

BEFORE THE
UNITED STATES DEPARTMENT OF ENERGY
ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
TRANSCRIPT OF PROCEEDINGS

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1 BEFORE THE
2 UNITED STATES DEPARTMENT OF ENERGY
3 ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
4 TRANSCRIPT OF PROCEEDINGS

5 Public Meeting was held pursuant to
6 Notice and Invitation at the Courtyard by Marriott,
7 Richland, Washington, USA, commencing on the 23d
8 day of August, 2006, at 9:07 a.m. PT; adjourning at
9 4:27 p.m. PT; resuming on the 24th day of August,
10 2006, at 9:07 a.m. PT.

11 Board Members Present: James A. Ajello,
12 Chair, C. Stephen Allred, Lorraine Anderson, A.
13 James Barnes, Paul Dabbar, Dennis Ferrigno,
14 Jennifer A. Salisbury, David Swindle, and Thomas
15 Winston. Also present: Executive Director Terri
16 Lamb.

17 TRANSCRIPT OF PROCEEDINGS

18 THE CHAIR: Good morning, and welcome
19 again. If you're returning from yesterday, we are
09:07:07 20 glad to have you, and I welcome you back.

21 Or, I welcome you for the first time, as
22 the case may be. This morning's meeting will
23 commence momentarily.

1 We have a very busy agenda this morning,
2 and so we'll be, be pretty judiciously keeping to
3 the clock. And I certainly welcome your
4 participation in the meeting.

09:07:28 5 And we'll get underway. Thank you.

6 Good morning, all. I'd like to call the
7 meeting to order, August twenty-fourth continuation
8 of the EMAB meeting.

9 I welcome you this morning, and without
09:07:49 10 any further ado I think we can proceed to the
11 agenda which has been posted outside and is
12 available for you to follow along with.

13 And the first item of business on the
14 Agenda this morning is the Hanford Advisory Board
09:08:03 15 presentation by Mr. Todd Martin, the Chair of the
16 Hanford Advisory Board.

17 Mr. Martin.

18 HANFORD ADVISORY BOARD:

19 MR. MARTIN: Where would you like me?
09:08:11 20 You want me to stand up front, or --?

21 THE CHAIR: Please do. There's a podium
22 available or you can --

23 MR. MARTIN: Do I need to use a mic, or

1 do I talk loud enough?

2 THE CHAIR: I, I suspect you should, and

3 --

4 MR. MARTIN: Okay.

5 THE CHAIR: And it's a portable mic, so

6 --

7 MR. MARTIN: So I can dance.

8 THE CHAIR: As you wish.

9 MR. MARTIN: Is it on? Okay.

09:08:28 10 Cool. Good morning everyone.

11 MR. SWINDLE: Good morning.

12 MR. MARTIN: My name is Todd Martin, and

13 I'm the Chair of the Hanford Advisory Board. And

14 knowing that you have a very tight agenda today I'm

09:08:41 15 going to help you a little bit with that because

16 it's very hard for me to talk for a half an hour.

17 So, I will probably make it about ten

18 minutes and then leave some time for questions and

19 hopefully buy you guys a few minutes at the end.

09:08:48 20 The Hanford Advisory Board is a Federal

21 Advisory Committee Act chartered board similar to

22 yours. We were chartered in 1994 under the

23 Community Relations Plan of the Tri-Party

1 Agreement.

2 We advise the Department of Energy, the
3 Washington State Department of Ecology, and the
4 Environmental Protection Agency. Our board is
09:09:09 5 quite large.

6 We have 31 primary seats. Those seats
7 are owned by interests which appoint organizations
8 to sit on those seats.

9 They represent what we feel is the
09:09:20 10 breadth and depth of the Hanford stakeholder
11 community from all throughout the region. So,
12 we've got, in addition to Tribes, local business
13 interests, universities.

14 We have regional public interests and
09:09:32 15 environmental organizations. We have worker seats.

16 We feel that we actually represent
17 basically the full gamut of the, of the stakeholder
18 community in the Northwest.

19 How we operate: Our board operates by
09:09:46 20 consensus. We have a long history in the Hanford
21 stakeholder community of working towards consensus
22 and advocating for issues based on that consensus.

23 Historically, in 1994, when the Board

1 was formed it was a, it was after two predecessor
2 organizations, one, the Future Site Uses Working
3 Group, which was tasked to figure out essentially
4 our first in-state land use planning sort of thing;
09:10:15 5 what would Hanford look like when the, when the
6 cleanup was done?

7 That was in 1992. And then in 1993, we
8 undertook the Tank Waste Task Force.

9 And that was to figure out what to do
09:10:26 10 with all of Hanford's tank wastes. And I assume
11 you guys had a, took a site tour and everything, so
12 you got to see the dirt under which tanks are.

13 We operate through advice. And the way
14 we do that is through basically five committees.

09:10:38 15 And those committees bring issues to the
16 Board and the Board comes to consensus on them.
17 If, if one single member doesn't agree to every
18 single word in our piece of the advice, we actually
19 work until they do.

09:10:52 20 It is very rare that we cannot come to
21 consensus on an issue. I think it's only happened
22 two or three times.

23 So, that's basically how we operate.

1 And with that said, I will bring out my -- I don't
2 have a place to set this.

3 And I hope I don't go to FACA prison for
4 an OSHA violation here, but these five binders
09:11:20 5 represent the work that the Board has done over the
6 last, since basically 1994. And I want to talk --
7 So, so basically the Hanford stakeholder community
8 has developed, in a consensus process, every piece
9 of paper that is in these five binders.

09:11:39 10 And we are proud of that. We think it's
11 a very distinctive and excellent piece, body of
12 work.

13 I want to talk a little bit about what's
14 in here, not page by page, but very quickly. Our
09:11:53 15 primary focus, our number-one goal for Hanford
16 cleanup is the safe storage, retrieval, treatment,
17 and disposal of the tank waste.

18 And we have a long history of issuing
19 advice on that. It is based on a foundation that a
09:12:07 20 lot of folks from outside this community find
21 unusual, and that is that the Hanford community is
22 not concerned about all of that high-level waste
23 finding its way to Nevada.

1 We believe it will likely stay here in
2 perpetuity, or at least for the foreseeable future.
3 And we're okay with it as long as it's out of the
4 tanks and into a safe and stable form.

09:12:30 5 So, we -- There is, there is a decidedly
6 non-NIMBI bent to our, our advice on the tank-waste
7 issue. So that's the foundation from which we
8 start.

9 Our body of advice since then has
09:12:46 10 continued to support the building of the waste
11 treatment plant, and other technologies to, to
12 treat and dispose of, of Hanford tanks, tank waste.
13 In 1995 we spent a great deal of effort railing
14 against the privatization effort, which was a
09:12:59 15 contractual change to how we were going about
16 treating and, and disposing of Hanford tank wastes.

17 Our advice ultimately was not taken by
18 DOE, although it proved out in the end that we were
19 right and they were wrong. I will leave the
09:13:14 20 tank-waste topic, and move on to our second big
21 theme that you see in this box, and that is protect
22 the river.

23 In the 1996 timeframe, there were

1 difficulties with the treatment and disposal of
2 tank wastes. Basically, there were going to be
3 delays to building the vitrification plant, delays
4 to waste retrieval.

09:13:34 5 And in the negotiations for what to do,
6 there were some horses traded. The Board played a
7 role in those negotiations.

8 And our input was: If you're delaying
9 treatment of, of waste tank, or, yeah, treatment of
09:13:47 10 tank waste, you should focus the cleanup dollars
11 and effort along the river. So, all of the cleanup
12 successes that you saw when you were out at the
13 site in terms of essentially moving contaminated
14 soil to the Central Plateau, including reactors,
09:14:03 15 working on groundwater, that is all focused on, was
16 a result of the negotiation in which the Hanford
17 Advisory Board played a role.

18 We're quite proud of that. And that is
19 some of the cleanup successes that we point
09:14:18 20 towards.

21 I would add that as an adjunct to that,
22 we were very active in supporting getting after the
23 K basins and getting that spent fuel out of there

1 into the Central Plateau, which brings me to the
2 Central Plateau. Again, the non-NIMBI bent that
3 there is in the Hanford Board advice shows that the
4 Hanford Advisory Board is supportive of the Central
09:14:47 5 Plateau being a waste, having a waste management
6 mission essentially in perpetuity.

