

U.S. Department of Energy

Meeting of the
ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

Friday, September 30, 2005

VOLUME II

Forrestal Building
Room 1E-245
1000 Independence Avenue
Washington, D.C.

A G E N D A

Friday, September 30, 2005

AM Session

- 9:00 Public Meeting Open
James Ajello, EMAB Chair
- 9:15 Opening Remarks
James A. Rispoli
Assistant Secretary for
Environmental Management
- 9:45 Board Discussion and Planning for
Project Work
- 10:30 Break
- 10:45 Board Business (includes approving
of 2003 meeting minutes)

PM Session

- 12:00 Lunch Break [Working Lunch for
Board Members]
- 1:00 Board Business Continues
- New Business
 - Set Date for Next Meeting
- 2:00 Public Comment Period and
Adjournment

Environment Management Advisory Board

Mr. James A. Ajello [Chairman]
Reliant Energy, Inc.

Mr. C. Stephen Allred
Consultant

Ms. Lorraine Anderson
Arvada City Council

Mr. A. James Barnes
Professor

Dr. Dennis Ferrigno
CAF & Associates, LLC

Ms. Jennifer Salisbury
Attorney-at-Law

Mr. David Swindle
IAP World Services, Inc.

Mr. Thomas Winston
Ohio Environmental Protection Agency

1 P R O C E E D I N G S

2 [Time noted: 9:20 a.m.]

3 CHAIRMAN AJELLO: Good morning all. I would like
4 to welcome you again. This is our second session of the
5 Environmental Management Advisory Board.

6 I have just a few opening remarks and then we
7 will be underway. I thought yesterday's session, just to
8 summarize, was a very good and open session. We had a lot
9 of dialogue with some of the key program managers. We
10 tracked through the recommendations in three key areas that
11 we had provided over the last year.

12 I think most of us were very pleasantly surprised
13 and gratified to see many of the recommendations that we
14 were proposing actually put in place on End States on the
15 contract strategy and management as well as project
16 management and oversight. So I think we had a very good
17 day.

18 We got two of our new board members integrated
19 and fully engaged and I think we had a very open and
20 constructive conversation. We critiqued where it was
21 appropriate and we praised at the same time. So it was a
22 very good session.

1 I think we had a good model for corporate
2 governance and I think we should continue the same spirit
3 of engagement that we had yesterday in today's session.

4 While yesterday's session was primarily for the
5 purposes of gathering information and getting updated,
6 today we'll do some formal business.

7 The first topic on our agenda is to hear from the
8 new Assistant Secretary, Jim Rispoli, Environmental
9 Management. It's a bit of a challenge, I suspect. He was
10 just sworn in on August 10th, not yet two months in office,
11 but a veteran of the Energy Department and someone who has
12 had a long and successful career in engineering, project
13 management, and construction activities in both the public
14 and private sector. We welcome you and wish you well. We
15 are here to engage with you to help you constructively to
16 build a great program.

17 MR. RISPOLI: Thank you. It's great to be here
18 with all of you. I will mention just briefly that I met
19 Jim for the first time on Wednesday evening. I think we
20 spent probably 45 minutes or an hour together just talking
21 about things. That was a great opportunity.

22 I would like to not only welcome you, but tell

1 you how much I really appreciate what you do. I think one
2 of the cornerstones of any significant effort is to have a
3 group of people who can offer an outside view, kind of like
4 an outside board of directors with an outside view of what
5 you're doing because sometimes you don't see things that
6 should be obvious and you need someone to bring those to
7 you. And so I look forward very much to what you do and
8 seeing the results of what you do.

9 Jim and I talked the other evening about coming
10 up with a norm where after each of your meetings whenever
11 you all are ready that perhaps he could come by to kind of
12 fill me in with one or two of you if desired, on what types
13 of things you deliberated in an informal setting, you might
14 say, or a phone call perhaps, or something like that,
15 whatever works out. But I would like to have a very
16 comfortable dialogue. I would like to be at each of your
17 meeting for a point in time. Perhaps next time I could go
18 into a little more detail as to what we're doing in the
19 environment management program. But I am just as
20 interested in fact more so to get your feedback and your
21 thoughts and your advice and I think that's primarily what
22 we need. We need that type of an independent look.

1 I also thank you because I have done some of the
2 things in my career that are similar to what you are doing.
3 And I know it takes a commitment of your time. I know that
4 it is over and above whatever else it is that you either
5 are doing, your day job, or you want to be doing, if you're
6 already retired. And I know that it takes a certain degree
7 of personal commitment for you to do this. And I want to
8 thank you all for doing that too. It's very important, I
9 think often it goes unrecognized, so I thank you for doing
10 that.

11 I thought I would start a little bit of time just
12 telling you about me. I should mention I have a 10:00
13 meeting with my boss, the Under Secretary, so we have about
14 maybe 25 minutes before I run out the door. And I won't
15 take more than half of that to see if there is anything you
16 want to ask me.

17 But I thought I would start just by telling you a
18 little about me because my bio is really not that -- in
19 printed form -- is not that long and it might help you to
20 know a little bit more about me.

21 I started out as military person right out of
22 college, ROTC, began in the Air Force as a Civil

1 Engineering Officer and immediately was engaged in
2 engineering design, construction management and project
3 planning. The DOD, as you know, has a pretty rigorous
4 process for project planning whereby they put together
5 packages that have to go to the Congress as line items and
6 very similar to what DOE has. And interestingly their
7 process has not changed since I went on active duty in
8 1969. They are still using the same basic process today
9 that they used back then.

10 Eventually in my Navy career I had several jobs
11 that would be pertinent to this. I think one is that when
12 you are in the facilities environmental director the Navy
13 calls the public works officers, you are the permit holder.
14 If you have MPDES permits, air permits, whatever, you are
15 the person that is accountable for accurately reporting for
16 violation of the terms of those permits. And I've had
17 those jobs several times in my career.

18 At one point I was the director of the Navy's
19 environmental program ashore. And I was the first Navy
20 captain when the Navy realized that it was a significant
21 program, they elevated that position to what you might say
22 is like the assistant secretary level. In other words, you

1 were at a high enough level that you reported directly to
2 the person in charge. So I had the good fortune to, for
3 several years, to be the director of the Navy's
4 environmental program ashore. So I got to learn a lot
5 about all of the environmental laws of the day. We were
6 basically primarily running the cleanup program to comply
7 with CERCLA and many RCRA regulated activities as well.

8 As part of my career, I learned early on as a
9 Navy Lieutenant that when you move a lot it's hard to get
10 established in the local community. So I became active in
11 the American Society of Civil Engineers. I had been a
12 member since college. But, I became active. I wound up as
13 a mid-grade person chairing the environmental concerns and
14 construction committee, part of the construction division.
15 I chaired that committee for a number of years. I remember
16 getting into the issues at Grand Junction, Colorado, some
17 of those issues. We are still now dealing with similar
18 ones today. But that was a good experience to become
19 involved in a professional way. And I maintained that up
20 until I came to Washington, D.C. arena recently.

21 I wound up eventually chairing the 30,000 person
22 construction division of ASCE which has, I think, 12

1 committees including the environmental committee, the
2 safety committee, construction management, project
3 management, the construction research council, all those
4 committees are part of the construction division. We had a
5 budget, we were running basically a professional volunteer
6 run organization of 30,000 members. So I've been very,
7 very engaged as a civil engineer and environment-type
8 person for a long, long time.

9 When I went to Pearl Harbor as the director of
10 facilities and environment, literally one week after I got
11 there, to everyone's surprise, including the state
12 regulators, Pearl Harbor was put on the NPL. And so I
13 wound up on TV with a banner going across under my name
14 that said, "Pearl Harbor Filthy Dirty." And that was a
15 nice welcome to Hawaii and dealing with the environmental
16 issues. Although it turned out to be quite a good tour
17 because once we worked with EPA to understand why we in the
18 state were surprised, we were able to build quite a good
19 relationship with the region and San Francisco and get on
20 with the issues of cleanup at Pearl Harbor.

21 That's a little bit of my Navy background. I
22 then left the Navy and went to work for Metcalf and Eddy,

1 an engineering company in Hawaii running their office which
2 was the second largest engineering office in the state and
3 then moved to Dames and Moore which had a more Pacific-wide
4 -- Pacific Ocean wide focus. And in both of those
5 companies, a very, very large part of our work, over half
6 really, was environmental work. So I have worked in the
7 private sector as well as in the government sector at
8 environmental engineering.

9 Back to DOE. I guess that's enough about my
10 background. But DOE, my view is that, and I tell this to
11 people everywhere I go, that safety is number one. I am
12 concerned that recently there have been a rash of
13 incidents. Fortunately none of them involving trauma to
14 workers, but a number of incidents that have been close
15 calls. And I had to issue a communication to all the site
16 managers to reiterate that no milestone is more important,
17 no date is more important, no schedule is more important
18 than a person's well being. That I expect that everybody
19 that comes to work every day will go home the same way they
20 came in.

21 And you can look at statistics and you can say,
22 well, actually EM's lost-time statistics are not bad. And

1 that's true, they are not bad. But if you are in a room
2 with 100 people, and you say, by the end of the year two of
3 you will have a serious injury, which two of you will
4 volunteer? And the answer is no one will volunteer. So
5 safety has to be number one. We are doing inherently
6 hazardous work. So I try to reiterate that even when I
7 walk on sites as I was yesterday up near Buffalo, New York
8 with the contractor people. I make a point of telling
9 them, that number one is safety. That that has to take
10 priority over everything else that they are doing.

11 Because I believe if you run a safe job site, you
12 will also run a productive job site. Because the way that
13 you do this is to integrate. You integrate your
14 management, your safety. I won't bore you with it, but I
15 have several personal firsthand experiences with both the
16 civilian work force and the military work force wherein if
17 you don't integrate safety with mission, you're safety
18 rates are not good. But when you find a way to integrate
19 them, you can greatly improve safety and at the same time
20 enhance mission. And I know that because we've done it and
21 in one of the cases it was even published by an OSHA study
22 at a major university.

1 So I really do believe in that. I've only been
2 on the job about six weeks. I visited seven field offices
3 so far. I am very interested in meeting our managers and
4 our people, both the federal staff as well as the
5 contractors. It's helped me greatly to understand what we
6 do. I would much rather do that than sit here and be
7 briefed out of a power point briefing. I feel that I learn
8 far more by getting to go somewhere, seeing it, interacting
9 with the people, understanding what they do, and so that's
10 what I've been doing. I've been trying very hard to carve
11 out the time to get a way to become familiar with the sites
12 and a way that is different than before. I used to be in
13 the Department for five years. But when I would visit
14 before, the focus was on the construction side. And most
15 of what EM is doing does not involve construction. It
16 involves ongoing operations. So it's been an entirely new
17 focus for me to visit and get into and understand these
18 more hazardous types of things that we do.

19 The mission is not easy. I think it's absolutely
20 critical that we all recognize that. I mean, I'm sure you
21 do. You just need to read the press coverage. And some of
22 our friends from the press are here today and I think they

1 actually do quite a good job in giving us a balanced
2 perspective. But I think one of the things we have to
3 remember is that when you are doing things that are not
4 easy, I don't think that I know of anything in the world
5 that is perfect. Maybe you do, but I don't. But I think
6 the reality is that you may think you have something solved
7 and then you find out that it is really not solved and you
8 have to go back and figure out why it's not solved. So I
9 recognize that it's not easy and that it is very, very
10 technical. What we do is very complex.

11 I don't have a nuclear background other than
12 having been the director of facilities and environment for
13 Pearl Harbor which includes a nuclear shipyard. So I was
14 in a supporting role, but I'm not a nuke. I don't really
15 know all of the nuclear things. So last week I went to the
16 Department's executive nuclear training program to try to,
17 you know, notch up my own knowledge of what are these
18 issues that we deal with? And that was very helpful to me
19 too.

