

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
to the
U.S. DEPARTMENT OF ENERGY**

PUBLIC MEETING MINUTES

**THE COURTYARD BY MARRIOTT
RICHLAND COLUMBIA POINT
480 Columbia Point Drive
Richland, WA 99352**

August 23-24, 2006

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ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
SUMMARY OF MEETING

The Environmental Management Advisory Board was convened at 9:00 A.M. on Wednesday, August 23, 2006, and Thursday, August 24, 2006, at the Courtyard by Marriott Richland in Richland, Washington. Mr. James A. Ajello, Board Chair, introduced the Board members for this meeting.

In accordance with the provisions of Public Law 92-463, the meeting was open to the public on both days.

Board members present:

- Mr. James A. Ajello, Reliant Energy, Inc.
- Mr. C. Stephen Allred, Consultant
- Ms. Lorraine Anderson, Arvada City Council
- Mr. A. James Barnes, Indian University
- Mr. Paul Dabbar, J.P. Morgan Securities, Inc.
- Mr. G. Brian Estes, Consultant
- Dr. Dennis Ferrigno, CAF & Associates, LLC
- Ms. Jennifer A. Salisbury, Attorney-at-Law
- Mr. David Swindle, IAP Worldwide Services, Inc.
- Mr. Thomas Winston, Ohio Environmental Protection Agency

EMAB Executive Director:

- Ms. Terri Lamb

Others present for all or part of the meeting:

- Ed Aromi, CH2M Hill, Hanford Group, Incorporated (CH2MHill)
- Martin Bensky, Private Citizen
- Edgando Berrios, Washington Group
- Al Burman, National Academy of Public Administration (NAPA)
- Annette Cavy, 7CH
- Shannon Crain, Private Citizen
- Joe Cron, BWXT
- Greg DeWeese, Shaw Group
- Lyle Diediker, Western Advantage
- Bill Dixon, Nuvoke
- Bettie Ertenelli, Private Citizen
- Mike Finton, S.M. Stoller Corporation
- Earle Fordham, Washington State Department of Health
- Mark Gerboth, URS
- Steve Gorin, Parsons
- Karen Guevara, DOE Director of the Office of Compliance
- Richard Gurske, CH2MHill
- Harold Heacock, TRIDEC

- Carl Holder, Private Citizen
- Mack Jones, Commadore
- Albert J. Kliman, NAPA
- Pam, Larson, Hanford Community
- Susan Leckband, Hanford Advisory Board
- Dave Lyle, Lockheed Martin
- Peter Marshall, NAPA
- Todd Martin, Chair, Hanford Advisory Board
- Emily Millikin, Washington Closure Hanford
- Matt Moeller, Dade Moeller
- Melissa Nielson, DOE Director of the Office of Public and Intergovernmental Accountability
- Tim O'Byrne, DOS-OEG
- Marlene Oliver, Private Citizen
- Jennifer Ollero, WCH
- Jennifer Palazzolo, NAPA
- Bob Parazin, Hanford Advisory Board
- Tom Perry, General Accounting Office
- Gary Petersen, TRIDEC
- Rob Piippo, FH-TPA
- Maynard Plahuta, Hanford Advisory Board
- Gerald Pollet, Heart of America Northwest
- Ross Potter, Dade Moeller
- Neal Quesnel, Northrop Grumman
- Jody Redeker, Fluor
- Jack Rhondes, Consultant
- Wade Riggbee, Private Citizen
- James A. Rispoli, DOE Assistant Secretary for Environmental Management
- Bill Ritter, FH
- Roy Schepens, DOE Office of River Protection (ORP)
- Dennis Schmidt, LATA
- Gene Schmitt, Consultant
- Lynn Singleton, Lockheed Martin
- Ron Skinnarland, Washington Department of Ecology
- Mark Smith, HAS
- Scott Stubblebine, DOE ORP
- Terry Walton, Battelle PNNL
- Bruce Watenpaugh, Day & Zimmermann
- Angela Watmoe, SHAW
- Barbara K. Wise, Fluor, Hanford
- M.E. Witherspoon, HASC

ADDITIONAL MATERIALS

Available on the EMAB Website: <http://web.em.doe.gov/emab>

PRESENTATIONS

- Environmental Management Program Presentation by James A. Rispoli, Assistant Secretary for Environmental Management
- Waste Treatment Plant Presentation by Roy J. Schepens, Manager, Office of River Protection
- Regulatory Compliance Presentation by Karen Guevara, Director, Office of Compliance
- EM Human Capital Initiatives and Reorganization Update by Claudia S. Gleicher, Acting Director, Office of Human Capital Planning
- EMAB Human Capital Discussion Report by A. James Barnes and Dennis Ferrigno
- Acquisition and Project Management Presentation by Jack Surash, Deputy Assistant Secretary, Office of Acquisition and Project Management

LIST OF ACRONYMS

ANSI – American National Standards Institute	EM-51 – Office of Procurement and Planning
B&P – Bid and Proposal	EM-52 – Office of Contract and Project Execution
CAB – Citizens’ Advisory Board	EM-53 – Office of Project Management Oversight
CO – Contracting Officer	EM – Office of Environmental Management
COO – Chief Operating Officer	EMAB – Environmental Management Advisory Board
CERCLA – Comprehensive Environmental Response, Compensation, and Liability Act	EPA – Environmental Protection Agency
CPIF – Cost-Plus-Incentive-Fee	FACA – Federal Advisory Committee Act
CRB – Certification Review Board	FEMA – Federal Emergency Management Agency
D&D – Decontamination & Decommissioning	FEMP – Fernald Environmental Management Project
DAS – Deputy Assistant Secretary	FFTF – Fast Flux Test Facility
DFO – Designated Federal Officer	FY – Fiscal Year
DNFSB – Defense Nuclear Facilities Safety Board	GFSI – Government-Furnished Services and Items
DOE – Department of Energy	HAB – Hanford Advisory Board
DOD – Department of Defense	HLW – High-Level Waste
DPW – Department of Public Works	HR – Human Resources
DWPF – Defense Waste Processing Facility	HQ – Headquarters
EIS – Environmental Impact Statement	IDF – Integrated Disposal Facility
EM-1 – Assistant Secretary for the Office of Environmental Management	IDIQ – Indefinite Delivery, Indefinite Quantity
EM-2 – Principal Deputy Assistant Secretary for the Office of Environmental Management	IMIS – Integrated Safety Management System
EM-3 – Chief Operating Officer for the Office of Environmental Management	INL – Idaho National Laboratory
EM-50 – Deputy Assistant Secretary for Acquisition and Project Management	INPO - Institute for Nuclear Power Operations

IPABS – Integrated Planning, Accountability and Budget System
 LANL – Los Alamos National Laboratory
 LBNL – Lawrence Berkeley National Laboratory
 LLW – Low-Level Waste
 LM – Office of Legacy Management
 LTS – Long-Term Stewardship
 MA-60 – Office of Procurement and Assistance Management
 M&I – Management and Integration
 M&O – Management and Operating
 MAA – Material Access Area
 MLLW – Mixed Low-Level Waste
 MOU – Memorandum of Understanding
 MPDES – Pollutant Discharge Elimination System
 NAPA – National Academy of Public Administration
 NAS – National Academy of Sciences
 NGA – National Governors Association
 NE – Office of Nuclear Energy
 NEPA – National Environmental Policy Act
 NNMCAB – Northern New Mexico Citizens’ Advisory Board
 NNSA – National Nuclear Security Administration
 NRC – Nuclear Regulatory Commission
 NTS – Nevada Test Site
 OECM – Office of Engineering and Construction Management
 OMB – Office of Management and Budget
 ORP – Office of River Protection
 OSD – Office of the Secretary of Defense
 OSDBU – Office of Small and Disadvantaged Business Utilization
 OSHA – Occupational Safety & Health Administration
 PAR – Performance and Accountability Report
 PBD – Program Budget Direction
 PBM – Performance-Based Management
 PBS – Project Baseline Summary
 PMP – Performance Management Plan
 RCRA – Resource Conservation and Recovery Act
 REA – Request for Equitable Adjustment
 RFP – Request for Proposal
 ROD – Record of Decision
 ROTC – Reserve Officers' Training Corps
 RW – Office of Civilian Radioactive Waste Management
 SBA – Small Business Administration
 SCIENCE – Office of Science
 SEB – Source Evaluation Board
 SES – Senior Executive Service
 SMIT – Senior Management Integration Team
 SNF – Spent Nuclear Fuel
 SNM – Special Nuclear Material
 SSO – Safety System Oversight
 SRS – Savannah River Site
 TPA – Tri-Party Agreement
 TRU – Transuranic Waste
 VIT Plant – Vitrification Plant
 WBS – Work Breakdown Structure
 WIPP – Waste Isolation Pilot Plant
 WTP – Waste Treatment Plant

Meeting Minutes: August 23, 2006

Opening Remarks

Mr. James Ajello, Chair of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB), called the meeting to order at 9:00 a.m. Before addressing the business at hand, Mr. Ajello took a moment to recognize that the Board is entering a transitional period, welcoming two new members – Mr. G. Brian Estes and Mr. Paul Dabbar – while expecting the loss of Mr. C. Stephen Allred, who has recently been nominated by the President for a position as an Assistant Secretary in the Department of Interior. Mr. Ajello noted that the Board had a productive visit at the Hanford site, emphasizing the lasting impression it made on the members. He then introduced Mr. Keith Klein, Manager of the DOE Richland Operations Office, and Mr. Roy Schepens, Manager of the DOE Office of River Protection (ORP), who expressed their gratitude to the guests for their attendance and recommendations.

Remarks by Assistant Secretary Rispoli

Assistant Secretary James Rispoli thanked everyone for attending and praised the idea of conducting the meeting at a field site, enabling the Board to interact with the public and affected communities.

Mr. Rispoli began by providing an up-to-date overview of the Environmental Management (EM) program. EM is the largest clean-up program in the world. Under its charge there are three original Manhattan Project sites, including Hanford, as well as many other significant sites added during the Cold War. Because EM operates in many different states, the program must work with a multitude of different statutes and governing bodies, including Tribal nations. EM is largely overseen by the Defense Nuclear Facility Safety Board (DNFSB), funded with Defense funds, and authorized by the same committees as the active-duty forces, while other portions work with the Nuclear Regulatory Commission (NRC).

EM's mission is focused on cleaning up waste from the U.S. weapons program. EM is dispositioning a huge amount of waste, much of which is at the Hanford site. EM has over 80 million gallons of radioactive liquid waste subject to disposition. Because of its role in the weapons program, EM now has over 2,000 tons of spent nuclear fuel. The tons of special nuclear materials and plutonium, one million-plus cubic meters of solid radioactive wastes, hundreds of square miles of contaminated soil and ground waters, and the thousands of industrial facilities create the immense challenges facing the EM program. Accordingly, EM has shifted its focus over the past several years from just maintaining all of this material in a safe condition to reducing risk and getting the waste dispositioned and the sites cleaned up.

Mr. Rispoli talked in depth about his focus areas. Since EM is working with inherently hazardous materials, it is imperative that every task is performed in a safe manner. Safety is the number one concern, for the workers, for the community, and for the members of the public who reside in the area. EM's focus is on prioritizing so that material is actually dispositioned and a risk-based approach is used.

EM is as much an acquisition and project management agency as it is environmental and, as such, must go through the Federal government's acquisition process in order to get the right contractor and contracts formats, and through those vehicles, manage goals and activities in a projectized manner. At this point in time, the entire program has been converted into projects that are being implemented and physically managed at each location. There are about 82 clean-up projects throughout the complex with an estimated \$135 billion value. That is the life-cycle cost of the

EM program, and that does not include capital construction projects with a current value of \$7.5 billion. Once the Army Corps of Engineers reviews the contractors' estimates of the Waste Treatment Plant at Hanford though, that number may increase to an estimated \$13 billion in capital construction projects. EM is applying a very strong project management focus to produce results safely in the face of the numerous technical challenges and risks that come with the EM mission.

Mr. Rispoli shared some new happenings in EM, including the specifics of how projects are managed. He stated that there are teams on the ground led by Federal Project Directors (FPDs). These FPDs work with counterparts in the contractor organizations, who in turn, have project managers to manage all of the work in a projectized format. A separate group from DOE does a monthly assessment of the EM portfolio, including the seven capital and 82 clean-up projects, in order to provide the Deputy Secretary and Assistant Secretary an outside view of how the projects are performing. Mr. Rispoli was not aware of any prior time when EM had formally formatted reviews, on the project level, of its entire portfolio. Having just completed the fourth round of these newly instated reviews, he reported that EM's projects have become more focused and more refined. Reviewers look at the project's content, performance, earned value, safety issues, and risks. Reviews are executed in a fairly standardized format in order to make them widely applicable. Typically, one week is set aside per quarter to bring field managers to DOE Headquarters and conduct these reviews face-to-face or, at the very least, with the assistance of a video-conference. In order to improve the credibility of EM with the Congress and all other stakeholders, both internal and external, EM is working on having all baselines independently validated. Thus far, EM has succeeded with 70 % of the projects' costs and schedules validated by an outside entity, and expect the remainder to undergo the process in the near future. All project baselines have assumptions that have to be reviewed and evaluated to avoid past mistakes in committing to the most optimistic assumptions and outcomes rather than the most realistic ones.