7 When we say that, we are acknowledging
8 that contamination that is there, it doesn't make
9 sense to dig all of that up and send it somewhere
09:14:57 10 else and contaminate another place. That said, we
11 also believe that the core zone, in other words,
12 the contaminated area of the Central Plateau,
13 should be minimized, and that anything that happens
14 outside of that core zone, those people doing
09:15:13 15 activities outside of the core zone should be safe.

16 And that includes somebody who builds a
17 house right outside the fence and, and drills a
18 groundwater well. So, we are very stringent about
19 our expectations for cleanup outside of that core
09:15:25 20 zone.

21 But, we do acknowledge that that core
22 zone will be a waste management mission essentially
23 in perpetuity. Another thing that we have worked

1 on in the last several years is trying to decide
2 how to institutionalize over the very long term
3 what is left at Hanford, and protect future
4 generations from it.

09:15:48 5 We have very little faith, and we differ
6 from DOE's general plan significantly in
7 institutional controls. So, where DOE is willing
8 to rely on institutional controls, we essentially
9 don't buy it.

09:16:03 10 Our approach and suggestions, the advice
11 we've given DOE, is to the extent that we can have
12 a continued human presence in the Central Plateau,
13 that is really the institutional control that
14 works. In other words, if folks keep working out

09:16:19 15 there, generation after generation, we will
16 remember what is in the ground and in the
17 groundwater and in the old facilities out there.

18 So, we have not come to any consensus on
19 what that continued human presence should look like

09:16:33 20 in terms of activities. But we think people
21 working out there for the long term is a good idea.

22 The Central Plateaus, because in '96,
23 '97, we focused on the, on the river, and as you

1 guys saw, much of that work is coming to
2 completion. The Central Plateau, in addition to
3 the tanks, has the great bulk of the Hanford's
4 thorny waste sites: soil disposal sites,
09:16:57 5 groundwater, as well as facilities.

6 The agencies, EPA in particular, and
7 DOE, have been working for about three or four
8 years on developing their decision-making process
9 in the Central Plateau. How are we going to make
09:17:13 10 decisions about these individual waste sites, as
11 well as the, the Central Plateau collectively?

12 They were essentially at loggerheads
13 about two years ago, just in terms of approach and
14 their ability to get their arms around it. A, a
09:17:29 15 great deal of that had to do with the rhetoric
16 associated with whether we're going to essentially
17 cap under a big soil berm the entire Central
18 Plateau, or we're going to try to dig up every last
19 iota of contamination.

09:17:43 20 The Board stepped into this fray, and
21 essentially tackled developing a process for making
22 decisions in the Central Plateau. It was a very
23 heavy lift for us because of the diverse interests

1 to the Board, and because of the thorny issues
2 associated with the Central Plateau.

3 It's just a very complex, difficult
4 problem to solve, and decide how you're going to
09:18:07 5 deal with all those waste sites. We came up with
6 essentially a flow chart, and that flow chart looks
7 a lot like what you might find in most
8 environmental Regulations for how they make
9 decisions under RCRA or CERCLA.

09:18:25 10 But it was accompanied by the consensus
11 and support of the entire region, as well as
12 showing as a bias of the Board and of the
13 stakeholder community that said, "We really want
14 you to strive to clean this place up first. And
09:18:36 15 then if you follow the following steps, we, we
16 acknowledge that there are times when surface
17 barriers, caps will be necessary, and that it
18 doesn't make sense for environmental impact, health
19 impact, worker health and safety reasons to
09:18:50 20 actually remediate a waste site.

21 "It makes more sense to leave it in the
22 ground. But you should only come to that decision
23 last after following these steps."

1 And those steps look like exactly what
2 you would expect: sufficient characterization,
3 review of technologies, looking at the budget, that
4 sort of stuff. We were very proud of that piece of
09:19:09 5 work, and got great reviews from DOE and EPA on
6 that piece of work.

7 And they say they continue to use it
8 internally to make decisions in the Central
9 Plateau. Subsequent to us completing that work,
09:19:21 10 two waste-site decisions have already been made,
11 and they are now tackling one of the thornier ones,
12 which is the BC cribs.

13 And so we will be weighing in on that,
14 probably in the next year. The fourth area that is
09:19:32 15 in this body of work is our work on budgets and
16 contracts.

17 We have what I feel to be a very
18 sophisticated analytical ability on our board. In
19 addition to 700 Hanford-specific years, we've got a
09:19:45 20 lot of folks who worked in budget and contracting
21 areas out on the site, are now retired or have left
22 the site, as well as folks from the private sector.

23 As a result, every year we do detailed

1 advice on the budget submittal that DOE sends to
2 Congress. Additionally, we have recently worked on
3 both of the River Corridor Contract, as well as the
4 current strategy for reissuing the Central Plateau,
09:20:11 5 as well as the work scope that is currently under
6 floor.

7 One of the things I want to highlight is
8 getting down into details is something our board
9 tries to avoid doing. But occasionally we do it,
09:20:23 10 and we come up with some pretty good ideas.

11 For the River Corridor Contract, for
12 example, about four years ago we issued advice that
13 said you should have disincentives, in other words,
14 if the contractor does not perform, they shouldn't
09:20:37 15 not only get paid, not get paid; they should
16 actually pay back.

17 And DOE told us that was a bad idea.
18 And then ultimately, when the Contract came out,
19 such disincentive was actually in the Contract.

09:20:51 20 We have also advocated quite heavily for
21 health and safety issues, health and safety records
22 of contractors to be a (sic) analytical weight,
23 weighted criteria in considering awarding

1 contracts. So, in other words, most DOE
2 procurement processes will have the health and
3 safety criteria as kind of a no, go/no-go point up
4 front.

09:21:15 5 And we've said that the, the Source
6 Evaluation Boards should be able to actually take
7 those into qualitatively weighed account when
8 considering what contractor should get a particular
9 contract. And then additionally, we feel that
09:21:29 10 contracts should penalize contractors for health
11 and safety violations, as well as worker,
12 retaliation against workers who bring up health and
13 safety issues, which brings me to the fifth topic,
14 which is health and safety.

09:21:44 15 And the only point I want to make here
16 is that we have been tireless advocates of the
17 application of integrated safety management across
18 the Hanford site. And it may seem like motherhood
19 and apple pie, but what we find is the application
09:22:00 20 of ISMS on site, particularly with the
21 proliferation of subcontractors that we have, is
22 not consistent.

23 And so we continue to push to ensure

1 that every person working on the site is supported
2 and covered under ISMS. And then lastly, we do a
3 great deal of work on public involvement.

4 We are one of the public involvement
09:22:21 5 mechanisms, but we, our, our chorus is to say that
6 we are not the sum total of public involvement. We
7 are a -- We are at the tip of the
8 public-involvement pyramid.

9 We're at the, the most interested
09:22:35 10 public, but there's other folks out there in the
11 Northwest who need to hear about Hanford and have
12 opinions about Hanford. So, we work with the
13 agencies to improve their public involvement
14 processes, as well as conduct some of our own.

09:22:50 15 We frequently have public meetings
16 throughout the region. When we meet at other
17 places, we go to universities and, and the like.

18 The last thing I'll say about public
19 involvement is we are actually experiencing some
09:23:07 20 complacency in our region about Hanford. And we
21 have lots of internal meetings trying to figure out
22 whether this is because we are doing such a good
23 job at public involvement, and at cleanup, that we

1 have actually captured the group of folks who is
2 really interested, or whether we're doing something
3 wrong and we can't get people out to public
4 meetings, and we need to be developing new web
09:23:32 5 sites and new creative ways to reach people.

6 That debate has been raging for about
7 three years, and I'm sure will continue to do so.
8 The Hanford Advisory Board is a very good
9 environment in which to have such debate.

09:23:48 10 There's a little less finger-pointing
11 than there might be if we didn't have our
12 processes. In the next year we are going to be
13 focusing on making sure that the waste treatment
14 plant goes forward.

09:23:59 15 Our primary focus is an overall
16 treatment and disposal program for all of the tank,
17 all of the wastes in the tanks at Hanford. We are
18 very concerned, as we sit in this room, that the
19 program we have selected and that DOE has embarked
09:24:16 20 upon is tumbling down around our ears, and we want
21 to get it back on track.

22 We want it to be a credible program.
23 In, in summary, we, we see ourselves as, one, the

1 keepers of the Tri-Party Agreement, Hanford's
2 cleanup Agreement.

3 It's always the first question we ask
4 when the Agencies or Contractors come to us: What
09:24:38 5 is the impact on the Tri-Party Agreement and its
6 milestones?

7 Secondly, we see ourselves as
8 adversarial advocates. We feel we are the greatest
9 boosters for Hanford cleanup because of the great
09:24:53 10 amount of volunteer time that comes around our
11 table; the great amount of effort that goes in to
12 working on Hanford issues.