20 One of the things that I tell our people is that
21 we are an acquisition agency with a capital "A"; and I say
22 that because I don't mean jut contracting. What I mean is

1 that we buy everything. Everything that we do we buy. As
2 far as I know, there is not one EM fed that's out there
3 with a shovel or working a bulldozer. We buy everything
4 and we are not buying parts. We are not just giving grants
5 away as some federal agencies do. We are buying a very,
6 very technically complicated and complex product which is
7 clean up and remediation and disposition. And so what I do
8 believe is that we need to do a better job in acquisitions
9 of a very, very technically complex product.

10 One of the things that my staff knows that I want
11 to do is elevate to the DAS level the acquisition function.
12 Right now we do have technical people at the deputy
13 assistant secretary level. We have HR people, you know,
14 human capital people, and we have budget people. We have
15 safety, but we don't have an acquisition DAS. And to me
16 that's very important because when you are dealing with
17 acquisition issues, when you are dealing with acquisition
18 strategy, at the very inception you need to have an
19 organization that can make you a center of excellence for
20 that.

21 And so you will see me putting a major focus on
22 acquisition. And I don't mean just contracting. What I

1 mean is, if you decide to buy a car, if you are like me, or
2 many people, you will do some research. You will evaluate
3 alternatives, you will look at gas mileage, you'll look at
4 reliability, you'll look at safety. All of that is far
5 before you contract.

6 And I think one of the criticisms that I saw
7 about EM before I joined was that as often happens when you
8 want to get on with things, sometimes the early phases of
9 acquisition suffer. The project planning, the risk
10 management plans, things of that nature and all of that has
11 to be included in there along with recognition, it's a very
12 technically complicated program. So, we need to, I think,
13 do a better job of integrating that into the way we do
14 business.

15 We will follow project management principles.
16 Jesse Roberson reorganized the entire EM program into PBSes
17 and directed that they be managed as projects. And we will
18 follow through with that. We will refocus our monthly
19 reporting, our quarterly face-to-face reviews, so that we
20 enter it looking at what was the plan, what were the
21 metrics, how were we doing? I've said this before and it's
22 maybe misunderstood sometimes, but the industry knows how

1 to do this. You don't have to create a government system
2 for project management. The industry has a suite of tools,
3 many of them are trademarked proprietary so I won't say the
4 names, but they integrate schedule costs. You know, the
5 government now requires the use of earned value management.
6 We have required that since October of 2000. We need to
7 get on with using -- genuinely using the full suite of
8 commercially available project management tools to manage
9 what we do. I think a large number of our projects are,
10 but I think we still have a ways to go.

11 Last month the independent monthly report on
12 performance across the Department of Energy indicates that
13 only 64 percent of our projects are on cost, on schedule.
14 Now that may seem alarming. It's not a good number. If
15 any of us had kids, you would not be happy with 64 percent.

16 But what I will tell you that we're finding is
17 that in some cases it's because the sites are not reporting
18 at all. In some cases the reporting is not correct. And
19 in some cases we really have problems. So I've asked that
20 we have an action plan to get us better than 64 percent
21 because I don't think anyone would be satisfied with 64
22 percent.

1 Now, when I joined the Department of Energy in
2 October of 2000, we were focused on capital construction.
3 We didn't even know how many projects we had. It turns out
4 we had about 120. And at that time, the first time that we
5 measured only 52 percent were performing on cost on
6 schedule. We set a target of 90. We obtained 90. We
7 raised the target to 95 percent and for six months running,
8 earlier this year the Department attained 95 percent of its
9 capital projects performing on cost on schedule based upon
10 the information given to the Department.

11 Then we had a problem with the waste treatment
12 plant and that brought the portfolio performance statistic
13 way down because it's a large project. But my point is, it
14 can be done. It can be done if you apply proper project
15 management planning, metrics and management, you can do
16 better than we are doing.

17 And so I've, you might have noticed, that in my
18 testimony to Congress I said that I would like to get us to
19 where 90 percent of our projects are performing on cost, on
20 schedule. It's not going to be tomorrow. If anybody
21 thinks it will be tomorrow -- it took over three years to
22 approve the capital portfolio performance to where it got.

1 But we clearly know where we want to go. I will be here
2 through the balance of this term which is more than three
3 years. And I would like to leave our performance at a
4 higher level than we have it today.

5 And, again, as I say, not all of it are
6 necessarily true problems. Some of it is reporting, some
7 of it is lack of integration of the reporting with the
8 management. And we can talk about that, if you like, for a
9 couple of minutes. But that's very important to me to do
10 that.

11 I would like to be sure that as people understand
12 their roles and responsibilities they have the authority to
13 go with it. I think sometimes it's not that clear as to
14 who has the responsibility for something. And if they
15 don't know they have the responsibility, it's hard to
16 recognize that you have the authority. So I would like to
17 sharpen the definition of the roles and responsibilities
18 both of headquarters staff and the field managers. And
19 then once the responsibilities are clearly understood, then
20 give people the authority that they need to do their job.

21 Having been a product so many years of the
22 military, and then going into the private sector, I found

1 that the private sector wasn't so very different than the
2 military. You have line, you have staff, people know their
3 job and they have the authority to do it. And I would like
4 to bring those same principles, not literally, but the same
5 precise practices, but the same principles to EM. And
6 giving people the authority they need to make their
7 decisions, inform their bosses, and get on with their work
8 rather than requiring decisions to come to the very top
9 level because people don't have the authority to make
10 decisions when they know what the right thing is to do. So
11 I would like to work on that as well.

12 And I'm getting to the end.

13 We have take care of our people. You might have
14 heard yesterday that the A-76 study of our compliance
15 technical functions has been cancelled. This was a study
16 that was undertaken what I would say under the old model.
17 It looked at the past rather than looking at the future.
18 And I think that we realized that going forward the old
19 model is not necessarily what the new model is.

20 I talked just this morning, and that's why I was
21 a bit late, with the people from the APPA, the Academy for
22 --

1 [Simultaneous conversation.]

2 MR. RISPOLI: Yes. And we were introduced to
3 them by some people that we worked with and they thought
4 that NAPA would be able to help us in looking at how should
5 our work force be structured? What are the skills that we
6 need and how can we better match the skills that we need
7 with the work force going forward. I would like to take a
8 totally integrated look at this. I don't know whether you
9 know this, but the federal staff at 2002, the VM was about
10 2,600 people. Today it's about 1,300 people. There has
11 been a lot of attrition. Because of the A-76 study we've
12 had a hiring freeze on because we didn't want to be in the
13 position of having to have involuntary separations or to
14 minimize the possibility of having involuntary separations
15 depending upon the outcome of that. So now that that has
16 been cancelled, I would like to take a totally integrated
17 look at the work force, look at what skills do we need
18 going forward, technical contracting project management,
19 you know, environmental compliance, all those things, do a
20 skill gap analysis and develop an organized and integrated
21 recruitment internship program for environmental management
22 so that we can better staff and have the knowledge that we

1 need to go forward.

2 The Defense Board chair commented to me that he
3 believes that we should have not in numbers, but in quality
4 of expertise, at least as good an expertise as our
5 contractors do. So that we can understand what the
6 contractors are telling us independently.

7 Now, we can go and hire support for surges, or
8 specialty niche areas, but the point is well taken. And
9 that is that for the day-to-day business that we do, we
10 should have in caliber, in competencies, people that are at
11 least as experienced and knowledgeable as that of our
12 contractors and I believe that to be true. I mean, I have
13 no argument with the Chair of the Defense Board, safety
14 board on that issue.

15 So I am looking to build an integrated approach
16 for human capital management that recognizes that people
17 are -- an organization can never be better than its people.
18 We are an organization of people and we can't be an
19 organization that excels unless we have the right work
20 force with the right competencies to do that. So I really
21 do believe that that's a major part of what we have to do
22 is recognize that we can never be better than our people

1 and give it the attention that it deserves as we go
2 forward.

3 So I think in wrapping up, I would like to say,
4 we all know it's a difficult and challenging job. There
5 are a few things, obviously that we have to focus on. I
6 really appreciate your involvement. I've tried to lay out
7 several of the areas that I think we need to look at. I
8 think, again, you'll see a major focus on safety, on making
9 us into a true acquisition organization, and on people.

10 Just this week, by the way, I met with the dean
11 of graduate programs at the University of Maryland. And at
12 the same meeting was the chair of their environmental
13 management masters program and the chair of their project
14 management certificate program. And, you know, what better
15 match. They're not the only university in the country that
16 does this, but there are places to go as part of an
17 internship program to get people the skills that they need
18 and the education that they need to do these things.

19 And if you have one place, and I'm sure, again,
20 they're not the only one that can marry up environmental
21 management and project management, I mean, that seems to be
22 exactly what we're talking about.

1 So all these things are important. Again, I
2 thank you for your personal commitment, what you do. I
3 look forward to future meetings with you. I look forward
4 to hearing back from you with your perceptions. If there
5 is anything you would like to suggest, based upon what I've
6 shared with you this morning, I welcome that. I'm still
7 new, I haven't even hit my second month yet. So, I'm
8 learning every day and I'm really enjoying the learning.
9 It's very important to be able to do that and I consider
10 you to be a very, very important part of that process. So
11 that's basically it for my comments and I'll see if you
12 have a question or two.

13 CHAIRMAN AJELLO: Tom.

14 MR. WINSTON: Tom Winston, State of Ohio. I
15 appreciate your comments and certainly welcome. And as a
16 fellow engineer, I would say that you're background, I
17 think, will serve you richly in providing a foundation
18 gyroscope for the many decisions that are going to come
19 across your desk.

20 I was encouraged at actually the first thing you
21 said was, I guess, paraphrasing, any successful effort has
22 an external input or external view that's taken into

1 account. I enjoyed hearing that and I would just urge you
2 to send that message out across the EM complex. I worked
3 as a regulator with the Department since 1984. And in that
4 time I've seen a variety of approaches. The traditional
5 model was decided (unclear) to defend, but I've also seen
6 DOE work incredibly collaboratively with local communities,
7 with regulators, with stakeholders. And where DOE has been
8 able to move forward, its when there's been shared
9 responsibility, certainly not DOE abdicating their
10 responsibility, but providing leadership in a collaborative
11 mode.

12 There are a lot of opportunities at the national
13 level. I'm involved with the National Governors
14 Association, State and Tribal Government Working Group,
15 Energy Communities Alliance, we have a lot of partners out
16 there that really care deeply about the EM program and the
17 success of the EM program. We are often your allies on the
18 Hill, whether it's budget issues or programmatic issues.

19 Then at the field there certainly is an
20 opportunity for interaction that is collaborative and
21 productive. But I also think that that message can really
22 be reinforced out of your office and there are probably

1 still some vestiges of the Department that would rather
2 close the doors and make some decisions and then try to
3 sort of force them through externally.

4 So I appreciate your comments and I would just
5 urge you to try to reinforce that across the EM complex.

6 MR. RISPOLI: I appreciate your comments and
7 actually I agree with you entirely. I've already had the
8 good fortune to meet with several of the American Indian
9 nation leadership. I have met with regulators just about
10 everywhere I've gone or other stakeholders, advisory boards
11 at the sites, and you're right, you know, we need to
12 encourage that type of participation. I don't think it
13 will be a surprise to our friends from the press, but I
14 read just about everything that comes across my desk from
15 them too. Because it's important to understand how we are
16 perceived by the stakeholders. And I consider all of that
17 to be very valuable. So thank you for your comment.

18 MR. WINSTON: Thank you.

19 CHAIRMAN AJELLO: Okay. Five minutes we'll try
20 to adjudicate the order of the questions. Dave, why don't
21 you go next.

22 MR. SWINDLE: Very quick, Jim, again, thank you

1 very much. Just echoing the points Tom and I'm sure others
2 will make. We welcome the leadership you bring onboard.

3 Two questions. You obviously mentioned the
4 attention and it's very refreshing to the people because at
5 the end of the day it takes people to execute. The morale
6 of the Department, at least as I've seen and others, is
7 partly looking for the leadership to come along now and
8 some stability now that one, two and three.