There is still much to be done in order to achieve effective and satisfactory identification and management of risks. EM has begun to integrate the acquisition process to include procurement, contract management, and project management, and has created a new Office of Acquisition and Project Management under Deputy Assistant Secretary (DAS) Jack Surash for this reason. This integration initiative requires a capable and high performing organization with a career-oriented workforce. It is important to the Nation that there are people qualified to do the work in a nuclear setting. He reported that EM is focusing a lot of time on its own Senior Executive Service (SES) and has developed an Executive Forum for himself and both Headquarters and field executives. So far, EM has completed two Executive Forums using a Harvard Business School case-study approach, that looked at EM and Department of Defense (DOD) cases, to show EM executives how management issues, regardless of technical issues, are often similar.

Mr. Rispoli reported that EM met a May 31, 2006, deadline to have all of its Federal directors certified by the Office of Engineering and Construction Management (OECM). That involved providing evidence to the board of experience, as well as course work and mastery of certain information. He also reported that EM Headquarters has been reorganized to include three DASs with portfolios of technology and engineering, regulatory issues and affairs, and organization and human capital, and has restructured the Office of the DAS for Safety.

Mr. Rispoli stated that safety has been integrated into the design process. Some of the problems EM had in the past resulted from not taking safety issues into account early enough. In several cases, this required added time and money to go back and account for the issues that had been overlooked. EM's DAS for Safety has just delivered a second round of monthly reports that include normalized safety statistics. That is a powerful tool that allows the Assistant Secretary to

look across the complex and see how the different sites and contractors are doing with their own occupational and nuclear safety plans. This is a new type of visibility. EM needs to share lessons learned as to how some sites do their work in a safer way to protect both the worker and the public.

Mr. Rispoli would like EM to focus on working more effectively in this new organizational structure, and to that end he asked the National Academy of Public Administration (NAPA) to review EM complex-wide. NAPA has already come up with some very good suggestions, and Mr. Rispoli is looking forward to continued collaboration over the next year or so as NAPA does additional reviews to examine the way EM functions as an organization and improve the way EM does business. In procurements, EM wants to ensure competitive and open selections, with appropriate contract types and fee structures for the scopes of work, and ensure that small businesses have a viable role. EM has many success stories which need to be spread.

As a result of the quarterly reviews, EM has identified optimistic assumptions and “scope creep.” “Scope Creep” is the term for instances when reality exceeds the expectations of a given project, requiring more time and money than allotted. In some places there are also performance issues.

DOE has decided that EM will be the organization responsible for future liabilities. EM will work existing future liabilities into the program using a risk-based approach. If there are needs to be met sooner than EM prioritization allows, then sites and programs may budget for them, and EM will be responsible for their management and execution. As the program goes forward in light of the changes to project expectations and liability, EM needs to see that its funding line stabilizes.

At the last EMAB meeting, Mr. Rispoli projected that nine sites would be cleaned up in 2006. However, since that time, two of those nine have been removed from the list. He reported that the original scope of the Miamisburg clean-up was essentially complete, save for the addition of a landfill called Operational Unit 1, which is just now entering the procurement phase. Sandia National Laboratory is a very large site, but because of issues that arose with one of its many landfills, closure has not been declared just yet. These two sites have now been slated for the 2007 to 2009 timeline.

Since that March meeting, EM implemented the reorganization at Headquarters and taken several steps to move toward a sustainable, high-performing organization. Within that context, EM is focusing on three major areas that the Board suggested: Regulatory Compliance, Human Capital, and Acquisition.

Everything EM is doing is directed toward becoming a more focused and higher-performing organization to better deliver results to the Nation and to the people. In EM’s portfolio, as of January, it had 15 projects that were neither on cost, nor on schedule. Through a concerted effort, EM reduced that number to five. So, EM is already beginning to see some results. Those remaining five, however, are the real problems – some of which are at Hanford. EM needs to effectively integrate project management from beginning to end and act on the feedback and recommendations it receives from EMAB, local Advisory Boards, and interested citizens.

With that in mind, the Assistant Secretary recognized each member of the Board and presented them with plaques that read, in part: “Your independent advice and recommendation on environmental management issues are of great value to me and my senior staff, and are sincerely appreciated. As volunteers, you embody the best traditions of the American spirit and service to the country, and it is with great pleasure that we applaud your service.”

Video

Following Mr. Rispoli's opening remarks, Mr. Klein introduced a video tribute to the men and women who carry out EM's work on the ground. He expressed that, due to the unforgiving nature of the materials, facilities, and conditions in which the on-site staff work, it is imperative for the organization to foster a work culture that is both safety-conscious and highly motivated. This can be a challenge to sustain in the face of all the attention EM garners. However, he continued, the workers should be proud of what they do; EM officials and managers are proud of their workers.

Waste Treatment Plant Presentation

Mr. Ajello reintroduced Mr. Schepens for his Waste Treatment Plant (WTP) presentation.

Mr. Schepens began by recognizing his supporting contractors: CH2MHill, who performs the tank farm work; Bechtel National, who performs the vitrification plant (VIT plant) work; and small-business subcontractor Advanced Technologies and Laboratories, who conducts 222S laboratory chemical operations.

Safety is the absolute highest priority. Mr. Schepens highlighted some of the immediate safety improvements implemented on the tank farms. His staff undertook a project involving the removal of all pumpable liquids from single-shell tanks that was six months behind schedule and turned it around to completion, six months ahead of schedule. In addition, the staff has worked to accelerate tank retrievals, and while they have not produced as much retrieval as originally planned, they remain committed to getting the waste out of tanks. All tank waste, both low-level waste (LLW) and high-level waste (HLW), is being vitrified to minimize risk of diluting and contaminating the underlying aquifer.

ORP is proud to have a very technically competent and skilled workforce. ORP listens to its people when they bring up safety issues and acts responsibly on those tips. The approach that is taken involves either the elimination of hazards up front or the instillation of engineered safety features when elimination is not possible. ORP uses administrative controls judiciously, so that the operator is not overloaded with too many administrative actions, and provides protective equipment. Safety is effectively integrated into all ORP programs, with a zero-accident policy signed by all the DOE staff and contractors, as well as an initiative called "Human Performance Improvement," adopted from the commercial industry to improve ORP's integrated safety management. Furthermore, the staff is trained to recognize error precursors, red flags that are raised during routine activities, and alert workers to details that may require extra attention or caution. Mr. Schepens remarked that a safe facility is a cost-effective facility.

Regarding improvements made to the organization, Mr. Schepens and his key managers attended the EM Executive Leadership Program training workshops. Furthermore, the staff is encouraged to pursue technical credentials to improve their capability; this is demonstrated through both the DOE Scholars Program and internships.

Relative to the Integrated Safety Management System (ISMS), Mr. Schepens stated that those in leadership positions, both ORP and contractor alike, set the standard for safety culture and expectations, as well as perform oversight. Everyone on staff realizes they are responsible for their own safety. Recently ORP had a favorable independent review by EM Chief Operating Officer Dr. Inéz Triay's nuclear safety officer. While the review identified areas in need of attention, it also found several organizational strengths.

Mr. Schepens is Chairman of the Federal Technical Capability Panel within DOE. He reported that the task of the Federal Technical Capability Panel is to improve the technical competence throughout the DOE complex. Mr. Schepens also developed a Senior Management Integration Team (SMIT) this past April, to ensure those involved in the operation, contractors and ORP alike, are in alignment. In June, there was a presentation that outlined a Risk Management Plan to clarify where everybody's risks were, what they were, and how they were being managed. Thus far, 131 critical life-cycle risks have been identified - 35 associated with the WTP, 66 on the tank farm side, and 30 on the DOE side. There is a concerted effort to identify risks up front and better manage them throughout the duration of the project.

There are 53 million gallons of waste in the single-shell and double-shell tanks at Hanford. Four years ago there were 177 tanks; today there are 173. ORP is in the process of taking waste from the single-shell tanks and moving it to the double-shell tanks. Once the VIT plant is operational, waste will be removed from the double-shell tanks and taken to the VIT plant. Highly radioactive nuclides will be separated from the LLW nuclides and stored in the currently estimated 10,000 HLW canisters (although the final number may range between 8,000 and 13,000). LLW should not be a critical path to this mission; rather, the site recognizes HLW canister production as the critical path. Waste with a high concentration of radionuclides will go to the VIT plant, while more benign waste will go through a supplemental treatment process before the VIT plant starts up. The site has between eight and nine million gallons of sludge that will comprise 10,000 canisters. The site also has between two and three million gallons of what is believed to be transuranic (TRU) mixed waste stored in up to 20 identified tanks. Once the State of New Mexico and the EPA verify that this waste is in fact TRU waste, they will submit a Class III Permit to New Mexico for treating that waste and meeting the Waste Isolation Pilot Plant (WIPP) Acceptance Pact.

The plan is for 97% of the curies of radioactivity in the tanks to be taken off-site to Yucca Mountain. Thus far, ORP has taken about 125 million curies in cesium-strontium capsules out, and have another 11 million curies in German logs. The current count is about 190 million curies of radioactivity; 180 million of which will be treated and transferred to high-level waste logs, while the remaining 10 million will be stored in the Integrated Disposal Facility (IDF) as low-activity waste. Out of that remaining 10 million, the majority of the curies are either cesium or strontium, 90% of which will decay in an estimated 300 years. The key radionuclide in the IDF is technetium-99. Ultimately, the plan is to remove 99% of the waste from the tanks, leaving about one million curies, 90% of which will decay in 300 years. If ORP is successful, it will send WIPP an estimated two million curies. In the event that ORP cannot transfer those curies, their mitigation strategy allows for the waste to be sent to the VIT plant.

Mr. Schepens reported that ORP is continuing design and construction of the LLW Facility, Balance of Facilities, and Analytical Laboratory which, upon completion, will reduce the risk of the overall project. At this time, the construction at the pretreatment and HLW site has been suspended, allowing the site to focus on the incorporation of revised seismic criteria and advance their design plans. Mr. Schepens has written a letter to the Defense Board indicating that the seismic criteria is bounded and is awaiting their response. He stated that they have implemented new design criteria to resolve any issues stemming from hydrogen gas in their vents, drains, and ancillary piping.

In terms of lessons learned, Mr. Schepens first addressed the things the site has done right:

- Right-sized the plant, making it more efficient and more capable to complete their mission.
- Decided four years ago to put the second high-level waste melter in the plant, recognizing HLW as a critical path.

- Decided to develop supplemental treatment for LLW, rather than just put more in the melters.
- Developed and maintained a qualified and experienced staff.

In reference to what ORP could have done better, he stated that ORP should have included industry experts in their projects early, as exemplified by the current vitrification project. They did not have enough contingency for their projects and coupled engineering and construction too closely. To remedy this and learn from their mistakes, ORP is developing a credible cost and schedule baseline, addressing industry experts' recommendations, having external independent reviews and validations, and getting their EBMS system certified.

Mr. Schepens briefly reviewed the methods his organization is using to restore confidence and credibility in the program, recognizing the need to do the right thing regardless of cost and schedule increases.

When tank waste retrievals began, ORP thought it had a robust tool kit of four technologies at its disposal to empty the tanks. Once started, they do not leave a tank until it is finished. However, as they proceeded to encounter difficulties and exhausted all four technologies on the first tank alone, they focused on developing new technologies. With four emptied, and four in progress, ORP has committed to finding the right technologies to cost-effectively complete the job.

Mr. Schepens reported that there are four 55,000 gallon underground tanks at the C Tank Farm. At this time, workers are emptying the last of those tanks. DOE Richland is working with the Department of Ecology on a demonstration project involving the grouting of ancillary lines, resulting in data that will support Richland's Environmental Impact Statement (EIS) and outline the methods that will one day close out the Hanford tanks.

Also, with the support of the Department of Ecology, the site is coming up with a cost and schedule estimate for the bulk vitrification test facility to go to Assistant Secretary Rispoli for Critical Decision II this November. The IDF was completed under cost and schedule, and ready to receive LLW from either demonstration bulk vitrification or from the VIT plant.

The critical path includes completing and operating the VIT plant while closing the tanks, and developing an EIS, due out in late 2007. The WTP is the cornerstone of cleanup, with promising supplemental technologies cropping up all the time. Lastly, the Hanford site shares lessons-learned across the complex and takes an active role in participating with their regulators, stakeholders, and Tribal nations.

Regulatory Compliance Presentation

Mr. Ajello introduced Ms. Karen Guevara, Director of the Office of Compliance, representing the Office of Regulatory Compliance.

Ms. Guevara began by briefing the audience on the responsibilities of the Office of Regulatory Compliance and addressed why the office is critical to EM's success. Frank Marcinowski, Deputy Assistant Secretary for the Office of Regulatory Compliance, heads the office, and brings with him an excellent perspective on the behaviors the organization needs to employ, stemming from experience as an EPA regulator.

Ms. Guevara heads the Office of Compliance. Except for a brief leave serving as the Office of Management and Budget's Examiner for EM, she has been with the program for the past 14 years. In her position, she often interfaces with EPA and the NRC on site-specific issues, as well

as oversees the compliance agreements and consent orders that govern clean-up and compliance timeframes/deadlines. Also under her purview is the National Environmental Policy Act (NEPA), ensuring that the Department moves through the regulatory framework in a highly visible and public manner.