13 At the same time, we are adversarial in
14 that we are going to ask the hard questions because
09:25:03 15 we want the cleanup to succeed. And many of the
16 failures in the past have resulted from people
17 being blissfully ignorant.

18 So we push. It creates a natural
19 tension between us and the agencies, but it's
09:25:15 20 pretty healthy.

21 I think with that, I don't know how much
22 time I took, we -- There are several Hanford
23 Advisory Board members in the audience. And I

1 really hesitate to open it up to these people

2 because, man, they can talk a long time.

3 But in particular I want to ask Susan,

4 the vice-chair of the board, if she has anything to

09:25:33 5 add.

6 Any other folks? Anything I said wrong,

7 or didn't say that you would have liked me to have

8 said.

9 MS. LECKBAND: I'd like, I just want to

09:25:42 10 say something. One of the primary advantages of

11 the Hanford Advisory Board --

12 A SPECTATOR: You have to go up to the

13 mic.

14 MS. LECKBAND: I'm sorry. Very sorry.

15 A SPECTATOR: Follow the rules.

16 MS. LECKBAND: Sorry. Just like the

17 rules of the Board.

18 One of the primary advantages of the

19 Hanford Advisory Board, and the suite of seats that

09:25:56 20 you see represented, is the sense of balance. And

21 we are very cognizant of having that balance when

22 we discuss every issue.

23 We talk about the impacts on the economy

1 of the area, right down to the impacts on the
2 worker in the field, and everything in between.
3 So, the fact that there is that kind of balance and
4 that diversity of opinion, and we are still able to
09:26:21 5 verbal (sic) each issue up to the policy level and
6 come to consensus where we address the cleanup
7 stands us in very good stead.

8 And I just wanted to make sure that you
9 understand that the balance is really necessary to
09:26:36 10 make sure the issue is fleshed out in every avenue.

11 Thanks.

12 MR. MARTIN: One of the, one of the
13 things we have become is the institutional memory
14 for much of the cleanup. And it's a result of the
09:26:48 15 huge turnover we've had in both DOE and
16 contractors.

17 And the Board hasn't had that turnover.
18 We still have eight or nine folks who were there in
19 the beginning.

09:26:58 20 And they're passing along all this stuff
21 right here. I've, I guess, time for questions.

22 It's up to you guys.

23 THE CHAIR: Right. First of all, thank

1 you very much for the presentation.

2 MR. MARTIN: You bet.

3 THE CHAIR: Really very helpful to get
4 that perspective and to learn about it. One of the
09:27:12 5 reasons why we did make this trip was to hear from
6 a variety of people in addition to visiting the
7 site.

8 And so I think the, the breadth of your
9 organization helps us encapsulate the viewpoints
09:27:23 10 and the work that you have done.

11 So, I'd like to just take the remaining
12 time in this session and open it up to this group
13 for any questions of Mr. Martin. He, he did go
14 through a lot of information, and perhaps we would
09:27:34 15 have some questions.

16 Mr. Swindle first.

17 MR. SWINDLE: Todd, very, very
18 informative, and certainly a very well-organized
19 group. So it's a complement to the community.

09:27:44 20 One thing I didn't hear you describe
21 very much, and if you care to comment on the
22 interaction with the regulators, since they, you
23 know, again, you described yourself for the, the

1 Advisory Group as the stewards of the Tri-Party
2 Agreement, and, of course, from a legal regulatory
3 standpoint, just how that interplay plays into
4 your, your agenda.

09:28:03 5 MR. MARTIN: Sure. Our, our Charter
6 from 1994, as I said, it's actually incorporated
7 into the Tri-Party Agreement via the Community
8 Relations Plan, which is a requirement of the
9 Tri-Party Agreement.

09:28:16 10 We view the regulators as co-conveners
11 of the Board. So, we view them as equals with DOE.

12 They are involved in all of the
13 decision-making associated with the Board, from
14 administrative to the issue-related-contents sort
09:28:34 15 of stuff. This is different from most of the other
16 site-specific advisory boards.

17 So they, they play a very overt and
18 important role. It was originally thought that
19 they should be there as, one, because it's part of
09:28:49 20 the Tri-Party Agreement and they were
21 decision-makers; and two, to, to mediate what was
22 seen as potentially an, you know, inappropriate
23 influence by DOE.

1 So, our regulators are as important as
2 DOE in, in our, in our minds.

3 MR. SWINDLE: And that's both state and
4 federal?

09:29:07 5 MR. MARTIN: Yes, EPA as well as the
6 State Department of Ecology.

7 THE CHAIR: Jennifer Salisbury.

8 MS. SALISBURY: Todd, I was going to ask
9 you if you had one recommendation you would make to
09:29:19 10 the Assistant Secretary or this Board to pass on to
11 the Assistant Secretary to improve relations with
12 DOE, what would it be?

13 MR. MARTIN: Early information; early
14 opportunity for feedback on the information. The
09:29:35 15 difficulties we have at this site are, with, in
16 terms of relations to the Board are almost
17 exclusively a result of bad process.

18 It's usually not -- It, the decision,
19 the substantive decision is good, bad, or
09:29:50 20 otherwise. But we are not consulted sufficiently
21 early and given sufficient information and
22 opportunity to provide feedback.

23 Where we are, no matter how thorny the

1 issue, the Board can provide value. And we are
2 more than able and more than willing to respect the
3 process and, and the decisions that the regulators
4 and DOE have to make, and meetings they have to
09:30:14 5 have behind closed doors.

6 But we need to know that that's going on
7 and at the appropriate time we will hear about it.
8 So oftentimes there are decisions that he would
9 wholeheartedly endorse, but because the process
09:30:28 10 wasn't open and transparent, we cause trouble.

11 THE CHAIR: Tom Winston.

12 MR. WINSTON: You sort of answered my
13 question at first. I, I do want to say that, that,
14 that the concept of advisory boards is, is clearly
09:30:40 15 one of the success stories within the Department of
16 Energy.

17 And, and when they work well, they make
18 an incredible difference in terms of, of the
19 quality of decision-making, the ability to move
09:30:51 20 forward. And so I'm just a strong proponent of
21 that.

22 We have been asked by the Assistant
23 Secretary to look at communication, and some of

1 that's internal, but also we'll, we'll be looking
2 at, at, we are looking at external. We've heard
3 some reports from local Advisory Boards that, that
4 the timeliness issue that you mentioned is, is not
09:31:15 5 necessarily to their, meeting their expectations.

6 I, I think it's sort of like three Ts:
7 timeliness, transparency, and trust. And I don't
8 know if you want to comment in terms of, of each of
9 those areas.

09:31:28 10 I think you were, were, were pretty
11 articulate in terms of the timeliness and the
12 importance of that. The transparency and the
13 trust, the transparency is, is sort of
14 understanding the whole picture, and seeing that,
09:31:39 15 not just the little snapshot, the little sliver
16 that's, you know, put forward and say, "You know,
17 here's your, your, your piece of it."

18 And then the relationship issue in terms
19 of the people-to-people and the trust relationship.

09:31:51 20 I don't know if you can comment on that, because
21 we'll be getting next report.

22 MR. MARTIN: Sure. Sure.

23 The, the -- I think the trust part

1 happens when the first two -- The trust naturally
2 follows when the, the transparency and -- What was
3 the other one? -- timeliness.

4 When those two happen, the trust will
09:32:08 5 naturally follow. And what we find here, and I
6 think on, on the level that you all work on, is
7 that there is not consistency in the application
8 of, particularly the timeliness and transparency.

9 And as a result the trust won't develop.
09:32:22 10 So here at the site, we will have issues where DOE
11 and the regulators hit it spot on; absolutely
12 perfect; we, we have all the opportunities; we have
13 all the information we need; and others where it's
14 a disaster.

09:32:39 15 And there doesn't seem to be a logical,
16 rational explanation for the difference between
17 those two. In other words, it's not -- There is
18 not, when they begin discussing a topic and getting
19 closer to a decision or, or data that will lead
09:32:54 20 them to a decision, it's, it seems more
21 happenstance, or more res-, a responsibility of
22 some cognizant individual in the room to say, "Hey,
23 shouldn't we ask the Board what they think about

1 this?" or, "When do we ask the Board what they
2 think about this?" as opposed to a systematic
3 application of, that question is always asked so
4 that they are ready to frame the discussion and
09:33:19 5 make the decisions, and talk to us at the
6 appropriate time.