9 You comment a little bit upon how you approach,
10 you know, from where you are starting right now to grow
11 that leadership and the morale, but also just touch base on
12 how you see the congressional relations. Because at the
13 end of the day they are the customer that's providing the
14 funds.

15 MR. RISPOLI: Obviously I've met a lot of our
16 elected legislators, senators and congressmen, even before
17 the confirmation hearings one on one. I think I have, for
18 those that I've met, a pretty good understanding. I've
19 had, I think, good dialogue with all of those whom I've
20 met. I've known a number of the staff from before. I
21 don't believe in any way the relationships were not good.
22 I think that they have been very honest and I think one

1 thing, if you haven't -- if I haven't stated it, I'm pretty
2 much a straight shooter. I mean, if I can answer a
3 question honestly, I will do that. If I know I will do
4 that, if I don't know I'll say I don't know. And I think
5 credibility is the key whether you're dealing with staff or
6 whether you're dealing with other stakeholders, whoever
7 they are.

8 And if you don't know, you say you don't know and
9 you can't possibly know everything in an organization as
10 big as EM, if you're asked, you know, off the cuff. But I
11 think you have to be credible within everything that you do
12 with the people with whom you work. And that's a very,
13 very key component.

14 MR. BARNES: [Off mike.] Jim Barnes. I just
15 wanted to very quickly commend you on about four things you
16 said. One the commitment to staying for the full period of
17 time. For somebody that's held a number of presidential
18 commissions, I have (unclear) come in and get their resume
19 punched (unclear) may make an impact on an organization.
20 Thank you for the kind of commitment you have. And as a
21 taxpayer, I really applaud that. I think the emphasis on
22 people is superb (unclear) put in place people that are

1 going to produce for people and for your successors and
2 others is a great perspective to take looking beyond your
3 watch.

4 As a member of NAPA, I was pleased to hear that
5 you are going to draw on that organization. Because I
6 think that there are some people there that do have
7 considerable insights managing programs (unclear). And
8 from my perspective as a just recent dean, I think the idea
9 of you utilizing internships to get people interested to
10 see what potential a career here is (unclear). So it would
11 be interested in working with (unclear).

12 MR. RISPOLI: I appreciate that. You know, the
13 people part is so important. And I heard a presentation by
14 the senior staff person at the NRC, Louis Riaz [ph], they
15 have an internship program, I think, with 200 people. They
16 use other professionals to go to the campuses rather than
17 HR people alone. They have a development program that
18 includes a mix of formal education and onsite work. Even
19 our own NNSA has a program that recognizes and has those
20 same components. And here we are managing a very, very
21 technically complicated program. I think we need something
22 like that and we need an integrated look at all of this.

1 And I'm excited about talking with and engaging NAPA on
2 that. I think that they are the right people.

3 MR. BARNES: [Off mike.]

4 MR. RISPOLI: I look forward to it. But, again,
5 all of these things, you know, I would like to get any
6 thoughts you have on any of them after you're doing talking
7 about it. And I appreciate the time to have spent with you
8 here today. I look forward to seeing you at upcoming
9 meetings and we'll (unclear).

10 CHAIRMAN AJELLO: Thanks very much for coming, we
11 look forward to working with you. We wish you all the
12 best.

13 MR. RISPOLI: Thank you very much.

14 [Mr. Rispoli leaves the meeting.]

15 CHAIRMAN AJELLO: Okay. I think that was very
16 informative and gives us a good basis upon which to discuss
17 our own scope of work and the things that we might focus on
18 given yesterday's briefings and conversations and the
19 emphasis that we heard of this morning.

20 So the next item on the agenda is really to
21 launch into that specifically any board discussion we might
22 have and planning for future work.

1 Maybe we should just pause for a moment. I think
2 we had such a set of engaging conversations both amongst
3 ourselves and with the program people yesterday that we
4 often got to the point where at the end of each particular
5 session we wish we would have had more time. And so what I
6 would like to do is try to moderate a discussion now.
7 Again, leading up the objective would be to figure out the
8 course of the board's activities next. But leading up to
9 that, any other thoughts or comments that we didn't get on
10 the table in the record yesterday so to speak, that we
11 might want to focus on? We had those three basic
12 presentations and topics and a lot of discussion around
13 them. We may not have anything more on those, but I think
14 there's probably some energy left to talk about some of
15 those topics to see whether or not we sawed off on them to
16 the extent we can today.

17 MR. FERRIGNO: One thing I wanted to mention to
18 Mr. Rispoli and we couldn't do it because of his schedule,
19 and I would want it for the record.

20 CHAIRMAN AJELLO: Okay.

21 MR. FERRIGNO: He wanted to know some areas where
22 it could help his program. And for the record, work force

1 transition retraining.

2 CHAIRMAN AJELLO: Right.

3 MR. FERRIGNO: There are successful programs that
4 have demonstrated and I personally was involved in one in
5 Colorado where we transitioned 200-plus mining and oil and
6 gas people. This was in 1999 when the IT boom was up. And
7 we did an internship, a training program, and the
8 University of Colorado together with Colorado Institute of
9 Technology did this transition and these people now are
10 working at Raytheon, working at Quest and other companies
11 like that. Obviously now it's in a little bit of a reverse
12 needing environmental, needing other folks, but there's a
13 huge resource of people that are either at our sites or
14 contractors that I would want the Department to consider a
15 work force transition program that is quite deliberate and
16 in conjunction with university graduate, faculty type
17 settings.

18 I was hoping to mention that to Mr. Rispoli and I
19 --

20 CHAIRMAN AJELLO: Dennis, just for clarity, do
21 you mean work force transition in kind of a boom, bust
22 closure environment? Or do you mean work force transition

1 in the context of an aging work force needing to replenish
2 the work force? Which tact?

3 MR. FERRIGNO: When we did the program in the
4 University of Colorado, we were aiming not that we
5 segregated or, you know, but we were aiming at a 15 to 20-
6 year experienced type engineer or scientist to move from
7 one business sector to another which requires rudimentary
8 skills in the training. In this case you had people who
9 were civil engineers, mechanical engineers becoming
10 software programmers, learning C plus, all that kind of
11 stuff, but also applying it into the software development
12 and some of the IT information systems. We can reverse
13 that with science and stuff like that.

14 It took a six-month of training, six month of
15 internship and then a one year of mentoring. So it was a
16 two-year program that, yes, you had all your certifications
17 and stuff like that. But as a result of that we put 20-
18 year veterans in the workplace who had gotten the state-of-
19 the-art training and brought their rich experience of
20 managing complexity into another business sector. It's
21 very successful. It has a huge success and Colorado
22 Institute of Technology claims that it is and it truly is

1 one of the more successful programs that was under this
2 administration.

3 CHAIRMAN AJELLO: I think that's a good thought.
4 And I also think what we ought to do is take those ideas,
5 and so maybe we can take an action item away, to sort of
6 cobble some of the themes from that program. Hopefully
7 it's not proprietary.

8 MR. FERRIGNO: No, it's not. It's public
9 information. But I want it for the record.

10 CHAIRMAN AJELLO: Yes.

11 MR. FERRIGNO: So if he reads it, I'm assuming he
12 will, you know, and he'll see that.

13 CHAIRMAN AJELLO: I think that's good for the
14 record. I think to make it actionable what we ought to do
15 is take a summary of that, if you could send it in, I'll
16 prepare it.

17 The other thing I would like to do is accompany
18 that with ideas about recruitment, internships, and
19 training programs. Because I think what I heard here is
20 that there's a felt need, a strong felt need to do some
21 foundation building with younger staff from the
22 organization and to, in particular, go to programs that

1 specialize in acquisition procurement skill bases. Because
2 that's one of the -- listening to two things that he said,
3 human capital development and a felt need to make
4 acquisition strategy, you know, a really important place in
5 the organization and an important skill, maybe we can marry
6 all that together.

7 Jennifer.

8 MS. SALISBURY: This is pretty obvious, but I
9 just wanted to say that I think with Jim having joined the
10 board that it would be a great way for us to get involved
11 in this with his leadership at a university and as a former
12 dean.

13 CHAIRMAN AJELLO: I think she's volunteering you,
14 Jim, some idea of generation about internships.

15 [Laughter.]

16 CHAIRMAN AJELLO: Would you like to take that on?

17 MR. BARNES: I would be very happy to do that.
18 I'd be delighted to do that.

19 CHAIRMAN AJELLO: Okay.

20 MR. WINSTON: We wanted to especially get your
21 answer, yes, I will --

22 [Laughter.]

1 MR. WINSTON: That was very savvy.

2 CHAIRMAN AJELLO: I think most of the
3 organizations we work in, certainly the one I work in now,
4 have a regular program. We pick five or ten schools. We
5 go there every year but we are viewed as a customer with
6 regularity and with a certain amount of demand you're
7 presented with, frankly, some of the better students that
8 you would otherwise not be presented with if you were just
9 episodically in every two or three years. You get to know
10 the teachers or professors. You can call them up and say,
11 you know, John Smith has applied for a position here, what
12 was your experience with John? He says he did research
13 with you. He was in your class, you know, et cetera.

14 And I find that there's nothing quite like that
15 in terms of developing a relationship. So thinking it just
16 out loud maybe we can identify some principles and
17 approaches and maybe a handful of schools that they ought
18 to go to.

19 When I met with Jim the other day, he had just
20 come from this meeting just because he was invited and it
21 was very convenient. You know, really being so new, this
22 really wasn't proactive. It wasn't part of a design to

1 reach out. But when he did have the experience of talking
2 to several of the deans, he realized that could be one of
3 the places where he could solve the problem which he felt
4 from day one, he said.

5 So work force transition to management, good
6 principles around internship and identifying some of the
7 institutions could be an action item that could be very,
8 very helpful.

9 MR. FERRIGNO: Where the Department is and from
10 listening to Mr. Rispoli, where the Department is, is there
11 now in a human capital acquisition.

12 CHAIRMAN AJELLO: Right.

13 MR. FERRIGNO: Their budgets haven't changed.
14 But their staffing has been on hold for a good period of
15 time and they've had attrition and some other things.
16 That's what I've heard. Okay. It's in the record. I
17 think the balance that they need is both young blood, but
18 also experienced staff to be able to take care of the
19 immediate needs of where they are. So it's a balance and
20 it's across the entire spectrum. It's not just getting
21 college graduates involved.

22 MR. BARNES: I'd really want to echo that. If

1 you're going to have somebody that's going to come in and
2 employ a lead role in acquiring or managing major
3 contracts, that's something that an intern can go to school
4 and learn from other people. You've got to have some
5 people that have got some serious experience in the first
6 chair on those.

7 MR. ALLRED: Looking at bringing new people in
8 the agency is a long-term fix, it's not short-term.

9 One of the things that I think needs to be also
10 emphasized is training for those people who are on the line
11 right now. And if you look at earned value or management
12 or if you look at managing the contract not the work kinds
13 of things, those ideas and capacities are not deep within
14 the organization. At least that's what I always heard.
15 And so while I think it is important to find new blood to
16 bring people to train new people coming into the agency, it
17 is perhaps within the immediate future is equally or more
18 important to make sure that that training and maybe its
19 conditioning as well, awareness as well, is thoroughly
20 spread through the existing organization and the existing
21 work force. Because I think without that EM is not going
22 to be as successful as it otherwise could be and that will

1 affect attracting new people.

2 So, if we look at these things, I think we need
3 to broaden that view to look at how do we augment the
4 capabilities of the existing work force and particularly at
5 the site level.

6 CHAIRMAN AJELLO: Just to follow-up on that, does
7 anybody have any ideas about how we can gauge how well
8 they're doing now, what they're doing now in order to say,
9 look, your baseline is pretty -- I'm going to make a
10 hypothesis here just to follow yours -- your baseline is
11 too low for the skill levels that you might need and you
12 need to raise it. Okay. That's a hypothesis.

