

November 8, 2013

EA-13-066

Philip K. Asherman, President
and Chief Executive Officer
Chicago Bridge & Iron
One CB&I Plaza
2103 Research Forest Drive
The Woodlands, TX 77380

SUBJECT: CHICAGO BRIDGE & IRON'S RESPONSE TO THE U.S. NUCLEAR
REGULATORY COMMISSION LETTER REGARDING A CHILLED WORK
ENVIRONMENT FOR RAISING AND ADDRESSING SAFETY CONCERNS AT
CHICAGO BRIDGE & IRON'S LAKE CHARLES FACILITY

Dear Mr. Asherman:

Thank you for your May 17, 2013, letter (Agencywide Documents Access and Management System (ADAMS) Accession No. ML13149A351) in response to the U.S. Nuclear Regulatory Commission's (NRC) chilling effect letter (CEL) dated April 18, 2013 (ADAMS Accession No. ML13092A077), which addressed the chilled environment for raising and addressing safety concerns at your Lake Charles facility.

On September 16, 2013, the NRC issued a Confirmatory Order (the order) to Chicago Bridge & Iron (CB&I), (ADAMS Accession No. ML13233A432), as a result of an agreement reached during alternate dispute resolution (ADR) mediation sessions conducted on June 11, 2013, and July 29, 2013. The ADR mediation sessions concerned a notice of violation and proposed imposition of civil penalties related to employment-discrimination violations of Title 10 of the *Code of Federal Regulations* (10 CFR) 52.5, "Employee Protection," committed against a former Shaw Power Group employee.

As a result of the settlement agreement from the ADR mediation sessions, CB&I agreed to take a number of actions for all persons employed by CB&I, including contractors and subcontractors who are engaged in work associated with NRC-regulated activities. These actions apply to those persons employed at the Lake Charles facility, including contractors and subcontractors. The actions include the following:

- Reinforcing through a written communication from CB&I's Chief Executive Officer the company's strategy to improve its nuclear safety culture.
- Updating its nuclear safety culture and safety-conscious work environment (SCWE) policies and documents to ensure that they are consistent with and informed by NRC and industry guidance.

- Developing or revising the company's training about employee protection, the nuclear safety culture, and maintaining a SCWE.
- Establishing a uniform Executive Review Board (ERB) process to ensure independent management review of all proposed significant adverse actions.
- Developing a single Employee Concerns Program.
- Performing tailored comprehensive nuclear safety culture assessments, including site surveys, of all CB&I nuclear business entities.
- Sharing the company's experience and insights related to this matter at an NRC vendor workshop.

The order specifically incorporated or expanded the scope of a significant portion of the commitments in your May 17, 2013, response to the NRC's April 18, 2013, CEL. Because these actions address the chilled environment for raising and addressing safety concerns at the Lake Charles facility, any portion of the order that expands the scope of the commitments made in the May 17, 2013, response supersedes the commitments in your response.

The NRC will review the scope of your assessment of the work environment, the independence of those involved in the evaluation, and the adequacy and effectiveness of any corrective actions proposed or taken. Closure of the CEL is contingent on the NRC's determination that CB&I has made reasonable progress towards addressing the underlying issues that led to the issuance of the CEL. The NRC's determination will be coordinated with the closure of the order and will be based on the review of either pertinent information, inspections, or both. Activities related to CB&I's Lake Charles facility that are addressed in the order will be evaluated as part of the closure of the order and the remaining items identified in the CEL and your response will be addressed through the CEL closure process.

To reach the determination that CB&I has made reasonable progress toward addressing the underlying issues that led to the issuance of the CEL, the NRC requests that you make available copies of the following items as they are developed:

- the criteria for measuring effectiveness of actions taken to improve the chilled environment
- the measures to monitor development and maintenance of an SCWE
- the measures for monitoring the effectiveness of SCWE training
- the schedule for performing independent safety-culture assessments

In addition, the NRC has reviewed your letter and found that some clarification is needed so that the issues raised by the agency are clearly addressed. Specifically,

- Your response to NRC Item 1 states that CB&I will establish a safety-culture refresher for nuclear industry managers and supervisors or foremen. Please describe the safety culture refresher that individual contributors will receive.
- Your response to NRC Item 1 committed to formalizing the ERB and providing awareness training for employees at the appropriate levels. Please describe how CB&I will ensure that all employees understand the role of the ERB.
- Please describe how CB&I will address employees' concerns about previous management actions that employees perceived as retaliation for raising safety issues.
- As discussed in the CEL, some employees see the reorganizations at CB&I as retaliation for raising safety concerns. Please describe how CB&I will ensure that changes in authority or responsibility because of reorganizations are not perceived as retaliation for raising safety concerns.

The NRC requests that you respond to this letter with the dates by which CB&I expects to generate and submit the requested information. Please provide a written response within 30 days from the date of this letter to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Director, Office of New Reactors.

In accordance with 10 CFR 2.390, "Public Inspections, Exemptions, Requests for Withholding," which is a portion of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure(s), and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

To the extent possible, your response should not include any personally private, proprietary, or safeguards information so that it can be made available to the public without redaction. If personally private or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material be withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21, "Protection of Safeguards Information: Performance Requirements."

P. Asherman

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Please contact Mr. Edward Roach at 301-415-1973 or by electronic mail at Edward.Roach@nrc.gov if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

Glenn M. Tracy, Director
Office of New Reactors

Docket No.: 99901424

P. Asherman

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Sincerely,

/RA/

Glenn M. Tracy, Director
Office of New Reactors

Docket No.: 99901424

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DATE	10/18/2013	10/22/2013	10/25/2013	10/18/2013
OFFICE	OE*	QTE*	NRO/DCIP	NRO
NAME	LJarriel	JDougherty	MCheok(AValentin for)	GTracy
DATE	10/25/2013	10/30/13	10/31/2013	11/07/2013

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