7 So, I think that that lack of
8 consistency, Tom, is what, what we struggle with.
9 And, and here at the site it has to do with
09:33:31 10 particularly, you know, DOE Program Office versus a
11 particular contractor, versus even individuals that
12 work for contractors, all right, that always ask
13 the question, "How are we going to present this to
14 the Board?" and others that never do.

09:33:45 15 So, almost from a policy level, having
16 that systematically applied would really help us.

17 MR. WINSTON: And a quick follow-up,
18 because you, the Board deals clearly with ORP and
19 NRL, but also Headquarters. And so my, my, one of
09:34:02 20 my thoughts is, you know, dealing both at the
21 national level on policy issues and budgets and
22 those kinds of things, have you felt that you've
23 received timely information and an understanding

1 of, of where Jim's coming from or his office or the
2 highest level of DOE, or is there a disconnect
3 there that we can help with?

4 MR. MARTIN: There, I think there's a
09:34:19 5 disconnect there, and it's the exact, exactly the
6 same one. And I'll give you an example.

7 The example is we, we have always been
8 proud of both DOE Headquarters and our local DOE
9 folks for our, the budget development process. You
09:34:33 10 know, in our mind, none of us have been in every
11 little corner of the federal government, but we
12 think, we used to think it was probably one of the
13 best there is because we had early access to
14 information, and we got to give input before the
09:34:48 15 Budget went in.

16 Now the date every year that we're going
17 to get that information slips. And, of course,
18 there, you know, we understand that there are other
19 arms of the, the federal government that influence
09:34:57 20 how DOE gets this done.

21 But we get really frustrated with that.
22 On the other hand, the development of disposition
23 maps at Headquarters for, you know, we are keenly

1 interested in low-level waste and low-level mixed
2 waste that will show up here, while taking much
3 longer than we would have hoped, and getting very
4 tired of waiting for them, the process has been
09:35:21 5 relatively open.

6 We get frequent updates as to the
7 status. When we've ask questions that are related
8 to substance, people don't seem hamstrung about
9 answering, giving us a straight answer.

09:35:33 10 And so that's one that when they
11 ultimately come out, even if there's flaws, I
12 anticipate people will be supportive of those
13 because there has been transparency, whereas, I
14 know that in another four months we're going to go
09:35:46 15 into a budget process and we're going sit in rooms
16 like this one, and everybody's going to yell at
17 each other about, "When do we get to see
18 something?"

19 And the whole meeting will be about
09:35:56 20 that, and that's not particularly productive for
21 anyone. Does that answer your question?

22 MR. WINSTON: Yeah, it does. Thanks.
23 Thanks for that.

1 THE CHAIR: We have time for one more
2 question.

3 Dennis Ferrigno.

4 MR. FERRIGNO: Thanks, Tom. Tom, is
09:36:05 5 just actually more of a point of information;
6 curiosity, as it might be.

7 Has the Hanford Advisory Board been
8 involved in end-state vision planning?

9 MR. MARTIN: Yes.

09:36:17 10 MR. FERRIGNO: To what level?

11 MR. MARTIN: Extensively. We have a
12 long -- From starting with the Future Site Uses
13 Working Group in 1992, to the multiple end-state
14 under-different-labels processes that have happened
09:36:29 15 over the last 12 to 13 years, the most recent one
16 was one of those examples where we felt there was
17 an utter and complete lack of transparency, and
18 totally inappropriate schedule in terms of trying
19 to get some level of public involvement and buy-in.

09:36:46 20 We pushed back very hard on both
21 Headquarters as well as our local site folks, and
22 they got it. And, and obviously there were other
23 reasons that the, the whole process was delayed,

1 but here locally we engaged in workshops, of which
2 Hanford Advisory Board members actually facilitated
3 small groups.

4 We helped in agenda development. We
09:37:11 5 played an integral role in actually making, getting
6 us to a, to a document at the end.

7 And while it was a fight at the
8 beginning, I think we all, even if ultimately those
9 documents don't get used for something useful
09:37:25 10 policy-wise back East, we learned a lot here
11 locally and actually made a lot of progress. There
12 is advice in those binders focused on end states
13 that came out of that process.

14 THE CHAIR: Okay.

09:37:39 15 MR. MARTIN: Thank you.

16 THE CHAIR: Thank you very much, Mr.
17 Martin. I will just say this is one of the
18 decisions that we made to visit more of the sites
19 in the complex included the notion of, of, of
09:37:49 20 interacting with Advisory Boards, and I think the
21 session this morning proves the value of that.

22 So I thank you for the presentation. It
23 was good.

1 MR. MARTIN: I'm really glad you guys
2 came out. I was part of the EMAB when it used to
3 just be holed up in Forestall at every meeting.

4 And I think it's a lot better that
09:38:06 5 you're out here.

6 THE CHAIR: Okay. Thank you very much.

7 Okay. Are you going -- You going to
8 take your binders?

9 (Laughter.)

09:38:12 10 MR. MARTIN: I will.

11 THE CHAIR: Good.

12 MR. MARTIN: I'm not going to let
13 anybody else take them.

14 THE CHAIR: I'm personally relieved.

09:38:16 15 Okay.

16 (Laughter.)

17 APPROVAL OF MINUTES:

18 THE CHAIR: All right. The next item of

19 business is the approval of the Minutes from the

09:38:26 20 last Board Meeting of EMAB on March twenty-second,

21 twenty-third.

22 They are in your briefing binders at Tab

23 7. Is there a Motion to approve the Minutes?

1 MR. SWINDLE: Motion so made.

2 MS. ANDERSON: Second.

3 THE CHAIR: Is there -- Second? All in
4 favor?

09:38:45 5 (Whereupon, a response was had.)

6 THE CHAIR: Is there any discussion of
7 the Minutes?

8 (Whereupon, no response was had.)

9 THE CHAIR: No? Motion has been moved,
09:38:50 10 seconded, and passed.

11 Okay, the next item of business -- Just
12 before we get to that I'll just mention as a
13 preamble that subsequent to the last couple of
14 meetings, beforehand we decided to form some
09:39:04 15 subcommittees, or working groups, as it were, to
16 handle some topical issues. And these topical
17 issues are enumerated on your agenda item.

18 And we will have a report-outs on each
19 of those agenda items. And the first one is on the
09:39:22 20 topic of communications, Jennifer Salisbury, Jim
21 Barnes, Tom Winston, and Lorraine Anderson.

22 So, please proceed.

23 REPORT ON COMMUNICATIONS:

1 MS. SALISBURY: Yeah. Thank you, Mr.

2 Chairman.

3 A draft of the report is behind Tab 7,

4 and it's the, after the first green, green

09:39:38 5 highlighted, green page that has our Minutes right

6 in front of it. Just to bring you up to date, the,

7 if you recall at our March meeting, Charlie

8 Anderson presented the proposed reorganization of

9 EMAB, and there was a glaring absence in that

09:39:56 10 organization chart.

11 And that was something, some function

12 that had to do with communications. And at the

13 meeting, Charlie admitted that this may be a

14 problem.

09:40:06 15 And as the, as a result of subsequent

16 meetings that the Chairman had with Assistant

17 Secretary Rispoli, we were asked to look at whether

18 there should be a communications role that reports

19 directly to the Assistant Secretary. Lorraine

09:40:21 20 Anderson, Tom Winston, and Jim Barnes and I all

21 were on this little team that looked into this.

22 And what we did, Mr. Chairman and, and

23 members of EMAB, we, we ac-, we went out and we

1 talked to various people in EM and elsewhere in the
2 Department. We had a long conversation with
3 Charlie Anderson as a, sort of a joint
4 teleconference with him.

09:40:46 5 We also to Bill Levitan (phonetic), who
6 is Executive Officer, and formerly had that role at
7 EM, communications. We -- Lorraine and, and Tom,
8 through their contacts with local and state
9 organization, their, their own contracts that deal
09:41:00 10 with EM, spoke to them.

11 We also looked at the documents that
12 exist at EM. And we had seven or eight other
13 people we, we were asked to speak to that Charlie
14 had asked us to speak to.

09:41:13 15 To a large degree, and I -- we were
16 unsuccessful in, in actually getting them to return
17 our phone calls, which I think is a problem. And I
18 would, would like for that to be brought back to
19 Jim that, that we, we just, you know, we -- Even
09:41:28 20 though Terri sent an e-mail explaining what we were
21 trying to do to them in advance, and that we were
22 going to call them, even when we put those calls
23 in, those calls were not returned.