13 Now, here's what you ought to do. Do we need to
14 step back and figure out what's happening or do we think we
15 have a good enough sense of that?

16 MR. BARNES: Jack, one thing that --

17 VOICE: Microphone. Microphone.

18 MR. BARNES: -- what the terms of engagement with
19 the National Academy of Public Administration --

20 CHAIRMAN AJELLO: Yeah, okay.

21 MR. BARNES: I have been on a number of those
22 study panels for different agencies and typically they're

1 going to have two or three staff people that are pulling
2 information together and then they have a panel. It would
3 be like the former assistant secretaries for management and
4 so on of various organizations. It would be part of a
5 group that would help develop the recommendations. So if
6 he's going to have a formal NAPA study, there probably is
7 going to be something where somebody is going to be taking
8 a fairly rigorous look at that. We might be at somewhat of
9 a disadvantage trying to get that same kind of staff work
10 done. But, I guess alternatively I know what you've done
11 in the past with things where the board is going to do it
12 whether the EM would come forward and provide a briefing or
13 so on in terms of what's being done.

14 Now, just kind of looking at the outlines of
15 what's there, people around here probably could do some
16 critiquing of that and identifying opportunities.

17 MR. FERRIGNO: You know, Jim, Steve absolutely is
18 right on spot. The training needs to be done, but also the
19 mentoring needs to be done.

20 CHAIRMAN AJELLO: Right.

21 MR. FERRIGNO: With regards to the certification,
22 when I heard the briefing yesterday, they had said they're

1 project management certified to DOE. I don't know what
2 that means, only because we weren't briefed on what that
3 was. It would be helpful for us to -- maybe it's on the
4 website, I don't know. What the criteria is of
5 certification, is it PMI, you know, project management
6 professional biased. I guess I'm allowed to say that. And
7 that's a good thing.

8 CHAIRMAN AJELLO: Now he speaks into the
9 (unclear).

10 MR. FERRIGNO: Is it another certification? You
11 know, what is it? But what we found is that it wasn't good
12 enough just to have training. I mean, that's extremely
13 important, the training, but the mentoring, okay, is also
14 critical to walk somebody through some of these online, on-
15 fire-type projects, so that way you are able to really gain
16 that expertise. And the entire industry, by the way, I
17 think has been lax in this area. It used to be where
18 people stayed a little bit longer, they were mentored by
19 somebody and you were supported and you grew through the
20 process, especially when you are building heavy
21 construction projects. In today's environment I don't
22 think it's quite as invested, let's put it that way.

1 So I reiterate what Steve said, but I also think
2 that the mentoring is necessary and we also need to look at
3 what is this certification program that they're going to?

4 CHAIRMAN AJELLO: Dave, you had a thought?

5 MR. SWINDLE: Just a couple points. One, there
6 are some precedents from the board's history when, I'll use
7 as an example, the National Academy of Science's study was
8 undertaken at the direction of EM-1 that the board was
9 provided with an observer status. I would encourage that
10 if there is such a study undertaken whether it be National
11 Academy of -- as mentioned a moment ago, or the
12 Association, that we consider that once we learn more
13 details.

14 CHAIRMAN AJELLO: Right.

15 MR. SWINDLE: Second point, I think for purposes,
16 again, just for perhaps summarization and to help focus
17 some of our efforts, really, of the three categories what
18 I've concluded are listening to from yesterday and then
19 listening to Jim this morning, internally there is the
20 challenge of retention, revitalization, and skill
21 development. And that in itself is a challenge that
22 without that foundation for purposes, again, of feeding

1 back to some ideas for Jim, focus on headquarters and the
2 field, and I think we can place some input and roles on
3 that.

4 Second, based upon, again, which I guess I was
5 stunned yesterday to learn how low in terms of FTE levels,
6 so to speak, to administer a program that's actually got
7 about a 20 percent increase in funding total to see an over
8 50 percent reduction in staff worries me from the
9 standpoint of good administration. So with something of
10 that low of the challenges which has already been, again,
11 reiterated, recruitment, realignment and reorganization in
12 those elements. That's just the internal work force.

13 And then the third point on the external which at
14 the end of the day, as Jim made the point, the Department
15 through EM buys essentially everything in terms of
16 services. So there's always been a challenge with
17 contractor work force skills. Dennis, you mentioned the
18 restructuring of the work force which in the old EM days
19 was always, how do you take that old guys and gals that
20 built the bombs, okay, and convert them into being
21 environmental management specialists or find them a new
22 career. What I thought I heard a little bit, Dennis, your

1 point, is now how do you take workers from other industry
2 retraining and then to provide the work force. It's a
3 different transition. And I think if we, perhaps, as a
4 body keep sort of an alignment with those three principles
5 or three groupings it will help us focus and it will be
6 more effective.

7 CHAIRMAN AJELLO: Yeah, that might be a good --
8 the retention and revitalization of skill development, I
9 think I heard you say. That might be a good template for
10 us to present ideas. Because probably all we're talking
11 about could be fit under there.

12 The other thing that I heard was sorely missing
13 and it came out yesterday in what I thought was a difficult
14 moment when the question was posed about can we really do
15 all these procurements in roughly the same frame? I think
16 we got an answer, not officially, but I think we got an
17 answer that it was going to be extraordinarily difficult if
18 not impossible to do that. While I hate to use that word,
19 so it's marrying these thoughts together, you know, this is
20 an immediate need that they have and I think we probably
21 ought to think about ideas that we can present.

22 [Simultaneous conversation.]

1 MR. FERRIGNO: Their acquisition is a project in
2 itself.

3 CHAIRMAN AJELLO: Right.

4 MR. FERRIGNO: It has milestones. It has
5 delivery dates. It has certain resources required, and
6 certain accountabilities. That in itself is a project and
7 is probably one of the more important projects right now
8 that faces the Department. Because it needs to be done
9 speedily and obviously in compliance with all the
10 regulations.

11 CHAIRMAN AJELLO: Sure.

12 MR. SWINDLE: And just following on that point,
13 separately we've learned in the course of this week that
14 the Corps of Engineers because of Katrina and the recovery
15 has gone out with concurrence of basically OMB to request
16 reassignment or at least, I don't know whether you would
17 call them volunteering, but reaching into every federal
18 organization for their acquisition executives. And so I
19 think perhaps what one of the actions, and this may not be
20 the right way of phrasing it here, but perhaps as a
21 communication coming from this board discussion to Jim,
22 knowing how vital acquisition is to the future of EM's

1 mission that we encourage, again, perhaps, and I'm not
2 suggesting separating the priorities, but that because of
3 the other demands in the federal work force that EM lean
4 forward in the fox hole as quickly as it can on the EM
5 acquisition front to give as much attention as can be given
6 to early recruiting or early establishment of some of the
7 principles. Because without that this Department cannot
8 move forward.

9 CHAIRMAN AJELLO: Yes.

10 Steve.

11 MR. WINSTON: Can I just add to that. I feel so
12 bad for (unclear).

13 CHAIRMAN AJELLO: I'm sorry.

14 MR. WINSTON: I want (unclear) a big tent so that
15 people can see. We all can't --

16 CHAIRMAN AJELLO: My peripheral vision is --

17 [Simultaneous conversation.]

18 MR. WINSTON: She patiently waits there.

19 I'm sorry. I had to say that.

20 MS. ANDERSON: I don't want us to lose sight of
21 the human issue here. We, I think, need to be cognizant of
22 keeping the employee morale up. And also, while we're --

1 you know, it sounds like we're really, you know, going into
2 something, some real big construction project and we're
3 getting geared up here. But I don't want us to lose the
4 human element of this and the ability of these folks to
5 continue to interact with the regulators and the people at
6 the sites, the local officials and the stakeholders. I
7 think we have to increase their skills for that and also
8 not lose sight of that. Because I think that will make the
9 difference whether they are successful or not.

10 CHAIRMAN AJELLO: Steve.

11 MR. ALLRED: Back to your question about how do
12 you determine whether they're being successful in retaining
13 people? While I am concerned about acquisitions,
14 acquisitions don't do you any good if they're not
15 successful and successfully implemented. I think a lot of
16 the troubles that EM's had in the past were not because of
17 acquisitions and how they were done, they just were not
18 implemented (unclear) capability.

19 One of the things I think the board could do is
20 to place more emphasis or help bring more emphasis to this
21 training of what I might call "mid-level management."
22 Federal project directors are probably as being emphasized.

1 By looking at the charts we got that we received yesterday,
2 I would have to ask what's happening below that level. And
3 while federal project directors, I don't know how many that
4 is, maybe a dozen or two dozen, the day-to-day activities
5 are probably not being accomplished by them. They are
6 being accomplished by what we call in this chart
7 "subproject directors."

8 And I would think that one of the things the
9 board could do is to help bring some emphasis to see that
10 those people are adequately supplied with the tools they
11 need to make these projects successful. And successful
12 projects also are going to do wonders for acquisition. So,
13 maybe there are ways to look at the number of those people
14 that even below that subproject director level that have
15 been trained. And I guess one of the things we might ask
16 for in future meetings is a briefing on what is that
17 training.

18 I don't know what the CRB certification includes,
19 but certainly the ability and understanding to use the
20 tools that Jim, I think so correctly says are critical to
21 success. I think that's really important.

22 CHAIRMAN AJELLO: Let me take an action item then

1 around trying to box up to get some documents together and
2 maybe summarized what training is now existing in this and
3 whether it would be the certification training or other
4 aspects of training so that I could get back to everybody
5 about what it is. Because I think given the nature of our
6 group, what I have observed is that we can be effective
7 once we know what it is and then we're in a better position
8 to critique it if we're kind of stabbing around --

9 VOICE: We don't know that.

10 CHAIRMAN AJELLO: -- about the training programs.
11 There could be various training programs. We are probably
12 not going to be effective and hit the mark. And I would
13 like to suggest too that maybe the template for eventually
14 making our recommendations, and obviously this is not
15 something we need to cast in stone or concrete today, is
16 maybe this template that Dave mentioned a while ago, called
17 it retention revitalization skill development, and then do
18 on a matrix, short term and long term. Because I think
19 that, you know, they've got some hear and now problems.
20 They've got some problems as well in five or ten years. So
21 that might be a way of presenting it.

22 So I think that that might be a way to go. But

1 I'll take the action item and try to figure out, you know,
2 and put together what all training existed.

3 Jennifer.

4 MS. SALISBURY: Dennis really learned how to use
5 that mike.

6 [Laughter.]

7 MS. SALISBURY: Yeah, a couple things Dave just
8 mentioned to me. The area you just talked about, Jim,
9 might be a good one to have interim briefings, you know,
10 where we have a smaller group. And since Jim has
11 volunteered so nicely to lead us in this effort, maybe a
12 smaller group would benefit by the kinds of information
13 that you are willing to try to go get from Terry.

14 CHAIRMAN AJELLO: Sure.

15 MS. SALISBURY: But the point I wanted to raise
16 was a slightly different issue. The assistant secretary
17 talked about elevating acquisition to a DAS level. I
18 didn't know if it was appropriate, because I have no idea
19 what the board is thinking about that, if it would be
20 worthwhile for him for us to go on record supporting that
21 if in fact the members do support that. Or if it's --
22 right now I just looked at the org chart and if this is what

1 he is talking about, acquisition management is now under
2 the DAS for performance, intelligence and improvement. So
3 I don't know if it's reorganization if he's talking about
4 changing the name or if he's actually talking about pulling
5 out acquisition management from this existing structure and
6 creating a whole new DAS. But it might be worthwhile for
7 us to actually go on record and it could help him in his
8 endeavor to achieve this.