Christine Gelles is the Acting Director of the Office of Disposal Operations. EM is still establishing disposition mechanisms and gathering the capital construction projects that will accomplish this into a safe configuration for final disposal. Ms. Gelles is responsible for the following:

- Commitment of HLW to deep geologic disposal at Yucca Mountain, upon the project's completion.
- Operating WIPP in New Mexico for the storage of TRU waste.
- As regulated by the NRC, disposition of classes A, B, and C radioactive wastes, LLW that is eligible for shallow land disposal. However, DOE has determined that a repository be established for "Greater than Class C Waste," offering a middle ground between shallow land disposal and deep geologic repository while offering adequate confinement. DOE is currently developing an EIS proposing sites for this repository.

Melissa Nielson leads the Office of Public and Intergovernmental Accountability. She is the liaison for EMAB, Site-Specific Advisory Boards (SSABs), Tribal nations, and other various governmental groups and associations. Ms. Nielson's office works to foster outreach and discussion with EM's public groups.

The Office of Regulatory Compliance functions to bring adequate focus to the importance of disposition and regulatory responsibilities. The majority of EM resources support disposition projects. The Fiscal Year (FY) 2007 budget request before Congress reflects a request for 45% of the entire budget in support of disposition. It is critical that EM deliver results and meet its commitments by working effectively and efficiently on their project portfolio, as it is unlikely that EM will receive any additional funding in the out years.

Questions and Comments

Mr. David Swindle thanked Mr. Schepens for his in-depth presentation, and applauded the SMIT initiative and its goals. Although Mr. Swindle believes that Mr. Schepens effectively covered the scheduled technical risk management, he did not see a reference from either the Government's or contractor's standpoints. Is that group addressing financial risk management?

Mr. Schepens responded that risk is identified relative to the possibility that funding does not come through. The baseline assumes certain funding per year, and risks have been identified for the failure of funding. ORP has also provided money in their technical programmatic risks for some of those risks, but it is difficult to project what those would be.

Mr. Swindle indicated that Mr. Schepens's comments regarding lessons learned on contingency are corollaries for financial risk.

Mr. Schepens agreed and added that ORP has significantly increased contingency and management reserve, and has also taken advantage of expert panel review teams that have given recommendations as to how to budget for unknowns based on past performance.

Mr. Stephen Allred asked, what if Yucca Mountain does not open as planned? He was also concerned about impediments that will prevent the sites from continuing their plans. Whether regulatory or legal, these impediments may be beyond EM's control, but will impact the sites' ability to achieve project completion, with huge financial and environmental implications. Mr. Allred stressed the importance of identifying these risks and at the very least, contemplating mitigation measures. Mr. Winston and Ms. Salisbury concurred.

Mr. Paul Dabbar added that the commercial nuclear industry is proactively providing for this possibility by developing financial and regulatory contingency plans to keep business running.

Mr. Ajello added that in a commercial setting, the investment community often interjects itself as a way of determining whether or not capital is available for these kinds of risks. Ultimately, investments are not made if risk-mitigating factors are not present. In the government setting, funds are annually appropriated and allocated and investments made as programs proceed. With the government, there is never this process of investors coming to the table to determine whether or not to lever risk money against these ventures. Oftentimes the investment community acts to flesh out these risks. Add to this the challenges presented by the legal process in this kind of setting and you have an interesting problem where it is a check and balance that is really absent from EM's process.

Ms. Guevara addressed DOE's stance in respect to the uncertainties of Yucca Mountain's opening. She indicated that the sites should continue to focus on their projects' storage capability and continue to prepare their materials for disposal. Much of the capability to prepare materials for disposal at Yucca Mountain is still being built, and so largely, the issue boils down to costs added onto the end of the life cycle and the foreseeable extension of this cycle. The only change she would mention would be to build adequate storage capabilities into future plans. From her vantage point, EM is not prepared to move just yet, and should continue to provide guidance to the sites on the assumptions they should be planning for. In regard to the legal liabilities and uncertainties, EM is trying to install more robust risk management plans, but concedes that in light of unanticipated obstacles, there are instances where additional funds must be requested.

Mr. Ajello called for a short break.

Break

Roundtable Discussion

Following the break, Mr. Ajello indicated that the Board would continue with their question and comment period and transition into a discussion led by himself and Mr. Allred.

Mr. Ferrigno asked, with a majority of workers reaching retirement in the next five years, what plans have been made concerning the risks of hot operations out in the 2015 period? Also, assuming the LLW processing and the supporting analytical facility were to be accelerated or even stay on schedule, it appears there may still be a gap in facilities and capabilities. Is it possible that the site may actually be operating the LLW and analytical facility while in cold or hot checkout of the VIT plant? And if so, what is the plan to deal with the 1,000 construction workers and other various operators acting in two very different, very distinct modes of operation?

Mr. Schepens indicated that he and the Federal Technical Capabilities Panel have identified workforce restructuring plans and are actively pursuing younger and mid-level experienced

people. NNSA has established a Future Leaders Program that provides internships to college students and graduates, thereby recognizing the need to educate a younger workforce and making them available to replace the retirees. He and his staff work to provide interesting and challenging work to their employees, keeping them engaged and willing to continue their employment past the age of retirement. The site has also participated in the Department's Scholars Program, hiring from the local community and local universities and granting internships to candidates who are likely to stay in the area, thereby securing future employees.

In reference to the VIT plant's start up, the current plan is to complete construction of the analytical laboratory, LLW building, and the balance of facilities, and have them complete and in wait until all facilities are finished. When the facilities are ready, ORP will bring them up sequentially as the project embarks on cold testing. The plan is to begin with the LLW first, then HLW, then pretreatment, and finally a review by the Operational Readiness Review Team. Lastly, to ensure that there is a qualified operational workforce available, his organization is engaging with CH2MHill to learn from their operating staff for nuclear facilities in a tank farm.

Mr. Ajello asked whether, given the significant industrial demands facing the workforce, ORP is looking outside the Federal government for the resources required by the next workforce phase.

Mr. Schepens indicated that yes, they are.

Ms. Jennifer Salisbury expressed her appreciation to Mr. Schepens and Mr. Klein for their safety briefing. She also applauded Mr. Rispoli on the creation of the much needed Office of Regulatory Compliance. However, she expressed some concern over the applicability of the office, asking Ms. Guevara how the office intends to enforce its orders, and what form that interface will take.

Ms. Guevara reiterated the program's focus on project management, emphasizing that baselines are externally validated and that plans are implemented in a timely manner in order achieve the milestones detailed in the compliance agreements. She agreed with Ms. Salisbury that ownership of these agreements lies primarily in the field. The key is to work with regulators and establish the resources and foresight that will either confirm the likelihood of meeting the compliance timeframes, or alert the sites to delays. Her office is trying to ensure that sites are proactively addressing issues quickly to avoid as many problems as possible.

Ms. Salisbury noted that last year, the Idaho National Laboratory (INL) missed the deadline to transport TRU waste to WIPP, thereby violating its agreement with the State of Idaho. She asked how Ms. Guevara's office would have prevented that. Or, is it foreseeable that similar problems be avoided in the future?

Ms. Guevara stated that the INL incident was a learning experience for the young office. Root-cause analysis determined that the failure to meet that particular shipping milestone stemmed from an acknowledgement that corporate resources were stretched too thinly over many projects, rather than concentrated on the completion of a few/one. Having identified this cause, INL decided to focus more corporate resources on characterization capabilities and transportation assets to meet the agreement as soon as possible.

Ms. Salisbury suggested that Mr. Marcinowski update the Board at the next meeting on the success of the compliance interfacing. While the mission of the office is a great idea, she noted that implementation and accountability will pose real challenges.

Ms. Salisbury also noted that the Northern New Mexico Citizens' Advisory Board expressed disappointment in the response time of the Department to their recommendations – their primary form of communication with the Department. This should be of concern to the Office of Regulatory Compliance.

Mr. Thomas Winston discussed the Department's decision to make future liabilities EM's responsibility. It is possible that the incentive for a life-cycle cost perspective on near-term decisions within other parts of DOE will be lost. How would the Department guard against that?

Ms. Guevara replied that it has in fact been discussed, and while EM is the center of expertise, it will still be up to those other program areas to identify when they have a facility that needs to be decommissioned/decontaminated, etc. and provide the funding. EM is the right organization to do the work, but they cannot be expected to accept this scope within their funding, especially as funding profiles decline. It is a matter of integrating that program's understanding of when something becomes critical, and working it into baseline.

Mr. Winston indicated that he was trying to avoid having EM dumped on, in terms of additional scope, without resources. He wondered how Ms. Guevara envisions working with the programs and how they will make near-term decisions without working collaboratively. There needs to be a long-term cost-perspective for near-term decision-making, or else the Department risks wasting taxpayer money.

Ms. Guevara stated that so far, the majority of other programs' requests are "like-to-haves," while the real list that EM receives appropriations for includes a handful of facilities. These are the kind of things that can easily be included within the existing EM contracts. Again, EM would be executing only the work that warranted the spending of mission dollars.

Mr. A. James Barnes asked Ms. Guevara what role environmental auditing plays in her office.

Ms. Guevara discussed the self-assessment program that ensures sites develop the capabilities to perform internal compliance assessments. These assessments reflect a routine environmental audit, verifying compliance with existing permits, DOE Orders, Occupational Safety & Health Administration requirements, etc. The commitment to maintaining compliance is critical to the execution of work without delay and perturbations. Therefore, her office focuses on making sure that sites evaluate themselves before relying on external regulators to come in and find violations.

Mr. Barnes asked Ms. Guevara how the potential 25% reduction in project funding will distort what would otherwise be the expenditure plan for project completion.

Ms. Guevara stressed that the most significant effort the program could make, is to effectively and efficiently execute work scope within funding profiles and meet compliance timeframes. Although there are still a number of challenges, many of the sites have been cleaned up and much of the work scope is completed, resulting in a smaller portfolio in the future.

Mr. Dabbar pointed out that the civilian nuclear industry has experienced a global resurgence, driven by increasing excellence, consolidation, and the use of best practices across larger organizations, citing situations in France and England as examples. He asked Mr. Schepens to comment on how his organization is liaising with companies, both within EM and internationally, that have dealt with similar facilities, and who they have spoken with outside of their organization.

Mr. Schepens responded that his organization has adopted a philosophy from the nuclear business that includes bringing operators in at the beginning of design, and incorporating operations into that design prior to construction. In the past, ORP has actively consulted with similar sites and organizations, specifically Savannah River Site and the Institute for Nuclear Power Operations (INPO), to learn lessons about design, operation, performance, and safety, incorporating their experience and best practices. Conversely, ORP is sharing their own experience and knowledge with INPO to disseminate information to other sites and organizations, and inviting them to Hanford for further engagement.

Mr. Rispoli cited the British government as an example of lessons learned. The British have looked to EM and taken advantage of lessons learned stemming from the complexity of EM's plants and nature of EM's work.

Mr. Dabbar concluded the session by emphasizing the value of exchange between sites, corporations, and countries, as many are facing similar waste issues.

Public Comment Period

Mr. Ajello asked for any public comments.

Mr. Martin Bensky, a retired Hanford site engineer, spoke of a risk-based decision-making initiative promoted by DOE several years ago. That initiative died quietly, and decision-making continued on the basis of politics, intuition, and hysteria. He urged the Board to appeal to DOE and resurrect the initiative. He stated that if a risk-based decision-making approach were applied to the proposed VIT plant at Hanford, the Department would find the construction unnecessary, and save itself \$12 billion. He stated that recent risk assessments for tank waste indicated that the maximum annual dose the waste could impose on an individual near an arbitrary boundary was a few hundred millirems, with more than 99% of that dose derived from transport waste that has already leaked from the tanks. The contribution to dose from moisture ingress into the tanks, and diffusional release of the residual waste in the tanks, was minuscule. He further stated that any barrier capability of a tank shell itself was ignored. The analysis was based on an assumption that the Tri-Party Agreement (TPA) goal of 99% removal of waste from the tanks had been achieved. He commented that it was apparent that analysts were not free to speculate on the effects of a less ambitious TPA goal. However, it is obvious that the 99% removal goes far beyond the actual need. He suggests that, with appropriate material additions, it is likely a total immobilization would provide a zero-risk closure configuration. Mr. Bensky hoped the Department will consider the possibility of incorporating risk assessment into the decision-making process at an appropriate level of importance and allow the data to define their course of action. He closed by saying that the expertise at Hanford should not be wasted on unnecessary solutions to non-problems.

Mr. Carl Holder has been working on the resurrection of the Fast Flux Test Facility (FFTF) for many years. With the introduction of the President's Nuclear Energy Initiative and Global Nuclear Energy Partnership, Mr. Holder and his colleagues were encouraged. Of particular interest though, was the testimony of MIT professor, Dr. Neal Tordeas, on the advanced burner test reactor, and the information about the fast-burner reactor and functional FFTF equivalent mentioned by Nobel Laureate Dr. Burton Richter. On August 14, 2006 there was an industry briefing in the Washington D.C. area on the advanced burner reactor. It was at that time that he discovered the advanced burner test reactor was missing from the discussion. Mr. Holder is concerned that after difficulty with the Department of Energy, and considerable work on the behalf of his teammates and many others, including Dr. Todreas' Congressional request, that the advanced burner test reactor would be relegated to a line in the background of the "Nearly Completed Pre-conceptual Design" documents. He expressed his disbelief that EM would reduce

the 400 Area Complex to a single budgetary line item, shielding the facilities from the rest of the Department, and that such an incredible resource would not be brought forward at this time.