1 So, at any rate, what you have in front
2 of you is the Draft Communications Report. And I'd
3 like to just walk through very quickly and ask if,
4 for all, the team members to interrupt if I've
09:41:49 5 missed something or you need to add something.

6 The, the primary recommendation that we
7 have is that the Assistant Secretary establish a
8 permanent position to provide media communications
9 within the of-, the Office of the Assistant
09:42:03 10 Secretary. Our recommendation is that this be a
11 permanent position.

12 We understand the challenges of hiring a
13 permanent position, and that it may be that in the
14 short term that that position is actually a, a
09:42:16 15 Schedule C or I, I, probably won't be an SES, but a
16 Schedule C position.

17 But we feel that the function itself is
18 too important to, not to have, to, for it not to be
19 some sort of a, a permanent position, and that the
09:42:32 20 position report to the Assistant Secretary. We
21 also believe that, and we recommend that the
22 serious consideration, consideration be given to
23 how clerical and other staffing support can be

1 provided to this position.

2 We're not making a recommendation on
3 that, but we do believe that that's the first order
4 of business because the person himself or herself
09:42:54 5 cannot hope to function properly without that
6 support. We also put in our report some
7 recommendations on the skill set that would be
8 required.

9 A professional is really needed. At any
09:43:08 10 rate, you can read through this very quickly.

11 One of the other primary recommendations
12 that we're making is that we believe the Assistant
13 Sec-, the Assistant Secretary needs to incorporate
14 communications into all aspects of decision-making.

09:43:24 15 And it's interesting that Todd just talked about
16 that, because if the Hanford DOE people would think
17 about communications when they're proposing
18 anything at the front end, they could get to the
19 decision maybe faster, more efficiently, and have a
09:43:41 20 better decision at the tail end.

21 So, we just think communication is one
22 of those things that just needs to be all along the
23 spectrum. And right now it tends to be at the tail

1 end.

2 And I think what we've heard and seen,
3 and what Todd just sort of amplified on a bit,
4 shows that that is, is a problem that needs to be
09:43:59 5 addressed.

6 The third recommendation that we've got
7 is that it, I think our experience with Jim Rispoli
8 is that he's an excellent communicator. He seems
9 to have great rapport with people that he deals
09:44:12 10 with, from, you know, the Headquarters to the field
11 to outside groups.

12 But there's question about whether, how
13 far this is penetrating, and whether with his key
14 managers there's good communications to staff, and
09:44:24 15 probably also from staff, staff to outside groups.

16 And so we believe one of the ways to deal with that
17 is that, at least with regard to key managers,
18 communications need to be treated sort of like
19 safety, and that perhaps there should be
09:44:39 20 consideration given to putting a communications
21 standard together for the performance appraisals,
22 and that, that key managers be held accountable if
23 they're not performing up to those standards.

1 We also think that one way to measure
2 communications is to take a look at how the
3 communication tools are doing and how effective
4 they are. We know that one of the things that was
09:45:06 5 recommended when Jessie Roberson (phonetic) looked
6 at communications a couple of years ago was to
7 develop a portal.

8 We have access to the portal, but it's
9 very hard to access. It's not easy if you're
09:45:18 10 already on line at the Department.

11 And so we, the, the Department actually
12 has taken the initiative to look into this portal
13 to see what can be done to make it easier for, for
14 employees to use. We think that that's an
09:45:30 15 important thing to do, and we would support this
16 endeavor.

17 We also believe that perhaps the
18 Department ought to look at other tools that are
19 out there and measure their effectiveness. Another
09:45:43 20 recommendation is that, again, whether, whether
21 field managers are communicating the strategic
22 planning, the, the elements of the strategic plan
23 to staff, how well they're doing; that, sort of

1 trying to get that loop closed.

2 It's, it seems to be going out well from
3 Headquarters. Is it going all the way through,
4 through the system?

09:46:07 5 And somehow surveying that or trying to
6 provide a tool to assess, assess that would be
7 good. Again, this is another point that Todd
8 raised and that, that Tom talked about with
9 site-specific advisory boards.

09:46:22 10 And that's that intergovernmental
11 communications. How well are we doing?

12 I know from my own visit to Los Alamos,
13 to the Northern New Mexico Citizens Advisory Board,
14 they have a problem with how DOE communicates back
09:46:37 15 to them when they make recommendations. So we, we
16 have a recommendation here on ensuring that, that
17 the, the advice that they are provided, somehow
18 they're getting a timely and quality-related
19 response back.

09:46:50 20 So, again, that whole loop in
21 communications. At the back of the rep-, draft
22 report is who we actually talked to.

23 We also attached a copy of the Job

1 Description for the Communications Director at RW,
2 and thought that might be a, a, a template or a
3 model that, that Charlie Anderson and Assistant
4 Secretary Rispoli might want to use.

09:47:14 5 And then also the Project Plan for
6 Improved Communications which was put together as a
7 result of Jessie Roberson's initiative a couple of
8 years ago.

9 And turn it over to my teammates and see
09:47:26 10 if they have any further comments they'd like to
11 make.

12 Tom?

13 MR. WINSTON: Just, just one. And I
14 think Jennifer talked about sort of the timing
09:47:36 15 issue, front-end versus tail-end communication.

16 Another dimension of that is proactive
17 versus reactive communication. And that's not just
18 timing issue.

19 That's -- You know, there's a lot of
09:47:49 20 communications challenges that are predictable.
21 And so if you, if you build into your thinking,
22 "This will be a communication challenge. This is
23 my plan to deal with that," it's proactive.

1 It's, it's not just a timing issue.
2 It's also sort of a mindset of, of -- And right now
3 I think our thought is that in many instances the
4 communication is reactive rather than proactive.

09:48:13 5 And so it's sometimes lacking in breadth
6 and forethought that could be provided if there was
7 more proactive planning.

8 MR. BARNES: And just adding to that, I
9 mean, with each of these kind of the major decision
09:48:24 10 organization projects you're working on, you have a
11 set of questions of: "Who do we need to
12 communicate with? When do we need to communicate
13 with them?"

14 "What, what's the message we have to
09:48:34 15 communicate?" And, "Who has the responsibility for
16 doing that communication?"

17 And, and in many cases it's going to be
18 a mix of things. Like, some things where you're
19 trying to solicit input early on.

09:48:48 20 Other times it's going to be making sure
21 that you have a timely dissemination of the
22 decisions or information to stakeholders and other
23 parties.

1 MS. ANDERSON: I would, I'd just like to
2 add that, and reiterate that it needs to become a
3 part of the culture. Just as secrecy was part of
4 the culture in the past, communication needs to
09:49:15 5 become a part of the culture.

6 And I think DOE has done a good job with
7 safety, and incorporating that into their culture.
8 And I think this is another area.

9 And Jennifer has done a great job in
09:49:29 10 commun-, communicating our message.

11 THE CHAIR: First of all, thanks for the
12 report. I find it very ironic, of course, that the
13 first point was that you had trouble communicating
14 with some of the people you wanted to talk to, to,
09:49:48 15 to baseline and get some survey information about
16 communications.

17 So, we note that, and we'll, I think
18 later in the morning we'll schedule some of the
19 follow-up items for this meeting. And that's
09:50:02 20 probably right there front and center.

21 MR. BARNES: Should note there, Jim,
22 that at lease in my case, they were people who were
23 not part of EM. They were people who were in other

1 parts of DOE that we were looking to try to get a
2 perspective on what, that, what's their take on how
3 EM's doing?

4 And are there other, other parts of, of
09:50:24 5 the organization that are doing well? But, but at
6 least the couple that I was assigned to talk to are
7 people that were in, like, intergovernmental, I
8 mean, key areas for communication.

9 And I, I, I guess I was a little taken
09:50:36 10 aback that, that, that they didn't have an interest
11 in seeing that EM was doing its job well. Because
12 certainly part of, of their overall
13 responsibilities would be aided if, if they helped
14 EM do the part of communication that, that it, that
09:50:50 15 it had to do.

16 THE CHAIR: Yeah. That strikes me as
17 odd, too, I mean, when you consider the fact that
18 this is 20 or 25 percent of the entire DOE budget,
19 or can, can exceed that. You would think that this
09:51:03 20 is a very significant program in which you would
21 receive a different response.

22 The other thing that, that struck me,
23 too, is that this gets back to what we talked about

1 yesterday. Lorraine articulated the need to build
2 a pride in the program.

3 And you indicated today again that this
4 should be a part of the culture. So, I took the
09:51:22 5 report to mean, although I heard a heavy emphasis
6 on external issues, I also read and took the report
7 to include a better understanding of the internal
8 staff in, in terms of what's happening, and the
9 like.