9 CHAIRMAN AJELLO: I really regretted the fact
10 that he had to leave because what I was about to say to him
11 was almost two years ago, and I think it was a few of us
12 who took a look at that acquisition strategy aspect. And
13 we are on record, it's in this book somewhere, that says
14 that we as a program do not have a sufficiently defined
15 professional track of certified acquisition, procurement
16 staff. And, moreover, and I think you heard some of the
17 frustrations yesterday, folks are pulled from their job to
18 be on these boards and while they're good people because
19 they have operating experience, these are not assignments
20 that they do very easily because they're torn. Actually we
21 have called for this almost two years ago, I believe, when
22 we took a look at the issues of metrics, contract strategy

1 and one other and I can't recall. But in that contract
2 strategy one was the human part of this, the development
3 part of this. And I think we could go back to that. And I
4 am certainly in favor of confirming that.

5 MS. SALISBURY: Maybe we can just affirmatively
6 this morning then support his efforts to elevate the
7 acquisition management grouping to a DAS status. I support
8 that as well.

9 CHAIRMAN AJELLO: I would certainly support it.
10 And, frankly, just to be honest, I think that's where he is
11 going. I think that's basically in the oven, so to speak.

12 MS. SALISBURY: Then we are consistent with what
13 he is thinking.

14 MS. ANDERSON: I think we should also
15 congratulate him on continuing to make this culture of
16 safety. I think number one, when you look at the past and
17 look at the future, that is the number one issue for them.
18 If they had had that kind of culture 30 years ago we may
19 not have such a big cleanup to do.

20 CHAIRMAN AJELLO: Well said.

21 MR. FERRIGNO: Jim, one of the things that Mr.
22 Rispoli talked about was that, yes, he needed to

1 revitalize, yes, he needed to hire people, and that in
2 certain cases, I got the impression in the interim they may
3 need to call on contract help. Did I hear that right?

4 CHAIRMAN AJELLO: Yes.

5 MR. FERRIGNO: Okay. And I think that's the
6 right thing to do to get through the initial charge, the
7 initial need and maybe we need to also speak to that in our
8 review. I don't know. How does everybody else feel?

9 MR. SWINDLE: I'm not sure I understood what your
10 (unclear).

11 MR. FERRIGNO: Well, you know, should they
12 augment their staff with an additional contract support?

13 CHAIRMAN AJELLO: For acquisitions for others.

14 MR. FERRIGNO: Yeah, yeah. I mean, should they
15 get some sort of augment staff resource in that would not
16 be in a conflict and support the Department for while
17 they're training up, while they're getting restructured so
18 they have people on the ground adding support.

19 CHAIRMAN AJELLO: That might be a good idea. As
20 I said yesterday, I think their job just got a whole lot
21 harder given what's happened in the last month or so. I
22 really do.

1 MR. SWINDLE: Again, I agree in principle,
2 Dennis, with what you're saying. I think that goes beyond
3 the scope of what we as a board -- I mean, that gets into
4 to much of an implementation and operational issue. What I
5 do think --

6 MR. FERRIGNO: I thought I heard it though.

7 MR. SWINDLE: Well, but I think what we -- and,
8 again, it sort of goes along in points that we can do is
9 encourage quickly that the Department undertake or EM
10 undertake -- essentially, and, again, this might be the
11 right phraseology, but an immediate assessment of its human
12 capital needs that look at both immediate, short-term which
13 would accomplish that's the outcome, you know, what's the
14 solution, short-term what do you do until you're able to
15 recruit, okay. And then the third phase is when you move
16 into the stable, you know, sustainable work force level. I
17 think in that we can encourage and then from that we are in
18 a position to help monitor as part of our fiduciary
19 responsibilities as a board to advisors. Achieve the same
20 outcome, but let it be the solution be theirs.

21 CHAIRMAN AJELLO: I want to also get your
22 thoughts on how we might package these things up, so to

1 speak. We are doing some brainstorming here and we are
2 doing some summarizing and we are making some suggestions,
3 all of which get on the record. But, it would occur to me
4 that if I were to be able to summarize these points to
5 bring them forward with some work and drafting circulation
6 amongst the group, presentation that might be a good thing
7 just to capture these and summarize them. What do you
8 folks think? Just given what we've been saying.

9 MS. SALISBURY: Are you looking for something
10 like a resolution? Would you like it in a letter form
11 where you would actually get on a schedule and go brief him
12 and see if you can solicit more input from him?

13 CHAIRMAN AJELLO: I'm thinking, not a resolution
14 because, you know, you need to make all these ideas more
15 crisp; right?

16 MS. SALISBURY: Right.

17 CHAIRMAN AJELLO: They need to be more specific.
18 I would have just summarized everything we said. I think
19 there would be violent agreement from everyone. I think
20 the trick would be to make the ideas a little bit more
21 specific, put them in a template that would make sense and
22 then put the benefit of some research on, for example,

1 what's happening to training already and so forth.

2 So we could do that as a working matter and
3 present some ideas that way. But would that work given the
4 format that we have to operate in?

5 Tom, do you have a thought on that?

6 MR. WINSTON: I was just wondering if we really
7 need to have something as crisp as a resolution at this
8 juncture? I mean, he's been on the job for what, five
9 weeks, something like that, you know. And so I think that
10 it might be more instructive to him to let him know what
11 we're going to work on and how we are going to interact
12 with him.

13 I mean, we certainly can give him a sense of the
14 flavor of this discussion. But I don't think at this
15 meeting we need to come up with --

16 CHAIRMAN AJELLO: Right.

17 MR. WINSTON: -- firm recommendations in all of
18 these areas or resolutions because I do think that we need
19 to work interactively with him as he crafts both what's
20 important and his path forward.

21 So I think we can be helpful in that regard, but
22 I'm not sure that getting things into resolution form -- I

1 see this is going to be a work in progress overcoming
2 months.

3 MR. SWINDLE: Jim, if we in a communication sort
4 of reporting back to him, and, again, I agree with not a
5 resolution, but after hearing he and his principal staff's
6 reflection and statement of their priorities, we propose
7 the following as a board. Number one, in the area of
8 what's called the "human capital area" the following ideas
9 were discussed and we see our best emphasis is X, Y, Z.
10 And I think, Terry, perhaps with your help, you know, we
11 take from the dialogue here, turn that into a short
12 communication, then we can do that on a couple of the other
13 areas I know we'll get into in the discussion among --

14 CHAIRMAN AJELLO: Sure.

15 MR. SWINDLE: And then that will help focus, I
16 think, our path forward for what was discussed in human
17 capital area.

18 CHAIRMAN AJELLO: Steve.

19 MR. ALLRED: On advisory boards before one of the
20 important functions that, at least I believe, accomplished
21 is by drawing attention to certain things. And I don't
22 think that necessarily needs a resolution. It can be as

1 simple as what's on the agenda for the next meeting.

2 CHAIRMAN AJELLO: Right.

3 MR. ALLRED: And the fact that there's a briefing
4 or a request for a briefing on those particular items
5 causes attention to be given to it and the discussion that
6 ensues during that briefing. So I think there are more
7 subtle ways, perhaps, than formal action by this board that
8 we can accomplish what we want to accomplish.

9 CHAIRMAN AJELLO: I agree with both points that I
10 just heard and in fact the agenda for today was created
11 along those lines to give attention to these things and
12 sort of create this environment.

13 Jim, I know you had a point.

14 MR. BARNES: [Off mike.] I was going to generally
15 support what (unclear) -- assuming you had an invitation
16 from Jim Rispoli to brief him after this, either come by
17 and see him or have a telephone conversation fairly soon
18 afterwards which seems to me would be a good way to kind of
19 go through the list and then maybe communicate back to the
20 board what the results of that is. I mean, it seems to me
21 that some of the ideas that have been identified are ones
22 that it might be fruitful for the board to be doing some

1 work or thinking about and accumulating thoughts on even --
2 not put this kind of in suspense for six months. But I was
3 thinking several of these things related to the training
4 and so on. I think we probably through the exchange of
5 some e-mails or so on could probably bring along and then
6 see whether this would be a possible topic for one of these
7 interim kind of sessions that was suggested so the
8 interested members of the board might get together with him
9 and kick some of them around.

10 CHAIRMAN AJELLO: Sure.

11 MR. FERRIGNO: Jim, I was hoping that this
12 morning after we received the briefing in our working
13 session that we would just have, you know, of all the
14 briefings we heard, of all the issues, collectively
15 brainstorm what our observations were.

16 CHAIRMAN AJELLO: Right.

17 MR. FERRIGNO: And what those from yesterday's
18 discussions and from this morning's briefing, you know,
19 what's on our hit list, you know? And then pick the top
20 three or top four and go through that process.

21 CHAIRMAN AJELLO: Precisely what was planned by
22 the next agenda item. I think we got into this because we

1 just heard from him and I think it's fresh. And so I think
2 it's time for a break and I think it's a good time,
3 actually, a logical time for a break. What I would like to
4 do when we get back in 15, let's make it 10:50, when we get
5 back is to get those observations on a white board and
6 summarize them. I think that could go into our letter
7 report and then we can focus the projects that we're going
8 to work on. So why don't we reconvene at about 10:50 and
9 then we'll start that process.

10 [Brief recess taken at 10:34 a.m.]

11 CHAIRMAN AJELLO: And the purpose of this next
12 session of our agenda is to review and look ahead a little
13 bit. Review and create a summary of our observations and
14 look ahead a little bit planning for the work ahead. So I
15 would suggest that we do that.

16 But first I would like to dispose of one piece of
17 business which is to say the meeting minutes, which is
18 contained in your board book, do I hear a resolution to
19 approve the minutes?

20 MS. ANDERSON: So resolved.

21 [Laughter.]

22 VOICE: A motion.

1 CHAIRMAN AJELLO: Is there a motion to approve
2 the minutes?

3 MS. ANDERSON: So moved.

4 CHAIRMAN AJELLO: Is there a second?

5 VOICE: Second.

6 CHAIRMAN AJELLO: Okay. The motion has been
7 presented and seconded, any discussion about the minutes?

8 (No response.)

9 CHAIRMAN AJELLO: Hearing none, the minutes have
10 been approved.

11 Okay. The next item would be planning for work
12 ahead and I think we had a very good suggestion earlier
13 about summarizing our observations from the day and a half
14 that we had received. And I would be glad to go to the
15 white board and start taking down some of the key takeaways
16 that we heard from these sessions. And then I would
17 suggest perhaps distilling them in order to plan ahead for
18 the work that we would do. Is that acceptable to the
19 group?

20 (No response.)

21 CHAIRMAN AJELLO: Let's do that.

22 All right. Who would like to start? I don't

1 have a microphone here, so -- I don't need a microphone
2 here of course.

3 VOICE: Move into your ultra role here.

4 CHAIRMAN AJELLO: Phil Donohue.

5 VOICE: Wouldn't it be better if one of us did
6 that?

7 CHAIRMAN AJELLO: Is there a volunteer?

8 [Simultaneous conversation.]

9 MR. FERRIGNO: Observations.

10 MR. SWINDLE: Just to throw one out, Jim, to get
11 started, I think it's prudent for us to acknowledge that on
12 the basis of previous work and recommendations of the board
13 which is reflected in whichever report we had here of the
14 board's public meeting, whatever was cited in our report.
15 I forgot which one. But, anyway, that we observe that the
16 Department has made good strides in implementing
17 recommendations from the past. I'll pull those out just so
18 we got specifics for reference. And this was our team
19 report particularly dealing with contracts. And that's the
20 one I was referring to. I have checklist all through, all
21 of the items of our findings and recommendations as
22 reported particularly in the areas that we were briefed on.

1 But they certainly have moved quite a bit forward on
2 implementing the types of contracts as well as the
3 benchmarking with private sector, et cetera, et cetera. So
4 there's a good correlation. That's the November 21, '03 --

5 CHAIRMAN AJELLO: Right.

6 MR. SWINDLE: -- EMAB team report.

7 CHAIRMAN AJELLO: And I would add that even the
8 2004 report which was in draft and presented to Paul, also
9 had some clear progress marked against it.