Mr. Gerald Pollet, Executive Director of Heart of America Northwest, appealed to the Board for help securing the VIT plant and proposed treatment capacity for Hanford's high-level tank wastes. Mr. Pullet indicated there is no reliable cost-estimate for the plant, nor is there a comprehensive plan for retrieving and treating the tank wastes. Retrieval of single-shell tanks has, for all intensive purposes, been suspended and will most likely result in additional leaks before getting back on track. Between 1996 and 2002 Hanford experienced a 50-fold increase in leakage at one tank farm, and still lacks a plan to address the issue. With the \$7 billion cost overrun and the decrease in EM target funding, the big question is whether or not the VIT plant - that will consume 10 to 14 percent of the national EM budget - is affordable. Mr. Pollet asked the Board to use its expertise and influence to insist DOE follow through on recommendations, specifically citing those of the General Accounting Office and the Army Corps. The lack of designs, system plans, and reliable costs has led to a \$2.5 billion contingency. An economic assessment is needed to address what will happen to the cost of labor when Hanford is competing from 2012 to 2019 with DOE's plans for construction of additional reactor capacities. There must be a commitment to retrieve tank waste to the extent practicable, and have a system in place to treat those wastes. There is danger of losing the opportunity and investment made to date.

Mr. Pollet alleged that participation thus far has not been welcomed by the DOE. He cited the Hanford Advisory Board (HAB) as an example. Repeatedly the HAB has been told that its input is valuable, and so it has repeatedly offered ways to significantly reduce costs, speed cleanup, and have a regional consensus. Yet, the Department is unresponsive and continually frustrates and marginalizes the Board. He was disappointed in the lack of transparency and points out that the Department is not building confidence.

Mr. Ajello adjourned the meeting for a one hour lunch.

Lunch Break

EM Human Capital Initiatives and Reorganization Update

Mr. Ajello introduced the EM Human Capital Initiatives and Reorganization Update, co-presented by Ms. Claudia Gleicher and Mr. Al Kliman.

Ms. Gleicher is the Acting Director for the Office of Human Capital Planning under the Deputy Assistant Secretary for Human Capital and Business Services, Mr. Fiore. She stated that EM wants to have access to the skills and talents of a balanced and diverse workforce, while providing them with the opportunities they need to be successful in the EM work environment.

Last month, EM finished its first version of the Human Capital Management Plan that details EM's vision, objectives, strategies, and initiatives. It implements a complex-wide human capital system and is updated continuously to evolve with the program. Activities include short- and long-term planning; assessments of skills, deficits and surpluses; employee training and development; and enhancement and acquisition of new talent.

She reported that EM has performed multiple skills-gap analyses involving the contracting and acquisition workforce, and as a result project a need for an estimated 20 Contract Specialists within the next five years. To create a pool of talent from which to draw, EM opened continuous vacancy announcements for Contract Specialists at all grades and used the Consolidated Business Center to advertise for all sites. Also, the 2005 Federal Technical Capability Program workforce

analysis identified approximately 80 skill gaps. EM has a goal that the positions be filled by December 31, 2006, and it looks as though this is on track. She stated that EM has used a multi-pronged approach to confront these gaps, incorporating both recruitment and the hiring of new employees, coupled with the training and development of current staff. EM has also developed a group of people experienced in site closure activities, known as the “closure cadre,” while using contractor support to bridge other technical areas.

She reported that the Deputy Secretary for DOE issued a deadline to have one FPD at all clean-up project sites by May 31, 2006 that EM in turn met. However, now EM must work to both certify new Directors and certify current Directors at higher, more appropriate levels. Furthermore, EM is looking to certify a number of Federal employees, between six and eight, as cost estimators.

Ms. Gleicher listed development programs including the Senior Technical Safety Managers (STSM) program for executive-level managers, STSM training, and the Nuclear Executive Leadership Training Program course. One program the office is especially proud of is the Executive and Leadership Enhancement Program, an EM-developed course consisting of three phases. The first phase is an EM case study workshop based on the Harvard case-study method of review and discussion. The two sessions already conducted for this phase have been very successful. The second phase of the program is a customized version of the Defense Acquisition University 403 Program, called the DOE/DOD Case Study Forum. Phase two explores DOD case studies to show executives how management concepts transcend varying situations and circumstances. Lastly, the Executive Development Program provides coaches for executives to assist them with whatever leadership needs they may have.

Ms. Gleicher reported there are a number of executives acting as mentors to other employees at both Headquarters and in the field. Other training programs include the Quality Assurance Program Plan and Cost Estimation Certification, and the Project Management Career Development Program; all part of the plan that will close the gaps left by retiring senior staff. Furthermore, there is an emphasis on training, regardless of what capacity the employee works in.

There is a new EM Corporate Intern Program, with recruitment beginning in September 2006 and the first class beginning in FY 2007. It is a two-year program, with appointments made at the GS-5, -7, or -9 levels. Upon successful completion of the program, candidates can be converted to permanent career or career-conditional appointments. EM is organizing teams of DOE Headquarters and field employees to recruit at the sites, along with an anticipated 15 to 20 job fairs. The interns will complete a two-week orientation program at Headquarters followed by basic training in Federal procurement, project management, safety, NELT-based training, etc.

Ms. Gleicher then turned the presentation over to Al Kliman, representing NAPA. NAPA has been collaborating with EM to provide external insight and recommendations.

Mr. Kliman described NAPA’s goal as the improvement of government. Panels of Fellows are convened to oversee projects, such as EM, and are sometimes supplemented by field experts – in this case, Pete Marshall from the National Academy of Science. DOE’s Congressional Appropriations Subcommittees requested NAPA work with EM to assist in the refinement of their reorganization and to look at their acquisition and private management situation. In addition, Mr. Rispoli asked NAPA to address EM’s human resources and human capital structure.

NAPA has assembled a team and will complete its study over the next 18 months. The project is interactive, with numerous opportunities for dialogue between Mr. Kliman, the Panel, and Mr. Rispoli. Over the course of the project, NAPA will continuously provide recommendations and issue a number of unpublished documents and work papers to assist Mr. Rispoli. The

Assistant Secretary has also asked the Panel to take a look at the field structure where EM is working on sites they don't own. There have been many organizational and accountability questions, as well as actual project operation questions, which arise from the unique structure of DOE. In addition, a number of Panel members are anxious to review the entire project management structure of EM and come up with appropriate recommendations.

There will be a meeting on September 11, 2006 to discuss important acquisition and human capital issues and also submit the first set of suggestions to EM, focusing primarily on the Headquarters reorganization. The panel will meet again in January 2007 to deal with acquisition and project management issues and give updates on organization and human capital. At this time, the panel will submit another set of unpublished recommendations. If all goes well, the final report will be issued in the 18th month of the project, October 2007.

Roundtable Discussion

Mr. Ferrigno stated that the Human Capital Plan, available to the public on EMAB's website, is an excellent document. He recalled that during the March meeting, EMAB recommended a review of human capital issues. He acknowledged the strengths of the report. However, he noted that it does not factor in, or address, competing industries and agencies. He cited the NRC and state governments as examples of organizations gearing up for the same workforce transition. EM people may be able to support the industry in other arenas, thereby tempting them to leave and leaving EM open. Mr. Ferrigno did not see the Plan address the issue of competing industries at all and understood that the 40% statistic included in the plan referred to current DOE staff only.

Mr. Barnes stated that while the Plan looked good from a DOE perspective, the context in which DOE will be competing for new people and entrants will also force them to compete to retain their experienced employees. Therefore, the plan requires more focus on the recruitment and training of new entrants as well as the development and lateral hiring of current employees.

Mr. Ferrigno continued that during the March meeting, the Board expressed an interest in employee morale, and thought that this area deserved more attention. His assessment of the mentoring program's success was a bit at odds with that of EM's, and warrants further review. When building leaders, targets for leadership must be drawn out to create a future legacy of managers and executives. The mentoring and identification are important to career growth and represent an investment in the future.

Mr. Barnes agreed with Mr. Ferrigno and added that in reading over the internships and school recruiting sections of the Plan, he found it to be a bit underdeveloped. However, after Mr. Schepens' discussion earlier in the meeting regarding his organization's approach to recruiting and retaining interns, he was encouraged. His experience at EPA shows that this method of recruitment is an excellent source for long-term managerial and leadership ranks. Furthermore, he applauded the idea of creating a cohesive class of interns and exposing them to many different aspects of the organization.

Mr. Kliman commented that many great aspects are involved in the plan. However, the Panel was not convinced that EM had the capability to implement those ideas and concepts. NAPA is concerned that the Human Capital office lost some of its most-experienced people to other parts of EM in the latest reorganization, and that the Office has been stretched too thin. The practicality of the plan worries the Panel, not the vision.

Mr. Barnes agreed, and added that while he saw a number of best practice elements in the plan, it was clear the Office would have to invest extensive resources for it to function as intended.

Mr. Dabbar commented on the plans to recruit through national job fairs. He suggested that it would help to first identify interested EM employees, and build momentum by reaching out to their own universities, putting the right face forward. In addition to the discussed intern rotations, he asked for comment on the possibility for application of the same concept to middle and senior management, in the interest of succession planning. Rotation also goes back to the best-practice concept of understanding how an individual's work fits into the greater picture.

Ms. Gleicher responded that she and her Office discussed those issues. Nothing has been implemented at this time, and there is no concrete framework for it just yet, but it has been favorably considered for future application.

Mr. Swindle echoed the Board's sentiments regarding the progress made on the human capital topic. Regarding Phase II of the Advanced Acquisition/Project Management Perspectives Program, he encouraged the inclusion of an introduction to capital and equity markets, specifically regarding how the markets evaluate risk for, executives and administrators of all levels and backgrounds. It is important because historically, many DOE contract bidders have to go to the capital markets to finance the progression of their operations. Without that understanding of how the Markets evaluate and quantify "risk," there cannot be a completely effective RFP. Exposure to the market concepts should increase the effectiveness of senior leadership in the administration of contracts and in risk management.

Mr. Ajello noted that the Board addressed this point before, and also expressed his appreciation of the Human Capital Initiative's development. His experience taught him that embedding those ideas and concepts within a work culture requires a fair amount of administration. He recommended that the report remain a living document among the senior-most people, who must take ownership and embrace the idea. He added that the leaders should regularly update the Office and identify individuals who are particularly successful and help to grow this succession pipeline. He noted that it is everybody's job to mentor, recruit, and retain key employees, and that there are many similar programs and literature on this topic to draw from. He also emphasized the Board's role in this program and encouraged the Board to provide constructive assistance and subtle pressure to keep the initiative rolling.

Mr. Swindle noted that the report failed to address the challenges of global marketplace competition from a salary standpoint. There is an incredibly competitive market with individuals shopping themselves around. The Government puts restrictions on Federal salaries, the Federal market, and even the industry market. Marketplace competitiveness cannot be ignored. The commercial nuclear industry anticipates a major demand which will drive costs higher. The suggested solution is to anticipate those challenges and build in provisions.

Mr. Ajello raised a concern over whether, in the course of developing the Plan, any systematic problems were identified, rule-based, human resources policies, or other. While the Office already performed a skills gap analysis and looked to other organizations for lessons learned, those actions should just be the beginning.

Ms. Gleicher explained that one particularly helpful area was retention incentives. She added that the Office is looking to provide a student loan repayment program/incentive to interns who are then recruited. Lastly, Ms. Gleicher mentioned the accelerated programs the Office is looking into, allowing qualified candidates to ascend the GS ranks from a -5 to a -7, or a -7 to a -9, in six month increments rather than one year. The Office uses all of the programs at its disposal to attract and keep their talent, including recruitment, retention, and relocation incentives.

Mr. Swindle brought up the point that while EM's needs are different from other DOE programs, there is some common ground, and wondered if there was any internal coordination in place.

Ms. Gleicher was not aware of any.

Mr. Ferrigno stated that at this time, the Plan lacks the risk management analysis typical of project planning, one that would identify risks, potential outcomes, and possible mitigations. He asked whether Mr. Ajello proposed that risk analysis be considered in the Plan.

Mr. Ajello replied that risk analysis is useful to any business or enterprise when problem-solving or strategic planning. Risk analysis is a way of estimating and devising a plan B so that in the event of a failure or set back, the whole system is not thrown into shock. Rather, the system moves onto the alternative.

Mr. Ferrigno expanded on that point, adding that analysis should focus on the risks associated with proposed outcomes, and what mitigations the organization will concede if things don't go according to plan.

Mr. Ajello further commented that all those things were interrelated and should be treated that way.

Mr. Winston added that a wonderful resource resides in discussions with stakeholders on planning and contingency, because there are a lot of people watching and a lot of vested interest. He noted that all the different entities and levels of government that DOE deals with – local, state, and tribal – are just as concerned about contingency and want to be involved in the discussions. That is also an opportunity to address all the players and convey the Department's value of their input and commitment to their mission.

Ms. Gleicher added that her office was also looking toward group retention incentives. If EM was in need of a critical skill set, EM could seek approval to issue group incentives. At this time, they are in the process of developing incentive packages to offer when filling future gaps.