09:51:36 10 And perhaps, you know, one can envision
11 sharing lessons learned and, and, you know, various
12 topics in better communicating within the program
13 that would help information flow build pride, et
14 cetera.

09:51:48 15 That's, that's -- Is that correct
16 take-away?

17 MS. SALISBURY: That is correct. And,
18 and, Mr. Chairman, members of the Board, I'm not
19 sure what this communications team could do to
09:52:01 20 provide advice to the Assistant Secretary.

21 We stand ready to continue on if he
22 would like, but I think at this point the report,
23 maybe finalize the report and you could talk to him

1 about, about its findings, if he would like to have
2 a one-on-one with you.

3 THE CHAIR: I'm sure there's interest
4 with Jim Rispoli and Charlie Anderson to do that,
09:52:20 5 and sort of wrap this up. And I think that that is
6 the, the course of action.

7 I'll be glad to take that on.

8 MS. SALISBURY: Just one thing if you
9 could impress him, this is really important. And
09:52:29 10 the fact that the organization, the reorganization
11 omitted this as a function to me speaks volumes
12 about their interest in communications.

13 And it just, they need to go back to the
14 table on this. It is too critical to their
09:52:42 15 mission.

16 THE CHAIR: So far I felt a strong sense
17 of understanding of that --

18 MS. SALISBURY: Yeah.

19 THE CHAIR: -- at, at Jim and Charlie's
09:52:49 20 level. So --

21 MS. SALISBURY: I think you're
22 absolutely correct, Mr. Chairman.

23 MR. FERRIGNO: And, Jennifer, one,

1 though, comment, and that is the Department is not
2 lax in the communication. It's the focus under EM,
3 and the matricizing to the Department's
4 communication group; correct?

09:53:11 5 MS. SALISBURY: Well, in all fairness,
6 that's absolutely true. And I, --

7 MR. FERRIGNO: Okay.

8 MS. SALISBURY: -- and I thank you for
9 pointing that out, Dennis. That's right, because
09:53:18 10 Public Affairs provides -- And, and we've had that
11 Megan Barnett (phonetic) here from Public Affairs,
12 --

13 MR. FERRIGNO: Right.

14 MS. SALISBURY: -- and they have good
09:53:23 15 coordination, good relationship.

16 But this would be a function in EM
17 dedicated to communications.

18 THE CHAIR: The theory being, I presume,
19 that if you understand the business or the program
09:53:32 20 from within, if you can better articulate the
21 issues.

22 Dave.

23 MR. SWINDLE: Jim, I think following

1 point, from --

2 MS. SALISBURY: Yes.

3 MR. SWINDLE: -- Dennis' comment, one of
4 the things perhaps when we get into some of the
09:53:45 5 other discussions before we depart here, I think
6 this is indicative of the situation again to where
7 EM does not have at its disposal those assets of,
8 call it of a corporate nature that are required to
9 fully conduct its business.

09:54:01 10 For example, when you take the NNSA,
11 although separately chartered, all of the functions
12 of General Counsel, Public Affairs, Human
13 Resources, all of those elements that are central
14 for their success, are within the direct or
09:54:17 15 reporting line of, in this case, the Dep-, or of
16 the Administrator of NNSA.

17 And that's the largest program in DOE
18 from a fund-, from a funding standpoint. EM is the
19 second largest, and it has no direct-line
09:54:31 20 organization under its direct-reporting
21 relationship to the Assistant Secretary.

22 Consequently, there is no priority given
23 to those ancillary functions. Case in point, from

1 the Human Resource study again yesterday, that the
2 number of as-, the number of openings just in Jack
3 Surash's organization that have been open since
4 April, and have only been able to advertise four
09:54:54 5 people because they can't get the friggin'
6 attention of the HR recruiting organization which
7 is, gets its order from somewhere else is
8 absolutely abominable.

9 And it's contrary to the accomplishment
09:55:06 10 of the mission. So, I think we, as a Board, can,
11 using this as one example, HR as another, can put
12 forth some recommendations, you know, that can be
13 utilized with the Secretary and with, with Jim, as
14 the Assistant Secretary to, you know, help pull
09:55:22 15 some priority, if not total redirection of those
16 assets to the EM.

17 MR. FERRIGNO: What, what we may, what
18 we may be seeing is a common theme, as Dave was
19 saying. When we, when we started these actionable
09:55:37 20 items from March, and I think this is something
21 that maybe we should table to the end of our
22 discussion, but it really comes down to: Do I
23 matrix support, --

1 MR. SWINDLE: Um-hum.

2 MR. FERRIGNO: -- or do I have line
3 support?

4 And is my mission being impacted? One,
09:55:54 5 do I have the attention of the matrix?

6 And two, is my mission being impacted by
7 overloading the matricized organization that isn't
8 necessarily fully dedicated or aligned
9 organizationally to metrics, to incentives, to
09:56:09 10 reward, to career, all those things?

11 So, I, I'd like to maybe not -- And I
12 know I opened it up, but I really want to put that
13 on the box and say table that. But that may be a
14 global discussion that deals with communications,
09:56:27 15 it deals with acquisition, autonomy, not
16 necessarily noncompliance, okay?

17 Not nec- -- It's in compliance, but
18 autonomy in being able to do the process in areas
19 of human capital, those kind of things.

09:56:45 20 THE CHAIR: The organization, as you all
21 know, went through a major change in the last
22 couple, three years; significant reductions and,
23 and the like. And so I think that these -- I, I'm

1 not sure if these topics are debated or not, but
2 certainly is grist for, for bringing them up.

3 It's, it's, it's well-articulated here.

4 And so I think this, the sense of the group is it's
09:57:06 5 very important and we need to push on, on the
6 topic.

7 And so we'll make this a follow-up item.

8 Tom?

9 MR. WINSTON: I appreciate David's
09:57:18 10 comments. I would say it's probably more apparent
11 in the human capital/human resource area.

12 I, I think we envision a dotted line
13 with Public Affairs. And at least our conversation
14 with Public Affairs, they stand ready to help
09:57:32 15 communicate.

16 They just need to know what to
17 communicate. They feel like they have good
18 interaction and good communication with, with Jim
19 and with Charlie.

09:57:43 20 Below that they're not necessarily sure
21 they're getting the message that they need to
22 support that. So, it may be a little different
23 because we're looking at not necessarily a, a

1 communication function that would do the same thing
2 as Public Affairs.

3 We're looking as an adjunct that helps
4 to frame that message, helps to look for the
09:58:02 5 opportunities internally. So it may not end up
6 playing out the same way as in the human resource
7 area.

8 MR. SWINDLE: I --

9 MR. WINSTON: I just give that caution.

09:58:10 10 MR. SWINDLE: I, I, I, I would agree,
11 and I think each one needs to be looked at on its
12 own merit in terms of its role. Again, another
13 citation from the subsequent discussions yesterday
14 with, with, you know, listening to Jack, is that
09:58:21 15 the ability to move out on procurements, for
16 example, here at Hanford, Savannah River, et
17 cetera, again listening to, to, to Jim, are not
18 because of inaction inside their department,
19 because they have strings tied to some of the
09:58:35 20 reviewing entities that are external.

21 And how you get those priorities is
22 really what I'm driving at. And it will vary,
23 depending upon the unit.

1 MR. WINSTON: And, and, and the issue
2 will be: Where are the bottlenecks?

3 MR. SWINDLE: Yes. Correct.

4 MR. WINSTON: And, and the, the, the
09:58:48 5 process may be different, but the bottlenecks are
6 going to be readily apparent.

7 MR. SWINDLE: Yep.

8 MR. WINSTON: And --

9 MR. SWINDLE: And what are the enabling
09:58:55 10 actions to eliminate those bottlenecks?

11 MR. WINSTON: That's right.

12 MR. SWINDLE: Agree.

13 THE CHAIR: Great. Excellent
14 discussion.

09:58:59 15 Any more points on that one?

16 (Whereupon, no response was had.)

17 THE CHAIR: Good. All right, the next
18 topic was entitled "EMAB Outreach."

19 There Jennifer and, and Steve Allred had
09:59:10 20 the laboring war on that one.

21 MS. SALISBURY: I just have a, a
22 one-page report, Mr. Chairman, that the Board can
23 read at its leisure. In July I went to the

1 Northern New Mexico Citizen's Advisory Board
2 meeting.

3 It's similar to the Advisory Board
4 meeting here at, at Hanford. We had Todd, Todd
09:59:30 5 speak to us earlier.

6 Very happy that we attended, and
7 encouraged us to come back to meetings. And as
8 part of the outreach effort of the Board, Jim, you,
9 we might want to try to encourage members, when
09:59:45 10 they're in the area and there's going to be a
11 meeting, to actually attend the meeting.