10 MR. SWINDLE: And that was the End States piece
11 specifically, I believe.

12 CHAIRMAN AJELLO: Right.

13 MR. SWINDLE: So contracts and End States.

14 CHAIRMAN AJELLO: Right.

15 MR. FERRIGNO: End States. I'm not sure. Are
16 you going to say that they've implemented our
17 recommendations on End States?

18 MR. SWINDLE: No, no, no, you're right. Keep
19 those probably two separate ones.

20 MS. ANDERSON: Weren't they though?

21 MR. SWINDLE: I didn't look close enough in my
22 case on this.

1 MS. ANDERSON: In the August 1st, 2005, letter
2 from Charles Anderson, he identified that some of our
3 recommendations specifically from our draft, one, two, and
4 three have been addressed by giving field offices addition
5 time to develop this End States document and directing that
6 additional stakeholder and regulator interactions be
7 conducted at the site level.

8 MR. FERRIGNO: I think a point of information
9 though, Jim, is we never on the End States did we issue
10 those five documents that was draft and --

11 MR. WINSTON: We never really have final
12 recommendations.

13 MR. FERRIGNO: Right.

14 MR. WINSTON: The final recommendations are from
15 2003 and I would have to say to the degree they followed up
16 on those and I think Paul in his sort of transition after
17 the October workshop took into account the recommendations
18 we made in November 2003. But those we really haven't had
19 any official action and I would be feel awkward in judging
20 them against draft recommendations that have not been
21 finally (unclear).

22 CHAIRMAN AJELLO: That's fair.

1 MR. ALLRED: I also think we have to be careful
2 we don't mislead. And at least what I heard yesterday was
3 perhaps we thought that it ought to be transitioned to the
4 field and that's not what even those, the November letter
5 said. So let's not mislead him from where we're really
6 thinking.

7 MR. SWINDLE: I do think from the discussions
8 yesterday, this whole point about moving away from End
9 States and I think other issues are baseline, I think when
10 you call it an observation that there are disconnects or
11 appear to be disconnects between contract baselines and
12 baselines that need to drive the overall program. And
13 whether we have any recommendation or any suggestion about
14 that, you know, that there is to recognize a solution to
15 that misalignment as needed. I think that's about all we
16 can say.

17 MR. ALLRED: Yeah, perhaps that and also the
18 question of contingencies. If you look in that letter that
19 Terry identified for future potential items --

20 MR. FERRIGNO: Could you hold that one and let me
21 just get the difference under "disconnect" written and
22 articulate that and then I think we need that as a separate

1 item. Excuse me, Jim.

2 CHAIRMAN AJELLO: Go right ahead.

3 MR. FERRIGNO: What were you saying on disconnect
4 between contract and --

5 MR. SWINDLE: Baselines and lifecycle baselines
6 for the program.

7 MR. FERRIGNO: I thought you were going to the
8 conversation that we had that Steve was identifying with
9 the fact that we had baselines that were different than
10 vision documents. Steve, what were you saying?

11 MR. ALLRED: I think it's all the same thing.
12 You're talking about when you look at an End States
13 document which really the result of that ought to be a
14 lifecycle baseline.

15 MR. FERRIGNO: All right. All right.

16 MR. ALLRED: But also as part of that is this
17 contingency question.

18 MR. FERRIGNO: That's the second half. What's
19 that item, Steve.

20 MR. ALLRED: With regard to the contingency that
21 they ought to consider including contingencies identifying
22 contingencies in their lifecycle baseline. Otherwise

1 they're just understating the potential costs.

2 MR. FERRIGNO: One of the comments I had taken
3 away in an observation was in their risk analysis it's not
4 consistent as far as what their confidence level is,
5 recommendations, and obviously everything is project-
6 specific. But they need some sort of position on what
7 confidence level they are going to use in risk analysis and
8 a formalized risk analysis, mitigation methodology across
9 the board.

10 MR. ALLRED: Consistent.

11 MR. FERRIGNO: Yeah.

12 MR. ALLRED: I mean, if they have it now it's
13 just not consistent.

14 MR. FERRIGNO: That's correct.

15 MR. WINSTON: Do we have any more helpful
16 observations on End States at this point? You know, in my
17 sense the discussion was that sort of there were two themes
18 we want to take advantage of some of the good analysis that
19 occurred as part of the End States but we also want to use
20 processes from here on out that have a higher chance of
21 success. So it would seem that the sense of the board is
22 where possible it would be good to integrate future End

1 States type activities into the processes such as baseline,
2 cost and schedule, performance metrics development, normal
3 regulator stakeholder interaction that's occurring and have
4 that focus in sight. So I don't know if that's too
5 specific in terms of an observation, but I think a lot of
6 our comments were leading toward that theme.

7 MR. ALLRED: Well, we had that draft that I
8 thought you were going to sit down with Jim Rispoli.

9 CHAIRMAN AJELLO: Right. He is not available
10 this morning, first thing, and then he came and went pretty
11 quickly. So I thought Tom has a good point. With respect
12 to that I thought sort of that preamble summary might be on
13 this --

14 MR. WINSTON: Right. I just don't want to lose
15 that. I think we had a real good sense of the board. And
16 while there weren't a lot of specifics, because we
17 certainly want to work with him and kind of hear where this
18 fits into his game plan. At the same time, I think we have
19 a sense of what has a much greater chance of success going
20 forward.

21 MS. SALISBURY: I'd like to just make a point too
22 that I think the board has always supported the idea of End

1 States and whether they're going, it's just the process.
2 So I don't want to lose that thread that we're with the
3 administration, with this Department on what they're trying
4 to achieve, it's just the process that's been flawed. And,
5 I don't know, anyway, if that point can get across, I'd
6 appreciate it.

7 CHAIRMAN AJELLO: So I think, Tom and Jennifer,
8 we can summarize that brief on this deck of observations.

9 MR. WINSTON: Okay. I just want to make sure
10 it's part of the package because I think we've spent a lot
11 of time and have a fairly good consensus without
12 specificity.

13 CHAIRMAN AJELLO: That thing is our support or
14 site orientation.

15 MR. WINSTON: Site leadership.

16 CHAIRMAN AJELLO: And integration into the
17 overall project management and other --

18 MR. WINSTON: Other processes.

19 CHAIRMAN AJELLO: -- aspects and processes that
20 we've got. To me that's the least common denominator of
21 all the things that we're talking about.

22 What we didn't talk about are those national

1 issues, some of which are bigger than DOE. Groundwater
2 point of compliance, the institutional controls, and, you
3 know, I'm not sure we necessarily need to weigh in on that
4 at this point. I think proceeding under the End States
5 umbrella probably doesn't bode well for the success, but
6 those are important issues that need to probably be
7 explored in some form.

8 MS. SALISBURY: Yeah, I think the board can
9 support their further exploration. I mean, that's that
10 they're important and we recognize that they're important.

11 CHAIRMAN AJELLO: I mean, aren't those
12 requirements? I mean, there's no way around them as I
13 understand them; correct?

14 MR. WINSTON: There's debate over each of those
15 issues and whether there's any benefit of revisiting them
16 in the regulatory or the legal framework --

17 MS. ANDERSON: Would that be new business?

18 MR. WINSTON: Well, it could be.

19 MS. ANDERSON: It could be old business too.

20 MR. WINSTON: What Paul did was say, we're not
21 going to keep trying to hammer that through the site End
22 States because it just can't be resolved. It is much

1 bigger than a site, it's precedent setting, and it's even
2 federal government or overall regulatory requirements of
3 precedent setting. And that's where we are still at this
4 point with a thought it's been pulled out and I don't think
5 there's a path forward.

6 MR. FERRIGNO: Can I just ask a question of
7 Jennifer, just to get the notes down? Is this what you
8 said?

9 MS. SALISBURY: Number three?

10 MR. FERRIGNO: And is this what we want recorded?
11 Reiterate EMAB thought that EM End State process currently
12 has flaws and needs to support End State vision into
13 project execution planning and accountability; is that what
14 you said?

15 MS. SALISBURY: No. Well, sort of.

16 MR. ALLRED: Why don't you just use that first
17 paragraph that --

18 CHAIRMAN AJELLO: That's what I was getting to.

19 MR. ALLRED: -- Jim was saying. Just use that
20 first paragraph.

21 CHAIRMAN AJELLO: I think if we use the first
22 paragraph and we state that we're in support of --

1 MS. SALISBURY: Of the goals. The policy that
2 they've enunciated and adopted, we support that. Those
3 policy goals are just a process.

4 CHAIRMAN AJELLO: Yes, so we'll --

5 MS. SALISBURY: It's more a but than an and.

6 CHAIRMAN AJELLO: We'll coddle that.

7 MR. FERRIGNO: Thank you.

8 MS. SALISBURY: With regard to these national
9 issues, you know, I think it's that there is a recognition
10 on the part of the Department that there are problems with
11 some of these issues that they need to work on. And I
12 think we can support that. I mean, it's just, you know,
13 status quo. They can provide tons of examples where the
14 status quo and the implementing the regulatory framework on
15 these national issues is not working that well. And they
16 need to be part of a bigger discussion to maybe revamp
17 them. It might require legislation. So I think it's more,
18 yes, we can support that.

19 CHAIRMAN AJELLO: A little more complex than I
20 thought.

21 MS. SALISBURY: Very complex.

22 MR. ALLRED: My view is a little bit different

1 perhaps than Tom's in that I don't think you can ever
2 resolve them. It's like the End States, it becomes like
3 philosophical discussion where you can resolve them on a
4 site-specific issue.

5 Now, whether DOE will move to the point where
6 they can give the flexibility to the sites to do that is
7 another question. But I just think when you talk about
8 point of compliance and those sorts of things, it becomes a
9 nonsensical, philosophical discussion that if I were to put
10 my old hat on, I wouldn't agree with what some of the
11 people want just because of site-specific issues.

12 MS. ANDERSON: But to comment on that, Mr.
13 Rispoli said he was going to give responsibility
14 decisionmaking to the sites. So I am presuming that would
15 mean site-specific decisionmaking over those issues.

16 MR. ALLRED: Yeah, a lot of those questions were
17 not EM-1 questions. They are legal or otherwise.

18 MR. WINSTON: And the interesting thing is, I do
19 agree with you, Steve, in the sense that a lot of times you
20 have finessed these issues at the local level. You don't
21 make them precedent-setting because you find other ways to
22 get to the same end point, not End States, but get to the

1 same end point on a discussion without necessarily setting
2 a precedent. I think the Department made a wise decision
3 or Paul made a wise decision that that wasn't going to
4 happen in the climate that was created by the End States, a
5 discussion at the site level.

6 But I would agree that often these issues are
7 resolved. What Paul decided to do was saying that we're
8 not going to make progress through End States at the site
9 level, we're going to pull these out and we're going to try
10 to address them in some other forum, maybe at the national
11 level and maybe still under the End States umbrella. And I
12 guess I would say that DOE has to be very cautious about
13 trying to do that with under the End States umbrella. Both
14 do to the size of some of these issues and something that
15 has to do with overlapping jurisdiction of reference
16 CERCLA. And they may require different types of monitoring
17 and maybe there are some cost savings there that probably
18 would be worked out best at the site level. But the fact
19 is the states regulated a RCRA the feds have more privacy
20 under CERCLA and so you get into a lot of cross currents of
21 competing sort of authorities and influences that make that
22 difficult.

1 So I guess, you know, where I'm coming down on
2 these is that these are all important issues that need some
3 work, but I think each one of these national issues DOE
4 should very cautious and thoughtful about who and how that
5 should be resolved and just lumping them under some sort of
6 End States project to resolve these global big issues is
7 really not --

8 MS. SALISBURY: So just to be simple for the
9 board, I think we can support what Tom just said. That to
10 support Paul's determination that they should not be part
11 of the End States process and that they should be
12 considered separately. Nothing more than that.

13 CHAIRMAN AJELLO: So to summarize the summary.

14 [Laughter.]

15 CHAIRMAN AJELLO: This is number five. We are
16 going to take the preamble statement that we worked on
17 yesterday. We can look at that again later at lunch, make
18 sure we have a statement of support, and accompany that as
19 well with what you just said. Does that do it?

