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Via e-mail: AWF9@pge.com

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Re: Root Cause Analysis Report Prepared by Bureau Veritas

Dear Ms. Fenrick:

Thank you for sharing the report prepared by Bureau Veritas (BV) in connection with the fatality of Cleveland Wrecking Company (CWC) employee [Redacted] PG&E is a highly valued client. CWC and its parent company URS look forward to the opportunities to provide professional services and advice to PG&E as one of our long term partners. Our companies have a history of working together and cooperating on projects to achieve quality results. Accordingly, we appreciate the opportunity to provide a written response to address the inadequacies in the BV report.

CWC is committed to safe operations in regard to employees, subcontractors, client staff, and the public. CWC's safety approach includes management safety leadership, use of best practices, employee training, project safety planning, employee engagement, and behavior based safety.

The BV report is acutely and fundamentally flawed. The report contains purely speculative allegations made based on mischaracterizations of facts and actions taken by CWC leading to erroneous and misleading observations and analyses. BV also employed problematic methodology in its fact gathering process. CWC believes that many of the inaccuracies arise from BV's reliance on opinions from non-experts in the field of demolition and second- or third-hand information in preparing its report. For example, page 2 of the report is misleading when it states: "Information included in this report was obtained from on-site evaluation of the accident scene; from interviews of CWC employees who either witnessed the incident or who had first-hand knowledge of the events leading to and immediately following the incident..." In fact, no interviews of CWC employees occurred by BV or its subcontracted "experts." Rather, BV simply incorporates portions of the RCA CWC prepared verbatim without any attribution to that document. The report then "spins" the background facts into "possible" or "potential" causes, many of which lack any or little empirical or objective support.

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In response to specific portions of the report, CWC offers the following primary (but not all-inclusive) points of dispute:

Section 5 Potential Issues for Examination

- Many of the numbered items presuppose that the stated issues for examination are correct when the opposite is true, such as that CWC elected not to follow its agreed upon demotion work plan.
- BV chooses to use the prejudicial term “victim” to describe [Redacted]

Section 6 Root Cause Analyses

Proposed Observation 1

- Despite acknowledging that “Victim’s health issues are not known at this time” and the record being devoid of any such evidence, BV indicates that [Redacted] may have had personal factors affecting him including “mental illness,” “blood sugar insufficiency,” and “drugs.”

Proposed Observation 2

- Despite the Incident Analysis stating that “The Tank 1 team was not under any pressure to remove the tank,” BV alleges that [Redacted] “may have ignored instructions to save time. Company culture may reward productivity over safety.”
- There is no support for allegations that CWC has an inadequate disciplinary policy. Indeed, CWC provided relevant and timely examples of disciplinary actions to Cal OSHA representatives who investigated the accident site.

Proposed Observation 3

- There is no support for allegations that “Company culture may reward productivity over safety” or “Inadequate disciplinary policy and/or practice may not discourage rule breaking.”

Proposed Observation 4

- BV assumes facts leading to improper conclusions. URS’ RCA stated that several CWC crew members interviewed after the incident mentioned that [Redacted] had “not been himself” during the days leading up to the incident and that he had been quiet and reserved. URS’ RCA further states that this prompted [Redacted] to ask [Redacted] if there was something wrong. During this conversation, [Redacted] mentioned that he was seeing a doctor about a health condition. The issue of [Redacted] heart condition and change in prescription medication did not come up during this conversation but rather was discovered later during CWC incident investigation. As stated in the URS RCA, [Redacted] did not exhibit signs of impairment, he just seemed quiet and a bit distracted. Furthermore, [Redacted] asserted that he was OK and was able to continue to work.
- URS’ “Fitness for Duty” policy states: “While there is a great variety and range of acceptable behavior among employees, dramatic or sudden changes in any particular employee’s customary behavior may be a cause for concern. Atypical behavior that may trigger the need to evaluate an employee’s fitness for duty include, but is not limited to, problems with dexterity,

coordination, concentration, memory, alertness, vision, speech, inappropriate interactions with coworkers or supervisors, inappropriate reactions to criticism, or suicidal or threatening statements.” [Redacted] behavior did not meet any of the criteria listed above. His perceived change in behavior was neither “dramatic” or “sudden.”