Mr. Dabbar asked Ms. Gleicher if they have identified their interim needs and requirements. Have they considered their expected yield, both in terms of the number of offers they will extend and how many offers will be accepted? Mr. Dabbar cited statistical analysis that indicates these answers depend on the dynamics of competition, alternative career paths, etc.

Ms. Gleicher acknowledged that it will be a challenge to go out and recruit the desired students, and that they will have to issue many offers to get even the first 15 due to competition. However, at this time, they have not backed these suppositions with statistical analysis.

Mr. Ajello cited his organization's practice of performing annual wage outlooks and peer comparisons to get a sense of the market.

Mr. Dabbar concurred and added that there are many different data points and resources to be reviewed and evaluated. Recruiting is an endless battle.

Mr. Kliman stressed that EM is not a totally independent operator in the human capital realm, that it is heavily dependent on the Human Resources Office at DOE. EM hiring for Headquarters positions endures a longer process, guided by the larger Department. The NAPA study is limited because it cannot address these practices; rather, their scope is limited to EM alone. He suggested that EM may want to consider following the examples of other offices that have relocated their

recruitment activities off-site. That raised the issue of whether the Consolidated Business Center in Cincinnati could be expanded and used for this purpose as well.

Ms. Salisbury added that the speed of hiring and providing incentives was very important to getting the right people and retaining them. She suggested that Ms. Gleicher's office look at changes that could be made internally to accelerate the process.

Ms. Lorraine Anderson stressed the idea of building pride within the organization. While everybody can offer incentives and out-bid each other, she believes in developing a core culture that subscribes to the idea that DOE is the best place to work. The Board in unison indicated this would be an important area for EM to focus upon.

Mr. Allred added that contractors collect information through surveys quarterly and annually. He suggested tapping this resource, and not reinventing the wheel.

Mr. Kliman clarified that results from the upcoming September 2006, January 2007, and October 2007 NAPA reviews will go to the Congressional subcommittees on DOE's appropriations, since they chartered the study. While the information will not be made public, the Assistant Secretary can make it available to the Board. Mr. Kliman added that NAPA is working with EM to identify areas in need of repair and provide recommendations for the remedies. Information and recommendations are not committed to paper or to the public as they are often subject to change and could hinder the client's abilities, complicating matters.

Mr. Barnes asked that Ms. Gleicher review the suggestion of loan forgiveness programs as an incentive. He suggested that increasing debt often pressured individuals to seeking the highest paying jobs. Also, her office should consider targeting individuals with a tie to public service or military traditions.

Mr. Dabbar added a last point about resources and recruiting. He agreed that it is important to identify a target. Since recruiting resources are limited, he encouraged Ms. Gleicher's office to think through that point and evolve with the talent.

Break

Acquisition and Project Management Presentation

Mr. Ajello introduced Deputy Assistant Secretary for Acquisition and Project Management (EM-50) Mr. Jack Surash, who presented on the topics of Acquisition and Project Management via telephone.

Mr. Surash reports directly to Principal Deputy Assistant Secretary Charlie Anderson and supports Chief Operating Officer Dr. Triay and the site managers. His major interfaces at DOE HQ include the Office of Management, the Office of Procurement and Management Assistance, the Office of Engineering and Construction Management, and General Counsel.

Mr. Surash highlighted three Offices: the Office of Procurement Planning, headed by Mr. Mark Senderling; the Office of Contract and Project Execution, headed by Mr. Barry Smith; and the Office of Project Management Oversight, headed by Mr. Jay Roderick. The reorganization essentially unified all the project management items that exist at Headquarters.

Mr. Surash added that his position was created to lead, manage, and integrate the projects being executed via contracts. Essentially, EM-50 is a horizontal business line function that supports all of EM projects throughout their project lifetime.

The Procurement and Planning Office (EM-51) focuses primarily on pre-award activities. EM-51 concentrates on the strategic, long-term, plans of what procurements will be necessary to support a particular project. EM-51 designs contracting approaches and cost structures (award fees vs. incentive fees, etc.) and details those arrangements. It decides when a new contract is needed to support a project. EM-51 develops the standard contract language and implements the proper policies. The most pertinent near-term focus is setting up an organization to focus on the procuring officer function and centralizing large procurements under this office. Furthermore, EM-51 is the assigned lead for cost estimating. EM-51 is challenged with managing pre-award timelines for large procurements and developing these timelines with an integrated team. This team must also drive small-business contracting in order to produce the tasked results. Prior to the reorganization, EM-51 included 11 personnel. It is now apparent that the need for additional staff poses one of the Office's biggest challenges.

The Office of Contract and Project Execution (EM-52) is essentially focused on the post-award portion of the work, such as modifications and preparation for business clearance, including the addition or reduction of scope, cost differences, and scheduling. In addition to changes and requests for equitable adjustments, EM-52 is concerned with government-furnished items and ensures they are provided on time so as not to impede a project's progress. As one of the few agencies with an incumbent contractor workforce, EM-52 ensures there is proper notification for all restructuring and policy changes, as well as tracks and coordinates these matters. As vacancies arise in the EM-52 staff, such as the one current vacancy, Mr. Surash seeks to incorporate Contract Specialists and their expertise into the existing EM-52 organization.

EM-51 and EM-52 started placing monthly calls to field sites in order to review the status of pre-award and post-award issues. Related to the Procurement Planning Group's focus on Contracting Officer (CO) issues, the Office has issued a proposal to consolidate the head of contracting activity designation. Some of the larger issues facing EM-52 include a backlog of modifications, requests, and adjustments for various sites. The staff is working with the sites to catch up on these matters and make sure future changes or requests are acted on in a timely manner. Congress also asked EM-52 to look at the concept of guaranteed fixed-priced remediation, a fixed-priced effort that involves contractors obtaining insurance policies to cover any changes or uncertainties related to a project. EM-52 has the lead on this effort. Lastly, Mr. Surash noted that EM-52 is collaborating with the Air Force, and will likely make use of a new Air Force contract that includes guaranteed fixed-priced remediation.

The Office for Project Management and Oversight (EM-53) focuses on assisting the environmental sites and executing projects in accordance with the DOE Order 413, "Project Management Acquisition of Capital Assets." EM-53 is involved in the management of a project from inception to completion and works closely with DOE's Office of Engineering and Construction Management at Headquarters. EM-53 is fairly well-established and consists of 18 personnel with one vacancy. The personnel from this office have mostly technical backgrounds, and Mr. Surash plans to have this staff work towards becoming certified in the Project Management Career Development Program (PMCDP).

Over the past six months, EM-53 has been working on the Environmental Management Integrated Schedule. This work is very involved, and requires the standardization of project scheduling, software, milestones, and approaches. Once completed, EM-53 will be able to identify paths and inter-relationships between projects across the EM sites. Mr. Surash emphasized that EM-53 is

focused on leading efforts to convert EM towards a project-management focus. EM-53 helps with external independent assessments, and performs pre-reviews prior to the external OEM reviews. It also oversees the flow of critical decisions within EM, and initiates quarterly reviews to assess the status of EM and its projects.

Mr. Surash concluded his presentation by summarizing his focus on people, process, and information technology as the enablers for bringing about improvements.

Roundtable Discussion

Mr. Ajello introduced members Mr. G. Brian Estes and Mr. Dennis Ferrigno as the discussion leaders.

Mr. Swindle was interested in the delineation of roles and responsibilities as laid out for Headquarters and the various sub-elements. However, it was not clear to him how Mr. Surash's office distinguished the roles and responsibilities of Headquarters from those in the field. He believed the field should have a closer "point of control" in terms of decision-making actions. Mr. Swindle wondered whether it was Mr. Surash's intent to look at strengthening the roles and responsibilities of all involved, thereby providing clarity

Mr. Ferrigno noted that historically, there has been an inconsistent application of policy standards and a greater number of needs than skilled personnel at the Department.

Mr. Surash replied that while his office aims to standardize an approach, he appreciates that each site is unique. Mr. Surash envisions the program operating as an integrated team and acknowledges that Headquarters must support the field sites in an integrated fashion.

Mr. Swindle asked who inside DOE EM owns the acquisition schedule and, from a business standpoint, what is the reliability of that schedule? He added that it is hard for industry to respond when there is no clear ownership of the schedule or confidence that it will be met.

Mr. Surash agreed that this is a critical issue. The ownership of the acquisition schedule has not been resolved, but Mr. Surash indicated that in the future, ownership will be shared across the integrated team of Headquarters, sites, EM-50, and other HQ activities but that EM-50 would have the lead responsibility. He has aspirations of publishing schedules in advance to make procurements more visible and give the industry a preview.

Mr. Swindle suggested that EM-50 develop a clear delineation of who has the ultimate ownership of these schedules and consequences for when that ownership is not fulfilled.

Mr. Estes wanted to know about the nature of the relationship between EM-50 and the DOE Office of Procurement (MA-60). What oversight does MA-60 provide to EM?

Mr. Surash responded by acknowledging that procurement authority emanates from the Secretary and is delegated to MA-60, then to the heads of EM's contracting activities and contracting officers. Any decisions beyond the contracting officer's authority must be forwarded to MA-60 for a business clearance review prior to negotiation and award. EM-50 has a very close working relationship with MA-60 since its workload is dependent on that office's approval.

Assistant Secretary Rispoli added that Mr. Surash's office has developed an actual schedule that depicts all procurements on a timeline. He indicated that EM-50 owns the schedule, but the other entities involved in the project must process it as well, including MA-60 and the Office of

General Counsel. EM-50 functions in part to provide an advocate at EM Headquarters for procurements and is still working to get the scheduling off of the ground. Heretofore there has not been a central advocate, schedule, or procurement machine. EM must both build the capabilities to get the jobs done, and build the buy-in from MA-60 and General Counsel, to get to the end point. The ultimate objectives of EM-50 are to facilitate major contract procurement and build a more efficient procurement machine.

Mr. Estes agreed that an advocate and schedule were essential to Mr. Surash's approach. He also inquired about the composition of the EM Acquisition Advisory Board.

Mr. Surash replied that that the EM Acquisition Advisory Board advises the Acquisition Executive and consists of the Chief Operating Officer, all Deputy Assistant Secretaries, and representatives from PA&E at Headquarters, the Office of Engineering and Construction Management, General Counsel, and the Office of Procurement. Jay Roderick's office, EM-53, serves as the secretariat. Pre-meetings are held in the absence of the Acquisition Executive, and allow members to contribute recommendations and comments. After these meetings, a formal session is scheduled with the Acquisition Executive where the members relay their findings and recommendations.

Mr. Winston needed clarification on the role of EM-51 and asked for an example of a future contract opportunity and how the office would apply its blend of field knowledge and general contracting expertise to work with the field.

Mr. Surash walked through examples involving decommissioning & decontamination projects, specifically a situation with the Portsmouth site. From a project management standpoint, after fitting the project into a preliminary baseline, Critical Decision 1, a FPD would work with EM-51 and the integrated project team (IPT) from the site to provide guidance on acquisition approaches. Mr. Surash's vision is for EM-51 to take the lead in source evaluation and stay the course through the award process. After the award, they would continue their involvement in respect to lessons learned and guidance.

Mr. Winston commended Mr. Surash for envisioning his office's role as a coordinating one. He added that while EM-50 may not have the particular technical expertise needed, the Office can at least identify the needs and act as the experts in deciding, procedurally, what inputs are required.

Ms. Anderson asked for elaboration on EM-50's goals for small-business procurement.

Mr. Surash stated that he is a long-time proponent of small business. He explained that there are two levels at DOE available to small-business talents and expertise: the prime contracting level, and the subcontracting level. The FY 2007 award goal is for 3.35% of total procurement to be contracted directly to small-business prime contractors, or roughly \$185 million. However, a lot of the EM work is very complex and technical, requiring an integrated performance. The more prime contractors involved, the more difficult the challenges. Also, with its large incumbent contractor base, DOE is constrained by this model. Typically, there are very aggressive targets for subcontracting to small business.

Mr. Swindle pointed out that there is a Departmental-wide issue over what criteria should be used to determine when a small business should be used and when it should not. Looking at EM's procurement history in small business, the ability of small businesses to bid has depended largely on partnering with a large business that offers the required technical expertise and competency. In his opinion, that is not a small business. The development of baseline criteria for small

business utilization would go along way towards the success and development of those organizations.

Mr. Ferrigno asked if EM-50 had an official timeline for the consolidation of the contracting authority mentioned in Mr. Surash's presentation.

Mr. Surash estimated a couple of months would be necessary to execute the consolidation. The request is with the senior procurement executive now, and is expected to be approved.

Mr. Ferrigno relayed a report by John Bashista from the June small business conference, stating that DOE is planning more multiple-award, Indefinite Delivery, Indefinite Quantity (IDIQ) contracts. He asked Mr. Surash if EM was anticipating additional IDIQ vehicles, small business or large?

Mr. Surash stated that EM uses IDIQs because it is an efficient method of procurement. He supports using this resource when it makes sense, but has no plans to put in place an additional IDIQ contracting vehicle at this time. He would, however, re-procure one when necessary. That is a good example of the strategic packaging EM-50 will look to do in the future.

Mr. Ferrigno referenced the separation at Savannah River Site between mission critical and mission support-type contracts from Mr. Rispoli's briefing last meeting. Mr. Ferrigno asked for comment on that discussion referencing the status of that separation.