20 MS. SALISBURY: I think so.

21 CHAIRMAN AJELLO: Decoupling the national issues.

22 Actually, we're on to the next one. You don't

1 have to worry about, that was part of five.

2 Right. So we are on to six.

3 MS. SALISBURY: Just put "decouple national
4 issues."

5 MR. FERRIGNO: Right.

6 MS. SALISBURY: And we'll know what that means.
7 Decouple national issues from End States, yeah.

8 CHAIRMAN AJELLO: Yeah, right.

9 I'll offer yet another one which is a clear need
10 and imperative to improve the human capital morale in the
11 program, and certain skill bases with the project
12 management acquisition, training, and we can fill in some
13 more blanks. But there is sort of a screaming need for
14 that. Given the history of retrenchments and reductions
15 and the coming requirements, including maybe work force
16 transition and all the new procurements they're going to
17 have in the next year or two. So we could fill that in.
18 Does that --

19 VOICE: Did you add training to that?

20 MR. FERRIGNO: Well, why don't you use the term
21 that Dave --

22 MS. SALISBURY: And the phrase (unclear).

1 MR. FERRIGNO: -- that you had the
2 revitalization, blah, blah, blah, whatever that --

3 [Simultaneous conversation.]

4 CHAIRMAN AJELLO: Retention, revitalization and
5 skill development. By the way, with all of these points, I
6 think between myself and Terry we can get them together in
7 a draft and circulate the observations and then you can do
8 a little wordsmithing, if you like, and then we can send
9 them in.

10 MR. FERRIGNO: I'm not sure of what we were
11 writing here. It's not improving human capital the reason
12 why we're doing retention, revitalization, and skill
13 development? We're improving human capital, dah, dah, dah,
14 and -- not via, and establishing retention, revitalization
15 and development.

16 MS. ANDERSON: But let's not forget the "elevate
17 acquisition to DAS level."

18 [Simultaneous conversation.]

19 MR. FERRIGNO: He's doing that already.

20 MS. SALISBURY: Yeah, I think events may have
21 already overcome that issue. From what I understand, it's
22 in the works.

1 MR. FERRIGNO: Maybe Lorraine is right. Maybe
2 it's an observation that --

3 MS. SALISBURY: Yeah.

4 MR. FERRIGNO: -- we endorse.

5 MS. ANDERSON: We endorse it.

6 MS. SALISBURY: And either you say we endorse
7 that you do this or congratulations on having done what was
8 so --

9 MS. ANDERSON: Let's say congratulations.

10 [Simultaneous conversation.]

11 MR. ALLRED: -- without more specifics. You
12 know, you cannot do acquisition for acquisition's sake.
13 And I don't have an opinion whether it ought to be a
14 separate DAS, but I know damned well if it's not integrated
15 it's a disaster. So I'm not near as enthusiastic without
16 knowing more about it than --

17 MR. FERRIGNO: Actually, what he's done is he's
18 taken a commercial approach, Steve. When we had a
19 procurement manager and director whether it be a company, a
20 division or whatever, we always put that -- you knew that
21 if you didn't get the procurements and the contracting
22 right, you were out to lunch.

1 MR. ALLRED: Yeah, but procurement wasn't driving
2 it. It was --

3 MR. FERRIGNO: No, it wasn't driving it. No.
4 But Rispoli is driving it. He's driving the ship. He's
5 just raising the level of acquisition that he has the
6 person --

7 CHAIRMAN AJELLO: I think Steve is right. If you
8 appoint a procurement czar that is disassociated,
9 disconnected from the operations from the projects, all of
10 that, that person is maybe going to excel at process, but
11 he's not going to, you know, have all the programmatic
12 background to make the decision. So when they do have
13 source evaluation boards, they typically take a project
14 manager or the assistant director of some site as Mark Frei
15 gave as an example yesterday, and append to him that
16 responsibility for six months to do that procurement.

17 And you do that and I've done that because you
18 want the guy who really knows that site to figure out what
19 he's going to buy for the next five years. Right? And
20 that's your point, I think.

21 MR. ALLRED: My point is that's how it's got to
22 be done, but I've seen too many times when offices were set

1 up independently it didn't happen.

2 MS. SALISBURY: So maybe what we should say is
3 that we support the DAS elevation, however, you know, with
4 a cautionary note that this function cannot be separated
5 from operations.

6 CHAIRMAN AJELLO: It has to be integrated.

7 MS. SALISBURY: Integrated in some way.

8 CHAIRMAN AJELLO: In all the organizations that
9 we run there's always a matrix approach to this. This
10 thing isn't a separate track, otherwise it gets completely
11 out of touch with reality.

12 MR. ALLRED: I would be comfortable if we put
13 that caution in there. Again, organization is
14 organization. What is important is how do they form? How
15 does that matrix work? As long as I think we express that,
16 then I would be comfortable doing it.

17 CHAIRMAN AJELLO: Okay. Next item?

18 MR. FERRIGNO: I think on acquisition treating
19 acquisition as a project with scheduled deliverables,
20 accountabilities, and metrics.

21 CHAIRMAN AJELLO: Okay.

22 Dennis, would you be comfortable in going further

1 with that statement?

2 MR. FERRIGNO: Going right now?

3 [Laughter.]

4 CHAIRMAN AJELLO: You're not off the hook that
5 quickly. Going further with that statement to talk about
6 in order to prevent and protest to achieve this and to do
7 that?

8 MR. FERRIGNO: No, I wouldn't.

9 CHAIRMAN AJELLO: Because, I mean, I think that's
10 part of their issue.

11 MR. FERRIGNO: And actually the protests are only
12 systemic to it's broken. If they go to this, you're going
13 to be driving the ship the way it should go. We shouldn't
14 have the protest.

15 CHAIRMAN AJELLO: So don't mention it.

16 MR. FERRIGNO: I don't think it's necessary.

17 CHAIRMAN AJELLO: All right. Next item.

18 MR. FERRIGNO: That's not what I said. I'm
19 sorry, but treat acquisition as a project with schedule,
20 milestones, budgets, roles and responsibilities.

21 MR. BARNES: You said metrics.

22 MR. FERRIGNO: Metrics, yeah.

1 CHAIRMAN AJELLO: Excellent.

2 MS. ANDERSON: Do we want to say anything about
3 lack of some of the paths forward? And we haven't even
4 discussed resolution. It seems to me that is something
5 that needs to be resolved.

6 MS. SALISBURY: Be a little bit more explicit.

7 MS. ANDERSON: Well, specifically in some of the
8 wastes and where they go. And there's a lack of a path
9 forward for some of them.

10 MR. FERRIGNO: And you're thinking of like Yucca
11 Mountain?

12 MS. ANDERSON: Well, sure, Yucca Mountain is the
13 big one.

14 MR. FERRIGNO: The reclassification.

15 MS. ANDERSON: Yeah, reclassification and some --
16 no low-level waste.

17 MR. FERRIGNO: I don't know if the Department --
18 does the Department have a position yet on the
19 reclassification? Is it finalized?

20 MR. ALLRED: Not yet.

21 MS. ANDERSON: I was just thinking about Ines'
22 statement.

1 MR. ALLRED: There are two in but I don't think
2 either one is has been --

3 MR. FERRIGNO: A final position. I wasn't aware
4 of that.

5 [Simultaneous conversation.]

6 VOICE: I think we would be hard pressed.

7 MS. ANDERSON: We need more information.

8 VOICE: They don't even have a position yet on
9 it.

10 MR. WINSTON: I think that one of the issues that
11 came up was that there is a lack of understanding of how
12 all of the pieces and parts of waste materials management
13 fit together from a complex wide standpoint, at least
14 externally. And there hasn't been as much transparency or
15 visibility. So because of that certain states or
16 communities don't understand how their portion fits in and
17 whether indeed they are being treated fairly in terms of
18 the burden that they're sharing. And I think that there
19 was some talk yesterday of needing from the Department
20 standpoint recognizing that they needed to be more
21 transparent and more visible. You know, we had that call
22 by the SSABs for a national forum to do just that. And I'm

1 not saying that we want to weigh in on that specific
2 proposal, but clearly the department with all of the
3 initiatives whether they're commercial, whether they're
4 federally owned, disposition options, whether the
5 transportation component, how that fits into that, can
6 increase the acceptance of really its favored approach if
7 they are more transparent.

8 MR. FERRIGNO: Well, are you asking or are you
9 commenting that the waste disposition plant or waste
10 disposition executions that they are currently doing needs
11 to be updated based on reclassification and the realism of
12 availability of certain sites?

13 MR. WINSTON: Well, yes. I don't know what the
14 mechanism, I mean, there's a number of mechanisms as Mr.
15 Rispoli as he was coming in what Ines was saying, he says,
16 oh, what about those waste disposition maps, those were
17 great. Where are those? There were a lot of tools that
18 were used a number of years ago that have either gotten
19 stale or there's not just a lot of interaction to talk
20 about that.

21 So, you know, I don't necessarily want to be real
22 specific about what the Department should do, but greater

1 transparency and greater discussion or presentation of
2 complex wide waste management is needed.

3 MR. FERRIGNO: Can I ask you, is it transparency
4 or is it just communication and clarity to boil it down
5 that, you know, you have levels of peeling the onion. I
6 suspect the Department has a fairly comprehensive waste
7 disposition plan or strategy. And is it just the
8 communication or is it the transparency that you really
9 feel?

10 MR. WINSTON: Actually, I think it's both, the
11 communication, the transparency, and I think some areas the
12 Department is reactive rather than proactive. So I think
13 that there are three components of that because I think
14 there are some areas where the Department is kind of
15 waiting in the wings to sort of see what happens rather
16 than necessarily taking the bull by the horns. It varies
17 by waste stream. But I think historically a number of
18 years ago some of this was maybe predicated on some
19 congressional initiative such as the Federal Facilities
20 Compliance Act to sort of force a process to put everything
21 on the table sort it out, talk about it, and come up with
22 solutions, at least on the hazardous waste side or the

1 mixed waste side rather.

2 But a lot of that is just not happening and so
3 you see initiatives in Washington state to, you know, limit
4 any additional waste disposal by the Department because of
5 the lack of understanding of the overall complex wide
6 picture.

7 And in some respects, you know, the question is,
8 does DOE have enough answers to present? And if they
9 don't, you know, do they just present what they have and
10 the question marks present those as well. So I don't know
11 if I'm articulating this well, but there's a gap between
12 what their partners and decisionmakers across the country
13 need to be able to better understand and make decisions in
14 what the Department has been able to provide.

15 MR. ALLRED: My thought is on this, again, this
16 is another area where it would be good to ask for a
17 briefing. I think they have plans and I'm not aware of any
18 significant questions about where wastes can go. Now,
19 there's political commitment to take it there, but we are
20 not going to solve that.

21 But I would think a briefing to ask them to brief
22 us on what their current plans and capability are to handle

1 various waste streams would be very enlightening and would
2 again draw attention to that issue.

3 Just to comment on things like Washington, that's
4 not because they don't have a place to put it, that's
5 because the way it was handled it was so screwed up that
6 the relationships became so poisoned that that's what
7 happened. The same thing happened at Idaho. But, you
8 know, that's personalities, that's not policy.

9 CHAIRMAN AJELLO: Well, I would say this, as a
10 total layman on the topic, I read enough to be confused.
11 What I'm confused about is the constant (unclear) over, you
12 know, this site won't take that, or this site is not ready
13 as a disposal site to take this or there is some political
14 or legal challenge to the receptivity of that waste stream
15 from Savannah to somewhere else as an example.

16 And I could never keep track of what's happening
17 and when, not to mention the bigger --

18 MS. ANDERSON: You need a score card.

19 CHAIRMAN AJELLO: Yes. Not to mention the bigger
20 issue of Yucca Mountain and how last week there was a huge
21 layoff and that's going to push back by, I don't know, the
22 estimate was that the article I read two years in terms of

1 its readiness which is the ultimate site, I gather.