- Because the only unusual behavior exhibited by [Redacted] on that day was that he was “quiet,” [Redacted] who had years of experience directing [Redacted] had no grounds for removing him from the job. It is unreasonable to expect any employer to remove a worker from an assigned task based purely on the subjective interpretation of an employee’s mood. Had [Redacted] questioned [Redacted] further about the status of his health, [Redacted] could have placed himself in violation of the Health Insurance Portability and Accountability Act (HIPAA) of 1996.
- [Redacted] had been cleared for duty by his physician. Any conclusions that he was unable to perform his normal duties are unsupported and speculative.

Proposed Observation 5

- Contrary to the opinion provided in the report, CWC was using mechanical means to demolish the tank, consistent with the Demolition Work Plan. A safe approach for the demolition of the tank was to use labor with torches in a limited manner to pre-cut the structure in order to allow a controlled demolition to occur using heavy equipment in accordance with industry practice. The methods used were designed based on the site condition and the equipment available on the site matched those needs.
- The statements provided by BV’s “experts” are incorrect and are unaccompanied by any treatises or certified industry standards. Tank demolition, using men in lifts with torches, is a method that has been used for years and may be safer than only using equipment depending on site conditions and tank construction.
- The “experts” lack of understanding that using mechanical mean includes manual pre-cutting underscores their limited knowledge of demolition practices.
- The “expert opinions” provided do not apply to tanks with floating lids, but instead apply to demolition of tanks with fixed lids. The rigidity of tanks with fixed lids allow for more controlled demolitions using equipment, assuming that there is equipment large enough to perform the work. And, even where there may be large enough equipment to perform the work, torch pre-cutting may still be required to provide access for the machine to reach the top of the tank.
- The BV “experts” do not appear to be experts in the field of demolition in contrast to the employees on site who have been working with CWC, a company that has been in the demolition business for over 100 years and has completed hundreds of tanks in this manner without incident.
- The only way to salvage a tank for re-use is by using man lifts or cranes and men with torches to cut the sections out for re-use. This is common industry practice and is performed safely and routinely across the state and country.
- CWC had the correct equipment on site to demolish the tank mechanically, consistent with industry practice (i.e. to demolish the tank after limited initial pre-cutting occurred.)

Proposed Observation 6

- CWC had the correct equipment on site to demolish the tank mechanically, consistent with industry practice (i.e. to demolish the tank after some initial pre-cutting occurred.)

Proposed Observation 7

- Cleveland Wrecking is a wholly owned subsidiary of URS Corporation which employs over 54,000 people. Cleveland's EMR numbers are derived from data generated for the entire company including all subsidiary companies. This is in accordance with standard practice in the industry for a company that reports loss information under a comprehensive insurance program for its operating units.
- The allegations presuppose that CWC has sub-standard safety programs without any support to base those allegations.

Proposed Observation 8

- CWC performed an inspection of the floor of the tank including the use of bobcats with hard rubber tires. There is no logical reason or support to conclude that the integrity of the tank floor contributed to the incident in any manner or to allege that there may have been inadequate engineering.

Section 7 Recommendations for Possible PGE Program and/or Management System Improvements

Recommendations 1 through 3

- BV presupposes that CWC may have had various inadequate policies despite that they were not found deficient by Cal OSHA after a lengthy investigation which included extensive document review and interviews of CWC employees.

Recommendations 4 and 8

- BV presupposes that CWC changed agreed upon work methods when there was no such change.
- PG&E was informed and aware of the torch demolition process being used by CWC.

Although CWC recognizes that process improvement is a continuous act, CWC does not believe that BV's report is a fair or accurate representation of the situation. The BV report was based on a fraction of the information that has been gathered by investigators from government fact-finding agencies which did not arrive at similar conclusions. The report's inadequacies, many of which were discussed above, quite simply lead to inaccurate conclusions. It was Redacted independent actions which ultimately led to his untimely death.

CWC strongly recommends that PG&E schedule a meeting with team members from both companies before BV's report is distributed to other entities to minimize the possibility of any misunderstandings or potential exposure to our companies.

Sincerely,

URS Corporation

Redacted

Regional Counsel

cc: Redacted Vice President, Health, Safety & Environment