Mr. Surash did not feel it appropriate to provide exact details on that situation. However, he conveyed that there was a lot of hard work going on behind the scenes with great progress being made.

Mr. Ferrigno asked Mr. Surash if the human capital aspect of future acquisitions should be explored relative to EM's contractors. In the partnership with the incumbent contractor workforces, should that issue be addressed and focused on with regards to planning and execution?

Mr. Surash applauded the observation and indicated that he was not aware of the level of attention that issue has received from EM-50. He acknowledged that it does require attention, though, in order to secure the right talent.

Mr. Ajello requested clarification on EM-50's metrics for success.

Mr. Surash responded that he will be looking to the NAPA for ideas on this matter and will consult with Acquisition Solutions, Incorporated. In the big picture, measures reflect whether or not critical decisions were supported, what work needs to be done in the field, etc. Once there is a baseline for a project, Mr. Surash and his staff would also work to ensure there is budget alignment and closely watch the project's funding requirements.

Mr. Ajello asked for clarification on EM-50's small business goals. He wanted to know if EM-50 owned the small business funding goals, or, if there was a shared accountability between EM-50 and the Small Business Office?

Mr. Surash indicated that there an overall Departmental goal, while each program has its own sub-goal. The EM small business goal is 3.35% and, while it happens to be the same in 2007 as it was in 2006, 3.35% will actually be a bit of a stretch. Some of the small business closure contracts are coming to completion, so credit for those contracts will cease accruing. It is a team

effort with the Small Business Office. He noted that changes are in the works, and there is a possibility that the Small Business Administration will stop crediting prime small businesses done off the General Services Administration (GSA) to program goals.

Mr. Dabbar suggested that Mr. Surash move beyond process, and asked him to speak more to the development of specific contracts. He asked whether EM-50 was consulting with other organizations that have had positive and negative procurement performances in the recent past.

Mr. Surash agreed that EM should be aware of other approaches and incorporate them accordingly. However, he needed to consult with his colleagues before addressing specifics.

Mr. Surash stated that EM is reviewing a possible contract approach for using guaranteed fixed-price-remediation with some level of reimbursed cost cap insurance to the prime contracting level and exploring its use on the subcontracting level as well.

In response to Mr. Surash's comment, Mr. Ferrigno encouraged the Department to look at cost cap insured fixed-price contracts with appropriate guarantees for some clean-up and closure projects. He recognized that there were financial issues that may need to be addressed with regards to the type of contractors able to perform these services, as well as the contractor balance sheet and their ability to secure that insurance. Mr. Ferrigno felt that a developed strategy for using this type of tool could provide value to DOE.

Public Comment

At the completion of the Roundtable Discussion, Mr. Ferrigno opened the floor to public commentary.

Pam Larsen, Executive Director of the Hanford Communities Organization, began by discussing her organization's concerns about contracting, particularly small-business contracting. Her organization believes that the development of subcontracting goals in future Departmental contracts would improve DOE small business opportunities. Ms. Larsen stated that DOE is often too complex an entity for small companies to do business with. For example, the cost of competing for the FFTF procurement was staggering for the companies that bid on it, and ultimately no contract was awarded. In contrast, she cited the goal in the River Corridor Contract awarded to Washington Closure that included requirements for over 50% of the work to be subcontracted; as a result, the company is excelling and meeting its goal ahead of schedule. Furthermore, Ms. Larsen cited Bechtel National, who is building the VIT plant, as another example of achievement with regards to small business opportunities. Bechtel National has had success in both subcontracting and collaboration with companies, developing their ability to work and compete in a nuclear arena. The Hanford Communities Organization believes that the Department should hire the best companies to clean-up Hanford, and hopes that for the three upcoming procurements, DOE will hire sophisticated companies with proven track records to perform the complicated work in a safe environment. Ms. Larsen asked that the effective clean-up of Hanford not be put at risk in order to meet a contracting goal.

Ms. Marlene Oliver, a private citizen, urged EMAB and DOE to base their recommendations and decisions on sound science, and not politics. As an example, Ms. Oliver cited that countless studies have shown small doses of certain types of radiation actually simulate the immune system. It is her hope that the NRC will use this information to reform certain regulations and save the American taxpayers billions of dollars. Ms. Oliver continued her commentary, and suggested that EM explore the topic of waste transmutation. She cited the many scientists and experts from the international community that endorse the same course of action in support of her

suggestion. Ms. Oliver stated that a FFTF is needed for waste transmutation. She added that if EM explored transmutation of nuclear fuel, qualified small and large business could clean-up the environment. Furthermore, the need for Yucca Mountain would largely decrease. She insisted that EMAB and DOE follow the law and listen to good science.

Adjournment

Mr. Ajello asked for additional comments or further business, whereupon no response was had. He thanked those present for their attendance and input, and then adjourned the meeting at 4:27 p.m., to be reconvened at 9:00 a.m. on August 24, 2006 at the same location.

August 24, 2006

Opening Remarks

Mr. Ajello reconvened the meeting at 9:07 a.m. on August 24, 2006. The first item of business on the agenda was the Hanford Advisory Board presentation by Mr. Todd Martin, Board Chair.

Hanford Advisory Board Presentation

Mr. Martin stated that the Hanford Advisory Board (HAB) is a Federal Advisory Committee Act chartered board. It was chartered in 1994 under the Community Relations Plan of the Tri-Party Agreement. The HAB provides advice to the Department of Energy, the Washington State Department of Ecology, and the Environmental Protection Agency. It has 31 primary seats which represent what they feel is the breadth and depth of the Hanford stakeholder community. The HAB consists of representatives from Tribes, local business interests, universities, regional public interests, and environmental organizations, as well as Hanford personnel. The HAB was formed in 1994 after the operations of its two predecessor organizations, the Future Site Uses Working and the Tank Waste Task Force, ceased. The HAB operates on consensus and advocates for issues based on that consensus.

The HAB operates through advice received from its five committees. These committees bring issues to the HAB and then the members come to a consensus on them. If any member objects to any aspect of the HAB's recommendation, members will work until unanimity is achieved. It is the rare case that a consensus is not reached.

Mr. Martin displayed five binders that contain the sum of the HAB's work since 1994.

The HAB's primary focus is on the safe storage, retrieval, treatment, and disposal of tank waste. The HAB has acknowledged that the waste will likely stay at Hanford for the foreseeable future, and accept that fact under the condition that efforts are made to retrieve it from the tanks and store it in a safe and stable form. The HAB supports the construction of the WTP and the development of technologies for the treatment and disposal of Hanford tank waste.

Another main focus of the HAB is the protection of the Columbia River. The HAB has played a role in many successful clean-up negotiations; including those responsible for reactor work, groundwater work, clean-up of the K-Basins, and transport of contaminated soil to the Central Plateau.

The Central Plateau represents a decidedly non-NIMBY (not in my back yard) approach. The HAB supports the perpetual waste management mission at the Central Plateau and acknowledges that while the Plateau is contaminated, it would be unreasonable to attempt to remove all contaminated environmental media and move it, effectively contaminating another site. With that said, the HAB believes that contamination of the core zone should be minimized, and that areas in close proximity to the core zone should be made safe.

The HAB also focuses on implementing the long-term institutionalization of the Hanford site in the interest of future generations and their security. The HAB has very little faith in future generations' well-being, and differs with DOE's general stewardship plan significantly with regard to institutional controls. DOE is willing to rely on institutional controls, but the HAB does not buy it, believing there needs to be a continued human presence at the Central Plateau – this is the institutional control that will ensure communities will remember what is in the soil, groundwater, and old facilities, and the risks associated with their contents. The HAB has not come to a consensus on what that continued human presence should look like, but believe it is a necessary role. The Central Plateau, in addition to the tanks, has the great bulk of Hanford's most troublesome waste sites: soil disposal sites, groundwater sites, and contaminated facilities.

The agencies, EPA in particular, and DOE have been working for about three or four years to develop their decision-making process for the Central Plateau. How are we going to make decisions about these individual waste sites and the Central Plateau collectively? The site and agencies were essentially at loggerheads about two years ago on whether they should essentially cap the entire Central Plateau under a large soil berm, or attempt to dig up every last iota of contamination. The HAB intervened and developed a process for making decisions for the Central Plateau. They came up with a flow chart, similar to those found in decision-making under the Resource Conservation and Recovery Act or Comprehensive Environmental Response, Compensation, and Liability Act. The consensus was: We really want you to strive to clean this place up first. And then, if you follow the following process, we will acknowledge that there are times when surface barriers such as caps will be necessary and that it does not make sense for environmental impact, health impact, worker health and safety reasons to remediate a waste site. It makes more sense to leave it in the ground. But you should only come to that decision as a last resort after following these steps. That process, as one may predict, involves measures such as the sufficient characterization, a review of technologies, a review of the budget, etc.

Another significant area of HAB input has been budgets and contracts. The HAB has members who worked in budget and contracting on the site, as well as members from the private sector. Every year they provide detailed advice on the budget submittal that DOE sends to Congress. They have also worked on the River Corridor Contract, as well as the current strategy for reissuing the Central Plateau contract.

The HAB has tirelessly advocated the application of integrated safety management across the Hanford site. It will continue to do so until every person working on the site is supported under ISMS. And lastly, the HAB does a great deal of work on public involvement. The members work with agencies to improve their public involvement processes, and conduct some of their own. Recently, the HAB has noticed some complacency in the region about the Hanford site, which is of great concern.

During the coming year, the HAB's primary focus will be on the WTP and the overall treatment and disposal program for all Hanford tank waste. The HAB is concerned that the selected program DOE has embarked upon is not on track, and wants to get it back on track.

In summary, the HAB envisions itself as the keepers of the TPA, Hanford's cleanup agreement. The HAB sees itself as adversarial advocates. They feel they are the greatest boosters for Hanford's cleanup, but will continue to ask the hard questions and challenge DOE to do the right thing.

Ms. Susan Leckband, HAB member and co-chair, added that the balance of interests on the HAB was crucial to its success.

Questions and Comments

Mr. Swindle asked about the HAB's interaction with regulators.

Mr. Martin noted that the HAB views the regulators as co-conveners of the HAB, and equals with DOE. They are involved in all of the decision-making associated with the HAB. This includes both the EPA and the Washington State Department of Ecology.

Ms. Salisbury asked if Mr. Martin had one recommendation for the Assistant Secretary that would help to improve relations between DOE and the HAB, what would it be?

Mr. Martin responded that he would recommend the early dissemination of information and opportunity for feedback.

Mr. Winston stated that the concept of advisory boards is clearly one of the success stories within DOE. These boards make an incredible difference in the quality of decision-making and the ability to move forward. Mr. Rispoli has asked EMAB to look at communication and reports from local Citizen Advisory Boards (CABs). The issues include the three Ts: timeliness, transparency, and trust.

Mr. Martin commented that when timeliness and transparency are present, trust will naturally follow. But DOE is often inconsistent in its relationship with the Hanford Board.

Mr. Winston asked whether Mr. Martin felt that, in dealing with Headquarters on policy and budget issues, that the HAB is receiving timely information and an understanding from the Assistant Secretary and the highest level of DOE.

Mr. Martin thought there was a disconnect. He noted that the Hanford Board has been actively involved in budget development issues, but every year the date that the information from Headquarters is sent to the HAB slips. This has been frustrating. On the other hand, the development of disposition maps at Headquarters, a process that is taking much longer than anticipated, has been relatively open. He stated that people will be supportive of the disposition maps because there has been transparency.

Mr. Ferrigno asked if the HAB has been involved in end-state vision planning, and to what level?

Mr. Martin replied that the HAB has been extensively involved. It has been an example of an utter and complete lack of transparency, and a totally inappropriate schedule in terms of trying to get some level of public involvement and buy-in. The HAB pushed back very hard on both Headquarters and the local site personnel, and seemed to finally breach it. The Board played an integral role in planning actual development of a document at the end, but it was a fight at the beginning.

Board Business

Mr. Ajello then asked for a motion to approve the minutes of the March 2006 EMAB meeting. Mr. Swindle made the motion. Ms. Anderson seconded the motion. The motion was then passed and the minutes approved. Mr. Ajello then moved on to the presentations of Board reports.

Communication Team Report

Ms. Salisbury provided background to the Communications Team Report. At the March 2006 EMAB public meeting, Charlie Anderson, Principal Deputy Assistant Secretary for EM, presented the proposed reorganization of EM with the glaring absence of a communication function in that organizational structure. As a result of subsequent meetings between Mr. Ajello and Assistant Secretary Rispoli, EMAB was asked to look at whether there should be a communications position that reports directly to the Assistant Secretary. Ms. Anderson, Mr. Winston, Mr. Barnes and Ms. Salisbury formed a team that interviewed various people in EM and elsewhere in the Department, and looked at existing EM documents. At the outset of her report, Ms. Salisbury expressed some frustration as a result of some key DOE personnel not being responsive to EMAB inquiries in the conduct of the team's work.

The team's primary recommendation is that Mr. Rispoli should establish a permanent position to provide media communications within the Office of the Assistant Secretary. The team also recommended the skill set that would be required for the position. The team also believes that the Assistant Secretary needs to incorporate communications into all aspects of decision-making. While they believe that Mr. Rispoli is an excellent communicator, there is some question whether key managers foster good communications to staff and to outside groups. One approach is that communications be treated like safety, and that perhaps there should be consideration given to putting a communications standard together for performance appraisals with key managers held accountable for under-performance. Another approach to consider is the development of an effective portal.