12 I think it's, it's just good to have
13 that liaison with the Advisory Boards. The -- This
14 specific Advisory Board was looking at the key
10:00:00 15 elements of the Baseline Plan for Los Alamos.

16 And that is a document that was just
17 released. It's thousands of pages.

18 It's going to be a huge undertaking for
19 this Board to provide specific advice on. Just as
10:00:14 20 an aside, they also are concerned about budget
21 issues that, that Todd mentioned.

22 There will be a Chairs Meeting September
23 sixth through eighth in Santa Fe, New Mexico. I'm

1 going to be out of town on, on other business, and
2 so I will not be able to attend that meeting.

3 But we were encouraged to send somebody
4 if possible. And, and maybe someone on the Board
10:00:40 5 could go.

6 THE CHAIR: Okay.

7 MS. SALISBURY: The, there's also an
8 intergovernmental meeting in November that's a
9 state and local meeting that I understand Lorraine
10:00:51 10 Anderson and Tom Winston traditionally attend in
11 their other rolls. And so we also might want to
12 encourage someone from the Board to attend that
13 meeting.

14 That's in Washing, D.C. Thank you.

10:01:01 15 THE CHAIR: I, I -- Steve, sorry. You
16 may have something.

17 I have a couple of questions?

18 MR. ALLRED: Well, I, the CAB meeting I
19 attended in Idaho was, I think was a significantly
10:01:15 20 different experience in that that CAB is, is very
21 new. It's, it's been, has been reconstituted I
22 think almost in its entirety.

23 So the meeting was, was designed

1 primarily to get it up to speed on what the
2 baselining was and the activities that were
3 ongoing. My impression, that's much more highly
4 managed by DOE than, than what Todd was describing.

10:01:44 5 And I know in the past that it's been
6 fairly active, but I, my impression was that most
7 of the people on it had not, didn't have that
8 background from previous activities. The Chairs
9 meeting came up.

10:02:01 10 That brought real questions to my mind
11 about how we interface with, with that Chairs
12 Meeting, and the activities that they evidently
13 have that are taking place. It seemed to me
14 there's an opportunity there that, to at least have
10:02:15 15 consultations between EMAB and that Chairs Meeting
16 in order to get the, the most value out of both
17 sets of groups.

18 And I think, at least in my mind, some
19 confusion as to how we ought to interact together
10:02:29 20 with them. I don't know what the view, and that we
21 probably need to find out what the view is, is of
22 EM-1 about how those should inter-, interact
23 together.

1 One other significant thing that came
2 out of it, and I brought it up a little bit
3 yesterday was I thought there was a, some pretty
4 good insight in, after the presentations on the
10:02:54 5 programs at Idaho. And they are significantly
6 different, but have some of the same elements that
7 were seeing here.

8 But, again, the cleanup depends upon the
9 ability to disposition waste. And there is an
10:03:12 10 awful lot of faith being put in Idaho, as it is
11 here, that the Yucca Mountain's going to open and
12 that's where these things will go.

13 And again, I, I think there are ways to,
14 to manage those wastes. I don't think it's a
10:03:27 15 particular problem, but it is a particular problem,
16 I think, if it is not part of the plan, and if that
17 isn't done fairly open and transparently as an
18 option.

19 So, that was a concern to them. Even
10:03:40 20 with their preliminary understanding of what was
21 going on, they, they had identified that issue.

22 My impression was that that may be an
23 issue at the Chairs Meeting. So, although they,

1 they had not completed their input to the Chairs
2 Meeting, it certainly was of interest to, to them
3 there.

4 So -- But it was also -- It was
10:04:06 5 interesting to hear Todd's report and compare that
6 to what I saw in Idaho and, and, and the degree of
7 management that evidently is exercised by DOE here,
8 versus DOE in Idaho. And maybe it's just because
9 of the age or the relatively early development of
10:04:25 10 that particular Board.

11 THE CHAIR: Okay. So, one of the
12 follow-up items today will be to determine who
13 might be available to go to this next meeting.

14 Because I think the sense is that we
10:04:35 15 should be represented at this one. This one
16 appears to me to be, the September 6/7 meeting or
17 7/8 meeting would, would probably be efficient
18 because you'll meet all of the Chairs of these
19 advisory boards in, in one place.

10:04:53 20 The other thing I'll note is that we
21 undertook this as a felt need from the last meeting
22 to, to interact, Steve attending Idaho, Jennifer in
23 New Mexico. Obviously the, the meeting here today.

1 So, we've just begun this effort. And
2 so what occurs to me is that we need a look-ahead
3 calendar in a consolidated fashion to find out
4 where all these meetings are going forward, what,
10:05:20 5 what the topics will be so we can pick, pick our
6 arrangements around that.

7 We have some look-ahead, but --

8 MS. SALISBURY: And then also, Mr.
9 Chairman, just to follow up on what Steve
10:05:29 10 mentioned, you might get some clarity from Jim
11 Rispoli on what should be the --

12 THE CHAIR: Yeah.

13 MS. SALISBURY: -- appropriate role or
14 interaction, or if he's got some ideas on that on
10:05:40 15 how he would like for us to --

16 THE CHAIR: Okay.

17 MS. SALISBURY: -- deal with that.

18 THE CHAIR: Good.

19 MR. ALLRED: Mr. Chairman, just in
10:05:47 20 response to that comment, I think that's really
21 important. There is a lot of confusion, and, and
22 perhaps even in my own mind as to what the role of
23 this Board is with regard to, for the roll of that

1 Chairs group.

2 And I think to go there without having a
3 better understanding as to the respective roles and
4 how we ought to interact is not helpful. So I

10:06:08 5 think it's really important to have that discussion
6 with Jim.

7 THE CHAIR: Okay. Good idea.

8 MR. FERRIGNO: Jim?

9 THE CHAIR: Dennis.

10:06:16 10 MR. FERRIGNO: What we've heard, Steve
11 just mentioned something about waste disposition in
12 Idaho. I know we're dealing with something, and
13 this is a different matter, but for our list, and
14 maybe we should start putting the list together.

10:06:28 15 I know you're putting it there on paper.
16 I know we all are doing that.

17 We heard from Todd, and one of the
18 issues there was waste disposition. We heard
19 yesterday about how the majority of the issues in

10:06:40 20 WTP as far as whether something's going to go to
21 WIPP or not, and waste disposition.

22 In March we had, in our meetings, we, we
23 discussed and we had a presentation from Frank

1 Marcinowski on waste disposition. And they were in
2 their draft form of putting the waste disposition
3 mapping.

4 And I thought we were going to get some
10:07:04 5 follow-up to that. We haven't seen that.

6 We've heard now three people, or
7 yesterday's meetings and now this morning twice,
8 waste disposition has some issues. It has some
9 question.

10:07:17 10 It's been communicated. There is some
11 commentary from some of the Advisory Boards and
12 some of the staff that are working on it.

13 I think we need to paste that again on
14 the Board.

10:07:28 15 THE CHAIR: Um-hum. Okay, good. That's
16 a good suggestion.

17 Terri.

18 MS. LAMB: Mr. Chair, I can provide you
19 the list of the upcoming meetings for the CABs and
10:07:39 20 intergovernmental. We have that list.

21 And I can also inquire as to how Mr.
22 Rispoli expects the Board to interact, as well, --

23 THE CHAIR: Good.

1 MS. LAMB: -- if that will be helpful.

2 THE CHAIR: Good.

3 MR. ALLRED: Mr. Chairman, what's --

4 With the regard to how we interact at those
10:07:57 5 meetings, my understanding was is that, that I was
6 to go there and just listen and to not really take
7 part in that meeting. I think that's a mistake,
8 because they expect us to, to -- Well, I'm not sure
9 what their expectations are, but, but it would seem
10:08:22 10 to me that that is not very good transparency and
11 certainly is not very good communications.

12 I do understand that we should not take
13 place in their deliberations. But I would be
14 interesting to hear Jennifer's take on this, but I,
10:08:38 15 but I think there needs to be a little bit more
16 ability to interact with that Board, or we really
17 don't provide any function to them.

18 So, just -- I think that needs to be
19 clarified in your discussions.

10:08:52 20 THE CHAIR: When you, when you go, when
21 you go back to it, fundamentally our Charter is to
22 provide advice to the Assistant Secretary. So I
23 think that, you know, that's our guiding principle

1 and that's what we're going to do.

