

October 7, 2016

EA-13-066

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

SUBJECT: CLOSURE OF CHICAGO BRIDGE & IRON CHILLING EFFECT LETTER

Dear Mr. Asherman:

On April 18, 2013, the Nuclear Regulatory Commission (NRC) issued a chilling effect letter (Agencywide Documents Access and Management System [ADAMS] Accession No. ML13092A077) regarding chilled work environment issues at Chicago Bridge & Iron's facility in Lake Charles, Louisiana (hereafter referred to as CB&I LC), formerly known as Shaw Modular Solutions (hereafter referred to as SMS). This letter was issued after the NRC concluded that portions of the SMS workforce, especially employees with nuclear and quality control backgrounds, had the perception that they were not free to raise safety concerns using all available means. SMS employees also believed that individuals had been retaliated against for raising safety concerns. Furthermore, management had not been effective in assuring employees that they may raise safety issues without fear of retaliation.

On May 17, 2013, you provided a response to the chilling effect letter, including the immediate actions you had taken and the corrective actions planned to address the chilled work environment at CB&I LC. In addition, you identified near-term and longer-term actions you planned to take (ADAMS Accession No. ML13149A351). On December 20, 2013, you provided an update on the status of your corrective actions to address the chilled work environment at CB&I Lake Charles (ADAMS Accession No. ML13357A509).

During the period from 2013 to the present, the NRC staff reviewed your corrective actions to address the work environment issues at the site. The NRC staff performed three inspections at the CB&I Lake Charles facility in 2014 and 2015 to review your root cause analyses, completed and planned corrective actions, metrics and measures you implemented to monitor your progress, and results of independent safety culture surveys and assessments performed in 2014. These inspections included a limited scope routine inspection in February 2014, a limited scope reactive inspection in December 2014, and an inspection in May 2015 to evaluate CB&I Lake Charles's implementation of Confirmatory Order EA-13-196 (ADAMS Accession Nos. ML14072A315, ML14352A127, and ML15169A231, respectively). During these inspections, NRC inspectors interviewed approximately 100 employees, in focus groups and individually, concerning safety conscious work environment issues.

Based on the results of the inspections listed above, and results of interviews and safety culture surveys and assessments, the NRC has determined that your safety conscious work

environment program is consistent with the NRC's June 2011 Safety Culture Policy Statement, and you have made reasonable progress in addressing your safety conscious work environment issues at CB&I LC. Specifically, in evaluating your scope of efforts and progress in addressing these issues, the NRC determined that you recognized the issues and have implemented a range of corrective actions. The NRC has determined that your actions, which included implementation of new programs to continue improving the safety conscious work environment at CB&I LC, are adequate to address the chilling effect letter. Therefore, the NRC considers the chilling effect letter dated April 18, 2013, to be closed.

On September 16, 2013, the NRC issued Confirmatory Order (CO) EA-12-189 to CB&I to undertake actions related to Title 10 of the *Code of Federal Regulations* (10 CFR) 52.5, "Employee protection" (ADAMS Accession No. ML13233A432), as a result of an agreement reached during alternative dispute resolution (ADR) sessions. The September 2013 CO was later revised and superseded by the September 25, 2014, CO EA-2013-196 as a result of a second ADR mediation (ADAMS Accession No. ML14248A445). The revised CO incorporated all the actions required by the first order, and included additional actions that CB&I would take to address deliberate misconduct or willfulness at its vendor sites which are engaged in work associated with NRC-regulated activities at, or directly related to, CB&I sites or projects. Many of the actions stipulated in the CO are similar to your commitments in response to the May 17, 2013, chilling effect letter.

Notwithstanding this conclusion, the NRC will continue to monitor your activities to maintain a safety conscious work environment at CB&I LC through the vendor inspection program to verify the effectiveness and sustainability of your efforts. In addition, note that CO EA-2013-196 remains in effect and is not impacted by the closure of the chilling effect letter.

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Rules of Practice," the NRC will make available electronically for public inspection a copy of this letter and your response, if you choose to provide one, in the NRC Public Document Room or through the NRC's ADAMS system, which is accessible at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible (and if applicable), your response should not include any personal privacy, proprietary, or Safeguards Information so that it can be made available to the public without redaction.

If you have any additional questions regarding these matters, please contact Laura Micewski at (301) 415-5763.

Sincerely,

**/RA/** (VOrdaz for)

Jennifer Uhle, Director  
Office of New Reactors

Docket No.: 99901424

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Jennifer Uhle, Director  
Office of New Reactors

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**ADAMS Accession No.: ML16166A262**

\* via email

NRO-002

OFFICE	NRO/DCIP/QVIB-2	NRO/DCIP/QVIB-3	NRO/DCIP	NRO/DCIP	QTE
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DATE	06/14/16	08/29/16	09/06/16	09/06/16	09/29/16
OFFICE	NRR/DIRS/IPAB	OE	OGC	NRO	
NAME	DWillis	LJarriel	CHair	JUhle (VOrdaz for)	
DATE	09/09/16	09/19/16	09/22/16	10/07/16	

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Letter to Philip K. Asherman from Jennifer Uhle dated October 7, 2016

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