On the issue of intergovernmental communications, there needs to be a way to measure effectiveness. EM must ensure that when groups provide advice, they receive a timely and quality response.

Mr. Winston noted that EM's communication challenges include front-end versus tail-end communication and proactive versus reactive communication. This is more than a timing issue; it is a mindset.

Mr. Barnes added that there is a need for a set of questions for each major decision: "Who do we need to communicate with? When do we need to communicate with them? What is the message we have to communicate? And "Who has the responsibility for doing that communication?"

Ms. Anderson reiterated that this communication mind set needs to become a part of the culture, just as secrecy was part of the culture in the past.

Mr. Ajello thanked the communications team for their report. He added that the report reinforced the need to build pride in the program, and stressed that the need for improved communications refers to internal, as well as external, communications. Mr. Ajello stated that he plans to speak directly with Mr. Rispoli and Mr. Anderson about the communications team report, and the lack of collaboration by DOE in helping develop the report.

Mr. Swindle noted that EM does not have the internal staff to accomplish some of its ancillary functions, such as communications and human resources, and must rely on other organizations.

Perhaps EMAB can provide some recommendations on how to prioritize, if not redirect, these assets.

Mr. Ferrigno summed up the issue as: Do I have matrix support, or do I have line support? And is my mission being impacted?

Mr. Ajello recognized that EM has gone through significant staff reductions in the past few years. Nonetheless, it is the sense of the Board that it needs to continue to push this topic.

Mr. Winston noted that the problem is more pronounced in human resources. EM's organizational relationship with Public Affairs is more of a dotted line - Public Affairs stands ready to help EM communicate; they just need to know what to communicate. Public Affairs feels like it has good interaction and good communication with Mr. Rispoli and Mr. Anderson. Below this level, it is unclear how Public Affairs is being asked to support the rest of EM. EMAB is not proposing an EM communications function that does the same thing as Public Affairs. EMAB is looking for an adjunct that helps to frame the message, helps to look for the opportunities internally. So it may not end up playing out the same way as in the human resource area.

Mr. Winston noted that for human resources and procurement, as well as communication, there are bottlenecks.

Mr. Swindle stated that EM needs to identify those enabling actions to eliminate those bottlenecks.

EMAB Outreach

Mr. Ajello announced the next item on the agenda: EMAB Outreach.

Ms. Salisbury stated that she has prepared a one-page report, which the Board can read at its leisure on her attendance of the Northern New Mexico Citizens' Advisory Board meeting in July. It is a good idea for EMAB members, when they are in the area, to attend local meetings. Liaison with the local CABs is mutually beneficial. There will be a SSAB Chairs Meeting September 6-8 in Santa Fe, New Mexico. She suggested that EMAB send someone to this meeting. There is also an intergovernmental meeting in November in Washington, DC, that Mr. Winston and Ms. Anderson traditionally attend.

Mr. Ajello stated that EMAB needs to develop a consolidated calendar of upcoming meetings and their topics.

Ms. Salisbury added that it might be helpful to ask Mr. Rispoli for recommendations on what would be the appropriate role for EMAB when attending these meetings.

Mr. Allred cautioned that there is a need for clarity concerning the role of EMAB in relation to the role of the SSAB Chairs. It is a good idea to discuss this with Mr. Rispoli.

Ms. Terri Lamb volunteered to provide EMAB with a list of the upcoming meetings for the CABs and intergovernmental groups.

Mr. Allred's understanding was that EMAB members should attend CAB meetings to listen and not to take part in that meeting. This may be a mistake; it is not good transparency and certainly

is not very good communication. Certainly, EMAB members should not take part in a CAB's deliberations. But without discussion, EMAB members do not provide any function to the CABs.

Mr. Ajello reminded everyone that EMAB's Charter is to provide advice to the Assistant Secretary. It could come from simply observing, but it would be more fulfilling if there was meaningful interaction. He tabled this issue for further discussion with Mr. Rispoli.

NAPA Panel

Mr. Ajello introduced the next agenda item: the NAPA panel. He stated that the presentation by Mr. Al Kliman of NAPA on day one brought EMAB up to speed. EMAB's next step is to discuss with Mr. Rispoli how he would like EMAB to interact with NAPA. One option is a monthly conference call to stay abreast of activities.

Mr. Ferrigno had learned from Mr. Kliman that the materials being sent to Congress and Mr. Rispoli were not for public dissemination. However, Mr. Kliman indicated that Mr. Rispoli may use his discretion and distribute them to his staff and possibly EMAB. He asked Mr. Ajello to obtain clearance from Mr. Rispoli for EMAB to receive the reports, if it was in compliance with NAPA. If EMAB receives these reports early, it can provide commentary to Mr. Rispoli, and possibly to NAPA, should Mr. Rispoli desire.

Mr. Ajello agreed, noting that originally Mr. Rispoli wanted EMAB to be present at meetings. However, that is not NAPA's policy. Mr. Ajello will ask Mr. Rispoli whether he wants EMAB to attend meetings where findings are presented or review drafts.

Acquisition Management

Mr. Ajello introduced the next agenda topic: Acquisition Management.

Mr. Ferrigno noted that the Acquisition Management committee includes Mr. Ajello and Mr. Dabbar. Deputy Assistant Secretary Jack Surash was appointed shortly after EMAB's March meeting, and Ms. Lamb provided Mr. Surash with historical EMAB reports as background in the areas of metrics, acquisition management and contract management strategies. Per Mr. Rispoli's direction, the committee has been interacting with Mr. Surash and his staff by telephone and in person. The committee looked at the alignment of contracts in the acquisition process and the performance measurements and metrics. The committee also looked at the Department's desire to get the best talent within EM and subcontractor organizations. The Department is looking at when it should focus on specialty capability. .

For performance-based contracting, there needs to be an orientation of not driving contractors on a Management and Operating-type (M&O) basis. Managing the contract, not the contractors, is the preferred strategy. Mr. Ferrigno stated that EM is bringing on very specialized talent in certain areas. In the area of closure, EM needs to allow for the flexibility to bring in that expertise and talent. And in the area of regulatory compliance, EM needs to let them do their jobs.

Mr. Allred noted a tendency for DOE to be risk-adverse in their management of performance-based contracts. This aversion to risk tends to cause the field to tell contractors more than they should as to what to do. This, in turn, causes the contractors to be less risk averse. In addition, this behavior is fed by the reaction to safety concerns. Originally, performance-based contracts were supposed to foster innovation; the pressure to be risk-averse is causing people not to do

what the contracts were designed to do. This is something DOE must guard against if it wants to get the maximum advantage out of these performance-based contracts.

Mr. Ferrigno reported that he has spoken to Mr. Surash and Mr. Rispoli about change management. Recently, after awards have been made, delays occur and could cause changes in scope, resulting in different targets, goals, or final objectives. Mr. Ferrigno stated that contracts need to be flexible when the work is not well-defined. The change management process needs to be rigorous and it needs to be focused on the kinds of work that EM is doing. It is an area that is fraught with problems when done poorly.

Mr. Ajello added that during the Board's site visits, the input that EMAB receives from the contracting community is always one of frustration over this process. This is a major area of difficulty and inefficiency.

Mr. Ferrigno noted that for the WTP, Congress needs to appropriate additional funds to build the facility and carry out the mission. He stated that with this change (reported at about 25% or more of the original authorization), it behooves DOE to make sure that it is going in the right direction.

In terms of small business contracting, financing, and cash flow, there is a hesitation in some cases for small businesses to pursue large DOE contracts. It takes a large stake to bid the work and to weather the period of contracting. Assuming that the small business is awarded the work, it must carry the cash flow necessary to operate the contracts. Small businesses are requesting ways of either obtaining lines of credit, having some sort of zero-balance banking, or installing a methodology where their limited financial balance sheet is not stressed to the point that they cannot do other business. If DOE wants to encourage small businesses to pursue larger-type projects, it may need to look at how to structure cash flow assistance. EMAB has an open action item with Kay Rash of EM-51 to look into what the Department and other agencies have been doing and investigate any contracting methodology that could provide assistance in this area.

Mr. Ajello noted that there are cash-flow mitigation techniques in existence. It is unclear how government procurement rules might interact with these techniques.

Mr. Ferrigno reported that some companies may be more financially fragile than DOE is used to, and there is danger that a contract win could put a small company in jeopardy of its financial existence.

EMAB is excited about the concept of guaranteed closure contracts, with warranty insurance and provisions. These would be appropriate when the scope is very well-defined and the closure site's needs are well-defined. EMAB believes this is an opportunity.

In terms of acquisition strategy, there is a need to establish a public schedule of when DOE expects acquisitions, where they are, what their budgets are, and who the points of contact are, to encourage the contractor community to prepare.

Mr. Ajello noted that the key is predictability.

Mr. Swindle noted that there is a need for some standardization or clarity in terms of when it is appropriate for a small business contract to be utilized, and even then, in relation to what types of contracts? It seems there should be some practical boundaries.

Small Business Report

Mr. Ajello then moved onto the Small Business report.

Mr. Ferrigno spoke of a trip to the Small Business Conference attended by EMAB representatives Terri Lamb and Dennis Ferrigno, held in Seattle last June. The conference was sponsored by DOE's Office of Small and Disadvantaged Business Utilization (OSDBU), which interacts with the Small Business Administration and the small business community. The OSDBU assists small businesses with any sort of help that they may need. Mr. Ferrigno stated that EMAB's purpose in attending was to note small-business reactions and commentary. A trip report was issued under separate cover.

Mr. Ferrigno recommended that EM have DAS-level participation at this meeting. He reported that the M&O contractors were in attendance. He stated that the Department has some pretty aggressive small business goals over the next few years.

Mr. Ajello observed that DOE, not EM, owns the small business goal and that there is no delineation of what part of the goal will come from each program. There was also little sense of how well the large-company mentoring programs are working to bring along the small and disadvantaged businesses, i.e., mentor-protégé programs.

Mr. Ferrigno stated that DOE has shifted away from reporting both prime and sub-level small business activity to just prime contracts. In the coming years, DOE will need to decide on the size of its contracts and to what extent the Department will act as an integrator.

Ms. Anderson cautioned that in discussing small business issues, it is important not to lose sight of the overall goal of EM – site clean-up. There is concern whether the overall goals of EM will be met with a small business prime contract. There needs to be flexibility in recognizing those small businesses that are capable of fulfilling a contract, as well as the ability to use some small businesses as subcontractors.

Mr. Dabbar commented on acquisition management in general, noting that EMAB needs to have a discussion about cost estimates, changes in scope, and how the cost and budgeting process evaluates that dollar amount. Ultimately, delay costs money, with people, fixed costs of equipment, and so on sitting around.

Mr. Allred added that the Board has spoken on this issue earlier, in terms of the failure to include contingencies in baselines and estimates. Zero contingency is not a realistic expectation. As a result, DOE is not communicating the risk nor the effort involved to the public or to those who make the decisions. He recommended that the Board bring this up with Mr. Rispoli.

Human Capital Management

Mr. Ajello introduced the next topic: Human Capital, presented by Mr. Ferrigno and Mr. Barnes.

Messrs Barnes and Ferrigno summarized the six areas of interest from the March EMAB meeting: morale, planning, certification, mentoring, staffing, and competing industries. Those topics were addressed in some detail on day one of the meeting. A survey on human capital issues was conducted in June 2006. The participation rate within the DOE population of 13,000 employees was 57%. The survey results will be used to identify strengths, challenges, and change strategies to help improve the DOE work environment.

The Office of Human Capital Management Innovation Solutions has engaged in a mentoring program for the last three years. It is a voluntary 12-month program in which a mentor and a

protégé are partnered for a series of meaningful discussions. For Senior Executive Service (SES)-level employees, it is mandatory. Overall, the program has had a very slow start. There are 118 protégés and 140 mentors. Within the SES classification, the mentor goal is 25% of SES participation, with only 80% of that 25% participating thus far. With the exception of the SES population, the program does not appear to be officially linked to career development. The Office is working on a strategic plan. It might be helpful to have the Assistant Secretary or a DAS-level endorsement or encouragement to the employees to participate.

The Human Capital Plan seems to be thorough and well thought out. It was developed by DOE staff, which is a positive because it enhances buy in. However, the plan has not been fully addressed. There is a feeling that, because the workload has engaged a number of folks, that morale has improved. Mr. Ferrigno also credited the improvement of morale to the leadership of Mr. Rispoli and his team. The plan briefly addresses staffing, staff replacement/retention, and gaps, but does not fully address the impact of competition, from both Federal agencies and industry. This is an area that needs to be revisited.

The plan was officially issued July 14, 2006 and will be updated annually, and will provide the basis for staff metrics and goals. Areas that EM may want to spend extra time, such as retraining and resources, should be further explored. The actual execution, such as identifying the point of contact for metrics and performance, was not addressed in the plan. This needs to be done.

In summary, the plan is concise, establishes needs and priorities, and will provide documentation for accountability. Mr. Ferrigno proposed the following recommendations:

- Publish the human capital survey results quickly.
- Make the mentoring program mandatory. Recognize and reward participation in performance reviews.
- While training seems quite aggressive, encourage training with mentored application.
- Increase focus of the plan on morale, accountability and plan metrics.

In summary, Mr. Ferrigno commended EM for its proactive Human Capital Program. The challenges are significant, but EM executive management is openly addressing the challenges.

