Statement of Dr. Michael Graham
Principal Vice President, Bechtel National, Inc.
Before the Subcommittee on Financial and Contracting Oversight
Committee on Homeland Security and Government Affairs, U.S. Senate
March 11, 2014

Madam Chairwoman, Senator Johnson, and members of the subcommittee, I am Michael Graham, Principal Vice President of Bechtel National, Inc. (BNI), the lead contractor for the Hanford Waste Treatment and Immobilization Plant (WTP) project being built in Hanford, Washington. I am the general manager of BNI's U.S. environmental business that includes the WTP project.

The Bechtel group of companies (Bechtel) is a global engineering and construction enterprise with a history of more than 115 years in the business. Bechtel has a long history of successfully completing large, technically-challenging projects sector including designing and building many of the nuclear power plants in the United States, and more recently, the first-of a kind 350 MW Ivanpah solar energy generating station in the Mojave Desert in California.

BNI, one of the companies in the Bechtel group of companies, works on some very large, complicated government projects including the chemical agent-destruction pilot plants in Bluegrass, Kentucky and Pueblo, Colorado. Bechtel designed and engineered the Defense Waste Processing Facility (DWPF) at the Savannah River Site in South Carolina, the only plant in the nation that currently converts liquid high-level nuclear waste into a solid glass form suitable for long-term storage and disposal, a process known as "vitrification." This is the same process that will be used at WTP.

The Waste Treatment Plant at Hanford is being designed and built to meet a U.S. Government commitment to the State of Washington to immobilize the highly radioactive waste stored in 177 aging underground tanks. These legacy tanks of World War II and the Cold War date back to the 1940's, and 67 of the tanks have been reported to have leaked over a million gallons of radioactive waste. Some of the world's preeminent experts, including from U.S national laboratories, have joined together at WTP to protect the Columbia River. The plant will take that radioactive tank waste, mix it into glass, and package it into robust containers for permanent disposal – thus completing the cycle of efforts that began during World War II and the Cold War. It is a critically important mission we are committed to accomplishing safely.

This mission, to safely dispose of the radioactive waste that has been accumulated over generations, is a challenge that has been handed to our generation by our parents and grandparents. It is, and will continue to be, difficult, costly and time-consuming. We owe it to our children and our grandchildren to undertake this task and to bring it to a successful conclusion. The great and talented individuals that make up the Bechtel team are honored to be a part of this important mission and are committed to safely meeting the demands of the mission.

Safety Culture

You have asked BNI here today to "discuss the safety culture at the Hanford site and Bechtel's treatment of employees who raise safety or environmental issues."

An essential element of our success in completing technically challenging projects for both commercial and government clients is creating and maintaining a strong safety culture that values a questioning attitude toward technical and safety issues. This is particularly true in building nuclear facilities that must be executed under rigorous safety and quality standards (NQA-1).

Raising and resolving technical issues is an integral part of our work process. Managers, supervisors and employees have been trained that a Safety Conscious Work Environment (SCWE) ***mandates*** that identifying issues and raising concerns is ***welcomed***. All personnel are expected to fully and collaboratively participate in the identification and resolution of issues and concerns. Our management team is fully committed to and focused on these requirements.

Free and open discussion of technical and safety issues related to the WTP project is encouraged and expected as part of day-to-day activities. Multi-disciplinary reviews and comment resolution during development of project documents, including design media, safety documents, technical studies, reports, calculations, procurement specifications and vendor submittals, combined with a healthy number of assessments and surveillances all serve to identify the vast majority of questions that are inherent to completing this highly complex project. In most instances, differences in professional opinions are resolved as a routine part of interaction between colleagues and management.

If these interactions do not effectively address a question, there are multiple avenues for project personnel to raise issues and concerns, including but not limited to: the Project Issues Evaluation Reports (PIER) process, Employee Concerns Program (ECP) and Differing Professional Opinions (DPO) process. All project personnel receive extensive training and information on ensuring a Safety Conscious Work Environment, which includes information on using these and other avenues to report and resolve issues and concerns.

The PIER process is a tool for managing the WTP's technical issues and opportunities for improvement. Issues raised in the PIER process are fully transparent to the Department of Energy. This readily available process provides a mechanism for the resolution of any and all issues, be they raised by project personnel or an external reviewer.

But the PIER process is not the only path that is available to obtain further review of any engineering, safety or other project-related issue. The Employee Concerns Program provides all personnel at WTP with an independent avenue for reporting and resolving concerns. Although concerns can be reported confidentially or anonymously, we are pleased that few people on the WTP project feel the need to seek anonymity.

Yet another path available to an individual seeking an alternative to both the PIER and the Employee Concerns avenues is the Differing Professional Opinion Process. The DPO process is a formal mechanism for WTP personnel to resolve questions and concerns about the adequacy of the technical design where there is a legitimate disagreement regarding the appropriate technical path. The DPO process provides for a formal review of the disputed issues by a technically qualified, independent panel with oversight by a DPO review board.

Collectively, these represent robust best-in-class processes for identifying, tracking and resolving issues and concerns.

Resolving technical questions

The WTP project will not be completed until all open technical questions have been resolved to the satisfaction of our team and the Department of Energy. The facility will then undergo a rigorous, multi-year operational readiness review (ORR) process and operational testing using surrogate materials to demonstrate that the plant will safely operate as designed before any "hot" nuclear operations can begin. This process took many years to complete when DWPF was started up at the Savannah River Site. And the subcommittee might be interested to know that this vitrification facility in South Carolina has been operating safely since 1996.

The Department of Energy is intimately involved in the process of reviewing and resolving technical questions at WTP. During the latter part of 2012 and into 2013, Secretary Chu became directly involved in this matter and employed some of the best and brightest scientists to evaluate the technical basis for the WTP. Secretary Moniz has also devoted significant personal attention to this project, and last fall released a path forward document outlining the Department's approach to answering the remaining technical questions. We are committed to working with the Department to implement the path forward to answer the remaining technical questions, complete the design, align the safety basis with the design, and complete construction to deliver a safe and effective vitrification facility.

Ms. Busche's dismissal

Finally, you have asked what role our company had in Ms. Busche's dismissal. Ms. Busche was an employee of URS and URS alone made the decision related to termination of Ms. Busche's employment. It is my understanding that last month, shortly before her termination, we were informed by URS that URS was considering terminating Ms. Busche's employment for cause. I also understand that we were informed by URS the day before the termination that URS intended to proceed with termination. We received a letter from URS formally notifying us of Ms. Busche's departure from the WTP project. We then informed the Department of Energy by letter, and have provided both letters to the subcommittee.

Closing remarks

We at Bechtel are extremely proud of our work at Hanford; it is an honor to serve as the Government's lead contractor for this vitally important project. We've spent 13 years dedicating our premier personnel to the project. We welcome thoughtful criticism, as a foundational component of our commitment to continual improvement.

It is important to note that there are enormous successes at the WTP project, and we're committed to reaching the day when the plant is safely operating and processing nuclear waste to protect the Columbia River and the people of the Pacific Northwest.

Thank you for the opportunity to make these remarks today.