2 So I'm totally confused.

3 VOICE: That's why a big briefing --

4 CHAIRMAN AJELLO: So I was about to say, you
5 know, that was one of the items that we did not either have
6 time for or think about for this agenda item. We got a
7 little bit from Ines, just as the operator. But I'm
8 totally confused by it myself. So I mean, I endorse
9 getting more background on that.

10 MR. FERRIGNO: I think a briefing is absolutely
11 in order. But for the board to comment that --

12 CHAIRMAN AJELLO: I'm saying I don't know enough
13 about it to --

14 MR. FERRIGNO: Right. I think --

15 CHAIRMAN AJELLO: -- more qualified, so

16 MR. FERRIGNO: -- I think we would agree with
17 that.

18 CHAIRMAN AJELLO: Some of you are probably much
19 more up on the topic than I. I personally do not know.

20 MS. SALISBURY: I want to just put it in a
21 slightly different way, would it be something that you
22 would be comfortable with, Jim, posing the question to the

1 assistant secretary on? Is it an area that would help you
2 if we provided some advice?

3 CHAIRMAN AJELLO: If it is a topic that makes
4 this list, it's more in the form of, you know, in light of
5 what seemed to be a constant number of changes in terms of
6 waste the board would like to get better informed on the
7 topic.

8 MS. SALISBURY: And to possibly provide advice.
9 But to get some reflection from him on if that's an area
10 that he would be receptive to getting advice.

11 CHAIRMAN AJELLO: Sure. So, do we agree for this
12 list it's really a call for a briefing in the background on
13 the topic of waste disposition? At least at disposition
14 plants, is that what we call it?

15 Tom, you probably know a lot about this topic.

16 MR. WINSTON: I would just say the overall issue
17 of waste disposition is going to be a challenge for the
18 Department moving forward. And I would endorse us saying
19 that if they ask we think we could be helpful in that
20 regard. We need to --

21 VOICE: This transparency issue?

22 MR. WINSTON: It doesn't have to be in there. I

1 mean, that's, you know, transparency, I think, is one
2 factor of the waste disposition question or challenge. It
3 doesn't have to be in there.

4 MR. ALLRED: Again, a lot of the transparency are
5 personalities.

6 MS. ANDERSON: Transparent personalities or lack
7 thereof.

8 MR. ALLRED: Or lack thereof.

9 MS. ANDERSON: That would even be better if they
10 were transparent.

11 MR. ALLRED: I think that briefing would be very
12 interesting and would shed a lot of light on this as far as
13 I think what it will show is there is a place for more
14 stuff to go. Well, there is a planned place for more stuff
15 to go. It may not be there yet because of political
16 commitments.

17 MR. FERRIGNO: We can plan, but some other things
18 may happen.

19 But what it also says is that the briefing needs
20 to be current if we are going to do something which
21 probably goes into the next session as far as when do we
22 meet again.

1 CHAIRMAN AJELLO: We're going to get to it, set a
2 date that I'll possibly hear from you all about what an
3 agenda ought to look like based on what we already heard.
4 So I would park that for about ten to 20 minutes.

5 How about other additions to the list with
6 respect to our observations and what we did hear in the
7 last day and a half?

8 [Pause.]

9 MS. ANDERSON: Concern about budgets.

10 CHAIRMAN AJELLO: In appropriations for what,
11 what is the concern?

12 MS. ANDERSON: I'm just going through my notes.

13 MR. FERRIGNO: Jim, is it possible for us to go
14 into our nonpublic meeting?

15 CHAIRMAN AJELLO: Not unless we adjourn.

16 MR. FERRIGNO: And then come back and finish up
17 this list.

18 CHAIRMAN AJELLO: There is only one hesitation.

19 MR. FERRIGNO: Go ahead.

20 CHAIRMAN AJELLO: Which is to say, we did post an
21 agenda at which point we did say that there would be public
22 comment near the end of the meeting. So, we are at that

1 point where there could be, probably unlikely, but there
2 could be some public commentary at 2:00.

3 We could recess for a bit, have lunch, come back.

4 [Simultaneous conversation.]

5 MR. FERRIGNO: Let's recess.

6 MR. SWINDLE: Just, Jim, to perhaps add one other
7 item.

8 CHAIRMAN AJELLO: Sure.

9 MR. SWINDLE: It did come up, but only
10 tangentially when Barry Smith talked about acquisition
11 management, and that's -- and, again, in the past several
12 years, and let me just say this out loud and get reaction
13 first. The Department has in its acquisition strategy
14 tended to adopt a model that in essence went and put small
15 business set asides as the dominant mode of contracting
16 methods and it has resulted in some tremendous challenges
17 since (unclear) procurements have gone forward with any
18 degree of success. They've lost momentum, but that somehow
19 or another during, and I guess this is where I was driving
20 towards, is that not trying to reflect negatively or
21 positively, but being a neutral stance on small businesses
22 as the acquisition strategy that Jim and his team continued

1 to develop that more practical considerations of the
2 contributions both immediately and for a long term for
3 small businesses the lessons learned need to be clearly
4 taken into consideration going forward. Because this EM in
5 particular lost an awful lot of ground the way they went
6 forward. Again, I'm not sure how, but as part of that --

7 CHAIRMAN AJELLO: So would the summary of that or
8 the observation be that lessons learned from the small
9 business procurement activity in the last three years be
10 documented and taken into account as they set new --

11 MR. SWINDLE: I think something of that nature.

12 MR. FERRIGNO: We do have a GAO Report that dealt
13 with some of that review.

14 MR. SWINDLE: That was not just EM.

15 MR. FERRIGNO: No. It was DOE-wide. But EM was
16 in there and I would say I concur with Dave's comment.
17 However, there were a few procurements to small businesses
18 that were not necessarily at the magnitude of the ones that
19 are currently in a log jam that I would say are considered
20 huge successes.

21 MR. SWINDLE: Oh, yeah, that's what I'm saying.
22 This is not a negative or trying to say pro or con, just

1 recognize there are lessons learned good and bad.

2 CHAIRMAN AJELLO: Right.

3 MR. SWINDLE: But, again, to be successful the
4 metrics at the end of the day is what's going to be
5 remembered is the solution, not the process of how you get
6 there.

7 MR. ALLRED: Jim, I think this is an important
8 issue, but really it's not one that certainly this meeting
9 really talked about much.

10 CHAIRMAN AJELLO: Right.

11 MR. ALLRED: I guess again I would think that
12 maybe what we ought to do is ask for them to tell us what
13 are their lessons learned from their recent --

14 CHAIRMAN AJELLO: We could put it in the form of
15 that question.

16 MR. ALLRED: And then after that, it would see to
17 me we ought to have that sort of a discussion with them
18 before we take any position.

19 CHAIRMAN AJELLO: When we concluded with Barry he
20 did not get to slide 11 in his briefing which was GAO
21 report on small business subcontractors. We just didn't
22 get to it. It was intended to be discussed. And I think

1 we had a lively discussion around acquisition strategy, we
2 just didn't get to the last three or four slides.

3 In fact, as I recall, his presentation was a bit
4 confused in terms of the order of the slides --

5 MR. SWINDLE: Exactly.

6 CHAIRMAN AJELLO: -- and we were all over the
7 map. We just didn't get there.

8 MR. SWINDLE: And if you look at, I guess, page
9 16, there is the EM actions.

10 CHAIRMAN AJELLO: Yes.

11 MR. SWINDLE: I mean, part of it is the overall
12 small business program EM will issue an information
13 memorandum concerning its prime and subcontracting goals.
14 I mean, maybe going back to your point that's maybe where
15 we tackle into this thing, at least siting that because it
16 was presented to us in that context. I'm just very
17 concerned, I guess, from a process standpoint.

18 CHAIRMAN AJELLO: Yeah, okay. He had five or six
19 slides that if he would have otherwise gone into we would
20 have been able to do that. I think that's a good point.

21 MR. SWINDLE: I don't have anything else when I
22 look everything else seems to be good.

1 CHAIRMAN AJELLO: Are there any other quick ones
2 that we could add to the list before we recess for lunch?

3 Okay. Hearing none, we will have now our lunch
4 break which is a working lunch off the record in this room.

5 [Whereupon, at 11:50 a.m., the meeting was
6 recessed to be reconvened this same day at 12:45 p.m.]

1 opportunity to meet outside of the beltway, a little bit
2 different perspective. It's been a while since the board
3 has had that meeting and I think that would be a good
4 opportunity to not only look at national issues, but
5 possibly have that validated with a field perspective.

6 CHAIRMAN AJELLO: I agree. I think Mr. Rispoli
7 told us too that he thinks it's very important for the
8 program to be better coordinated between headquarters and
9 the field. And since we know that's going to be one of his
10 important initiatives, I think it's good to get a sense of
11 that at our level as well.

12 MR. WINSTON: I would also say that Idaho is an
13 excellent choice for a variety of reasons. It's certainly
14 a complex site, but I also think with one of our two new
15 board members having some first-hand knowledge of what has
16 transpired over the last number of years in Idaho, I think
17 that would also enrich our discussion. So I appreciate
18 Steve's thought on that and I also would anticipate that
19 you could enlighten us from your own perspective as well,
20 as you have in the meeting so far.

21 CHAIRMAN AJELLO: I think it's an excellent
22 suggestion. So we'll work towards that and we will

1 circulate a couple of particular dates after coordination
2 with the site manager as well as your calendars to try to
3 make that happen in the near term so we'll have plenty of
4 time for that.

5 Any other ideas or other business that we would
6 like to talk about?

7 (No response.)

8 CHAIRMAN AJELLO: Okay. Hearing none -- yes.

9 MR. WINSTON: I definitely wanted to do anything
10 on the record just to recognize Jim (unclear) and the
11 contribution, if there's a way that we could do that
12 formally. But certainly I think many of us or all of us
13 have worked with him appreciated his commitment and his
14 professionalism, his drive for excellence, and his total
15 commitment to the individual board members and collectively
16 the contribution that he made. And so very appreciative of
17 Terry and all that she brings to the position. At the same
18 time we don't want to forget all of the contributions that
19 Jim made.

20 CHAIRMAN AJELLO: Yes, I think Jim had been with
21 the board for about 13 years or 14 years almost. I think
22 the formation of the board was in 1989 and I think he was

1 its first and only executive director until he retired. So
2 I think he did a great job in the time period that I was
3 certainly familiar with the program.

4 So I just echo the comments, he did a great job.

5 MR. ALLRED: Mr. Chairman, would it be
6 appropriate for you to write a letter to Jim expressing the
7 board's sense?

8 CHAIRMAN AJELLO: I actually did that when he did
9 retire and he was very grateful. We also had a send off
10 for him and had a plaque engraved honoring his service and
11 so I think we took the appropriate measures.

12 MR. FERRIGNO: The Department actually had a very
13 nice -- in here -- reception when I happened to have been
14 here. I happened to have been here for his reception and
15 coincidentally a number of the site managers were here
16 because there was a manager meeting. So, you know, he had
17 a really great send off. And it was a very special time.

18 CHAIRMAN AJELLO: Great. Okay. Any other
19 thoughts?

20 (No response.)

21 CHAIRMAN AJELLO: The last item on our agenda is
22 to call for any public comment that may be available at

1 this point in time.

2 (No response.)

3 CHAIRMAN AJELLO: Seeing no members of the public
4 or hearing comments --

5 VOICE: Anybody outside the door?

6 CHAIRMAN AJELLO: Okay. I move that we adjourn
7 the meeting then. Is there a second?

8 VOICE: Second.

9 CHAIRMAN AJELLO: Okay. Thank you very much for
10 your attendance. I thought it was a very good session.
11 And we certainly got a lot accomplished and I think we had
12 a very engaging meeting. So I really appreciate the
13 opportunity to work with you on this.

14 See you next time.

15 [Whereupon, at 12:55 p.m., the meeting was
16 adjourned.]

17

18

19