Mr. Barnes commended Mr. Rispoli for recognizing that human resources are absolutely critical. It is clear that other senior managers in EM will need to buy into this ethos. The Plan that was developed incorporates many best practices, although there is room for improvement, as suggested by EMAB and NAPA. In addition, there remains doubt regarding whether there are sufficient resources in the Human Resources area to carry out what is a very ambitious plan.

Mr. Ajello noted that once a plan is created, expectations are also created.

Mr. Dabbar noted that EM is very forward thinking on human resources issues and should be commended.

Management Development

Mr. Ajello asked Mr. Swindle to report on Management Development.

Mr. Swindle referenced the report on the program management's leadership development focus on fundamental federal acquisition practices, policies, and procedures. In May 2006, a pool of senior leaders from DOE and EM went to the Defense Acquisition University. DOD has a requirement that all of its civilian and military leadership must receive top-level training in the

fundamentals of acquisition rules, principles of program administration, and management, if they are going to oversee or have management responsibility on any level of work exceeding \$5 million annually. The workshop focused on the basics: how to conduct the acquisition process, mission needs identification, requirements analysis, trade-off studies, technical maturity, as well as implementation from an earned value perspective. Case studies were used throughout the workshop. Mr. Swindle attended as an observer.

Mr. Swindle reported that the case studies were DOD, not DOE or EM-related, and focused on hardware. Nonetheless, the DOE managers, who as a whole had various levels of experience in acquisition principles, benefited from the case studies. He stated that there was not a clear path forward about how to take that new-learned experience and get it into the heads of the mid-level managers, because that is where the rubber hits the road.

There is an opportunity and a receptivity from the DOD's National Defense University to create collaboratively a DOE EM-specific set of case studies, and include specific training in the federal acquisition regulations, DOE acquisition regulations, and principles of industry financial equity capital markets. Mr. Swindle stated that EM should be encouraged to make this training a prerequisite to assignments for program and acquisition management. In addition, EM should, as part of its Human Capital Initiative, review the career development progression training process that the DOD uses for key positions.

Mr. Ajello noted that the next step is to share this report with Mr. Rispoli and Mr. Surash.

Mr. Dabbar asked if there are other sources of training and information in the public and private sectors that might be helpful.

Mr. Swindle noted that Professional Services Council Contract Services Association routinely puts on courses using Federal trainers. It is important for DOE program managers to have true ownership of a successful program.

Mr. Ferrigno noted that he has heard very good feedback on such training; one of his associates is a trainer for the General Services Administration who travels to contract officers to train the basic fundamentals of the acquisition process, and then follows-up, pre- and post-acquisition.

Mr. Allred observed that while there are many courses offered to teach private organizations how to deal with the Federal Government, there are not many on the opposite side. There are courses to teach private managers how to deal with the equity market, and it might be useful to identify some of these courses so that there is a better understanding on the part of the Federal contract managers as to the effect of their actions on the private community.

Ms. Lamb promised to send a copy of Mr. Swindle's chart to the other Board members.

Mr. Ajello thanked the committee members for their presentations. He agreed to draft a summary of action items and circulate via email to the Board for their review and comment.

Roundtable Discussion

Mr. Ajello asked the Board to bring forward any additional items for discussion.

Mr. Barnes requested a future discussion on environmental auditing. In a program with many regulatory requirements, an effective environmental auditing program is essential.

Mr. Allred stated that EM needs to deal with those things which could prove fatal flaws to the program. Whether there are regulations, lawsuits, or whatever, EM needs to have a strategy to understand their impact on the program. He stated that there is no role within EM that does that. This is an area where EMAB can help out.

Mr. Dabbar noted that there is a long history of adapting technology originally designed for one purpose for use for a completely different purpose. For the longer term, it might be useful for EM to revue new technologies for use by EM in the future, or EM technologies that can be used elsewhere.

Date for Next Meeting

Mr. Ajello asked the Board to consider dates for the next meeting.

Mr. Allred stated that he has enjoyed his time on the Board but will be resigning. He reemphasized that the value of EMAB is to cause the Department of Energy and its management to think about what it does. He thanked Ms. Lamb for her support. He encouraged the Board to keep up its great work, noting that both DOE and the Nation will benefit from it.

Mr. Ajello, on behalf of the entire Board, wished Mr. Allred all the best.

Public Comment Period

Mr. Maynard Plahuta, the immediate past president of the Eastern Washington section of the American Nuclear Society, expressed concern about the lack of qualified young engineers in the pipeline. The number of universities and colleges offering nuclear energy degrees has diminished. He recommended that EM ask the Secretary of Energy to encourage universities and colleges to return to offering nuclear engineering degrees.

Mr. Ajello thanked Mr. Plahuta for his comment.

Mr. Winston noted that the Board looked at this issue a few years ago. This is not just an EM or DOE problem, but a national problem.

Mr. Ajello noted that EM might target universities with nuclear programs for mentoring programs. It is possible that EM could encourage some demand and stimulate public/and or private universities' research dollars. It is a cycle that can be restarted. One of the things DOE must do is create that demand.

Mr. Barnes agreed that the addition of a nuclear engineering dimension to an existing program must be demand-driven. In the short run, it is necessary to reinforce and help those programs that already exist, such as the one at Oregon State. DOE should support such schools via increased job recruiting, investment of research dollars, development of dedicated scholarship programs, and development of internships. This may encourage other engineering schools to add nuclear programs.

Mr. Ferrigno noted that while adding new engineering graduates is extremely important and admirable, DOE needs experienced, trained project managers and mid-level management seasoning in very short order. Retraining and transition is critical. He stated that DOE should

consider taking people who have proven experience in other industries and give them a six-month to a year barrage of technology update to give them a degree of nuclear training, applicable to the existing skill gaps. There is a 40% reduction facing DOE.

Mr. Barnes agreed, noting that it is necessary to train existing mid-career folks.

Mr. Ferrigno referenced the retraining program at Colorado University that ran from 1999 to 2003, which took 200 people with power, mining, and other industry backgrounds to fill a gap in information technology. It was a six-month boot camp followed by another six months of mentoring. Within a year it produced seasoned project managers familiar with current technology, and an experience base of about 15 to 20 years with which to infuse the industry. Mr. Ferrigno agreed to make the template for this program available.

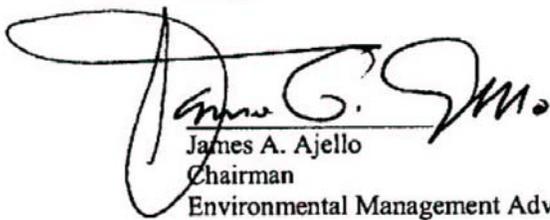
Mr. Dabbar agreed that the longer-term issues for the broader nuclear industry's human capital improvements must be demand-pulled. Hopefully the recovery of the commercial nuclear industry, given that nuclear energy is now much more economical, should foster the development of more junior people. For mid-level people, one untapped resource is the Navy nuclear program. Although a vast majority of these people (400 annually) do not have formal nuclear engineering degrees, they are, for all intents and purposes, nuclear engineers. The vast majority of those people do not go into the commercial nuclear sector. This is a resource that DOE should attempt to tap.

Concluding Remarks and Adjournment

Mr. Ajello thanked the community and the DOE staff (locally and at Headquarters) for their responsiveness and support.

The meeting was adjourned at 11:56 a.m. PDT

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.


James A. Ajello
Chairman
Environmental Management Advisory Board


Terri Lamb
Executive Director
Environmental Management Advisory Board

These minutes will be formally considered by the Board at its next meeting, and any corrections or notations will be incorporated into the minutes of that meeting.

APPENDIX A
ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
U.S. DEPARTMENT OF ENERGY
Meeting Agenda
August 23 –24, 2006
Richland, WA

Wednesday, August 23, 2006

- 9:00 a.m.** **Public Meeting Opens and Welcome**
- James Ajello, *EMAB Chair*
 - Keith Klein, *Manager, Richland Operations Office*
 - Roy Schepens, *Manager, Office of River Protection*
- 9:15 a.m.** **Opening Remarks**
- James A. Rispoli, *Assistant Secretary for Environmental Management*
- 9:45 a.m.** **Waste Treatment Plant Presentation**
- Roy Schepens, *Manager, Office of River Protection*
- 10:30 a.m.** **Regulatory Compliance Presentation**
- Karen Guevara, *Director, Office of Compliance, EM-11*
- 11:00 a.m.** **Break**
- 11:15 a.m.** **Roundtable Discussion**
- Jim Ajello, *EMAB Chair & Stephen Allred, Board Members (Discussion Leaders)*
- 11:45 a.m.** **Public Comment Period**
- 12:00 p.m.** **Lunch Break {Working Lunch for Board Members}**
- 1:00 p.m.** **EM Human Capital Initiatives and Re-Organization Update**
- Claudia Gleicher, *Acting Director, Human Capital Planning and Operations*
 - Al Kliman, *NAPA*
- 2:00 p.m.** **Roundtable Discussion**
Jim Barnes and Dennis Ferrigno, Board Members
(Discussion Leaders)
- 2:30 p.m.** **Break**

- 2:45 p.m. Acquisition and Project Management Presentation**
- **Jack Surash, Deputy Assistant Secretary for Acquisition & Project Management (EM-50)**
- 3:45 p.m. Roundtable Discussion**
Dennis Ferrigno and Brian Estes, *Board Members*
(Discussion Leaders)
- 4:30 p.m. Public Comment Period**
- 5:00 p.m. Adjournment**

Thursday, August 24, 2006

- 9:00 a.m. Public Meeting Open**
- **James Ajello, EMAB Chair**
- 9:05 a.m. Hanford Advisory Board Presentation**
- **Todd Martin, Chair, Hanford Advisory Board**
- 9:35 a.m. Board Business**
- **Approval of March 22-23, 2006, Meeting Minutes**
 - **Action Items Reports**
 - **Communications – Salisbury/Barnes/Winston/Anderson (15 mins)**
 - **EMAB Outreach – Salisbury/Allred (15 mins)**
 - **Acquisition Management - Ferrigno/Estes (15 mins)**
 - **NAPA Panel – Ajello (10 mins)**
 - **Human Capital Management – Ferrigno/Barnes (15 mins)**
 - **Small Business Engagement – Ferrigno (15 mins)**
 - **Management Development – Swindle (15 mins)**
 - **New Business**
 - **Roundtable Discussion**
 - **Set Date for Next Meeting**
- 11:30 a.m. Public Comment Period**
- 12:00 p.m. Adjournment**

APPENDIX B

Department of Energy Charter for the Environmental Management Advisory Board

1. Committee's Official Designation:

Environmental Management Advisory Board (Board).

2. Committee's Objective, Scope of Activity, and Duties:

The Board will provide, in accordance with the Federal Advisory Committee Act, the Assistant Secretary for Environmental Management (EM) with information, advice, and recommendations concerning issues affecting the EM program. The Board will be informed of the progress on the EM program at regular intervals to be determined by the Assistant Secretary.

The Board will perform the following duties:

- a. Recommend options to resolve difficult issues faced in the EM program including, but not limited to: project management and oversight; cost/benefit analyses; program performance; contracts and acquisition strategies; human capital development; and site end-states activities; and
- b. Issue reports and recommendations as necessary.

3. Time Period Necessary for the Board to Carry Out Its Purpose:

Since the task of the Board is to advise agency officials on a series of EM strategies and strategic advice on corporate issues, the time period required to carryout its purpose is continuing in nature.

4. Official to Whom this Board Reports:

This Board will report to the Assistant Secretary for EM.

5. Agency Responsible for Providing Necessary Support for the Board:

United States Department of Energy (DOE). Within the Department, primary support shall be furnished by the Office of Environmental Management.

6. Description of Duties for Which the Board is Responsible:

The duties of the Board are solely advisory and are stated in paragraph 2, above.

7. Estimated Annual Operating Costs in Dollars and Person-Years:

The DOE will provide resources sufficient to conduct its business as well as travel and subsistence (per diem) expenses for eligible members. The estimated costs are \$300,000 and approximately two permanent staff members.

8. Estimated Number and Frequency of Board Meetings:

The Board will meet semi-annually or as deemed appropriate by the Assistant Secretary for EM. Specialized committees of the Board will meet as deemed appropriate by the Assistant Secretary for EM.

9. Termination Date (if less than 2 years from the date of establishment or renewal):

Not applicable.

10. Members:

Members of the Board shall be appointed by the Secretary of Energy for two years to achieve continuity in membership and to make use of the acquired knowledge and experience with EM projects. Members shall be experts in their respective fields or representatives of entities including, among others, research facilities and academic institutions, should the Board's tasks acquire such representation. Members may be reappointed for additional terms of one or two years.

11. Organization and Subcommittees:

The Board shall report to the Assistant Secretary for EM or other officers of the DOE designated by the Assistant Secretary.

The Board is authorized to constitute such specialized committees to carry out its responsibilities as the Assistant Secretary for EM finds necessary. Committees will report through the Board.

Individuals with specialized skills who are not members of the Board may be consulted by the Board on specialized committees, as appropriate.

12. Chairperson:

The Assistant Secretary for EM appoints the Chair of the Board from the Board membership.

Date: JAN 24, 2006

/s/

James N. Solit
Advisory Committee Management Officer

Date Filed: JAN 24, 2006