risks of Organizational Accidents" by James Reason. In Chapter 9, Reason writes briefly on reward-punishment systems. From those such as Reason, one learns that behavior-influencing actions, whether rewards or penalties, are most effective when taken promptly. This is particularly true for unacceptable behavior. Most of us know from personal experiences, both in the home as well as the work place, that corrections are best made as soon as infractions are observed. With this in mind, I suggest to you that:

ACTION DELAYED
IS
ACTION MISPLAYED

Those of you devoting your professional careers to enforcement of safety requirements may sometimes feel you are performing a thankless task. Not so. Not any less so than a parent who has to discipline an unruly or spirited teenager, or our law enforcement authorities who help keep our society ordered for the common good. Ensuring safety requires a disciplined effort. No other is acceptable. Making those responsible for ensuring safety live up to their commitments is worthy of your best of efforts and deserving of thanks from all those who benefit.

I wish for you a productive workshop.