2 It, it could come from simply observing,
3 but it, it probably will, will be more fulfilling
4 and, and, and complete if there was more

10:09:13 5 interaction. So we'll, we'll table that, and we'll
6 talk about it, and we'll decide on, on this next
7 meeting in New Mexico.

8 Okay, any other communication on that
9 last one?

10:09:24 10 (Whereupon, no response was had.)

11 THE CHAIR: Okay. If not, the next one
12 is the NAPA Panel.

13 This placeholder on the Agenda was, was
14 predicated on the fact that, well, before we were
10:09:42 15 aware that there was a specific presentation
16 yesterday. So we're quite, obviously, up to speed
17 on NAPA's scope and what they're doing, from Al
18 Kliman's presentation yesterday.

19 I think, as I boil it down, the, the,
10:09:56 20 the probable chore left to do is to decide how to
21 stay up to speed on that; how to internalize it for
22 this Board, and provide any advice to Rispoli. I
23 think there is a challenge in the sense that, as

1 was presented yesterday, communications, obviously,
2 are back to Congress and the Assistant Secretary.

3 So, on this one, based on what was said
4 yesterday, I will also take up with Rispoli how he
10:10:26 5 would like us to interact. One thing that we did
6 talk about was having a monthly conference call
7 just to stay abreast of activities.

8 And I think that, you know, my sense is
9 that that is probably a good way to go, okay? Now,
10:10:40 10 as to how we take the substantive results on that,
11 what we do with it, and how we might revert to
12 Rispoli on it I think is a to-do, yet undetermined.

13 Dennis?

14 MR. FERRIGNO: When I spoke to, when,
10:11:00 15 when I asked the question yesterday to Mr. Kliman,
16 I asked him if the materials that they were
17 producing and presenting both to their
18 congressional delegation and to Mr. Rispoli was
19 public information or sensitive, we were told that
10:11:15 20 the information is really not for public
21 dissemination. However, it, it would be
22 distributed to Mr. Rispoli, and if he, in turn, --

23 THE CHAIR: Um-hum.

1 MR. FERRIGNO: -- wanted to distribute
2 it to his staff and possibly this Board, under
3 whatever provisions one would need, that he could
4 do so.

10:11:35 5 THE CHAIR: Um-hum.

6 MR. FERRIGNO: My recommendation to you,
7 since you're heading this up, Jim, is, in those
8 three specific report drafts, that we get clearance
9 from Mr. Rispoli.

10:11:49 10 And also, obviously, Terri, we have to
11 be under FACA Rules and all that kind of stuff.

12 But, see if we can get those reports in
13 a timely manner that we might be able to, as a
14 Board, review those drafts, and provide commentary
10:12:06 15 not only to Mr. Rispoli, but also to the NAPA

16 Panel, assuming Mr. Rispoli is compliant of that
17 and desirous of that. So that's a thought, anyway.

18 THE CHAIR: No, I, I agree. In fact,
19 when we began the effort and when we heard about
10:12:24 20 the NAPA work, we were all very happy that it was
21 proceeding ahead.

22 Jim, at that point, actually wanted us
23 to be present on that, but that's not process that

1 they follow. And once we learned that, there
2 became a need to figure out another way to
3 communicate and interact.

4 So that's exactly the, the follow-up
10:12:47 5 item that I have with Rispoli, to figure out, you
6 know, would he like us at meetings where those
7 findings are presented or reviewing drafts, that
8 sort of thing. Those are questions we need to take
9 up with him.

10:13:03 10 Other thoughts on that one?

11 (Whereupon, no response was had.)

12 THE CHAIR: Okay. Human Capital
13 management; Dennis Ferrigno, Jim Barnes.

14 MR. FERRIGNO: Just a point of
10:13:15 15 information, and that is the Agenda. There may be
16 a reason why we're skipping Acquisition Management.

17 THE CHAIR: Oh, I'm sorry. My
18 oversight. Right.

19 MR. FERRIGNO: Okay.

10:13:27 20 THE CHAIR: Sorry. Why don't we take
21 Acquisition Management?

22

23 MR. FERRIGNO: Good idea.

1 MR. CHAIR: Brian Estes had to leave
2 this morning early to a family matter, so, Dennis,
3 I think that's, that's yours.

4 MR. FERRIGNO: Right. There's also one
10:13:42 5 other member that has been helping us in the
6 Acquisition Management Subcommittee, and that is
7 you, Jim.

8 And it's duly noted in the report. Now
9 with the addition of Brian, I think we have a good
10:13:54 10 team here to carry out both acquisition and project
11 management, which is under the auspices of the
12 Deputy Assistant Secretary, Jack Surash.

13 If we look at the report, and it is
14 follow-up to the report that Jennifer gave on EMAB
10:14:11 15 outreach, it's in the green file. It's only a
16 one-page report, but I'll try to summarize where we
17 are and what some of the things are that we have
18 actionable items that we are continuing to do.

19 The March meeting identified that with
10:14:26 20 the appointment of Jack Surash as Deputy Assistant
21 Secretary, and I think it was within recent weeks
22 of our March meeting that Jack had taken on that
23 role and responsibility, we had identified some

1 actionable items. One was that we were going to
2 provide Jack all of the historical EMAB draft
3 reports and reports, final reports, as background
4 material in the areas of metrics and acquisition
10:14:58 5 management and contract management strategies,
6 thoughts, ideas, for the last couple of years.
7 And, and Terri took that responsibility
8 to go digging through files and making sure all of
9 the members of EMAB who have been working on those
10:15:14 10 committees electronically or faxed that material
11 over so that way that has been transmitted. And to
12 my knowledge, Terri, I think Jack has received all
13 that information, and his office has received that.
14 MS. LAMB: Yes, that's correct.
10:15:31 15 MR. FERRIGNO: Okay. With regards to
16 some of the actionable items, the second one was
17 that Mr. Rispoli wanted for the near future, both
18 then and, and in future times, that this EMAB
19 Subcommittee would actually interact in a, a way
10:15:49 20 with Jack Surash, obviously under FACA rules, okay?
21 And when we would have meetings, one or
22 two people, Jim and I have been doing that by
23 telephone or in person with Jack and with his

1 staff. We've asked Terri to join us, because
2 obviously we need to comply with the FACA
3 requirements.

4 And that has been done. And the report
10:16:13 5 that we have as far as some of the items here
6 reflects those telephone conversations or reflects
7 those meetings. It reflects those working
8 documents that have been transferred back and forth
9 by e-mail and fax and other matters.

10:16:30 10 But if we look at the thoughts and some
11 of the issues that -- We have seven of them that
12 are on deck with the contracts, excuse me, the
13 Acquisition staff and the, and the project
14 management organization. And we received a fairly
10:16:47 15 detailed presentation yesterday on the 50
16 organization, one, 51, 52, and 53.

17 With regards to the metrics alignment on
18 the performance-based contracting, that material
19 was sent to Jack in subsequent discussions. It had
10:17:07 20 been looked at as maybe we need to revisit to make
21 sure that the spirit of aligning the contracts that
22 are in acquisition process are aligned to the
23 measurements, the performance measurements and the

1 metrics, and then obviously the rewards, to how
2 both DOE is accountable to the Congress, and how
3 DOE is making its subcontractors accountable to
4 itself so there is strict alignment as opposed to
10:17:39 5 where if one metric is in one case below, and in
6 one format, and then reporting above to Congress
7 it's in a different format, we, in the past we've
8 had some of that, those issues.

9 So, that alignment is being very
10:17:55 10 rigorously looked at and reviewed right now, in
11 addition to form a contract to attribute to that.

12 The second item, areas of contract
13 specialty focus, it is, I think, the Department' s
14 desire to get the best talent that they can get in,
10:18:14 15 both within the organization and its subcontractor
16 organizations working for the Department in their
17 various missions. In some cases, the acquisition
18 strategy is reviewing the areas of specialty
19 capability.

10:18:32 20 A good example would be the one that we
21 discussed in Savannah River where some of the waste
22 and tank farm is an area of specialty capability
23 and, complementing the mission support, which is

1 not so specialized in those high-level waste tanks.

2 And we visited that in March.

3 Taking that theme to the next degree, I

4 think the Department is looking at when it is

10:19:01 5 appropriate, they would want to focus on specialty

6 capability, and essentially segregate, no, excuse

7 me, separate those kinds of needs so they can

8 attract those specialty-type contractor

9 capabilities. And obviously it requires a little

10:19:19 10 more integration on the part of the Department of

11 Energy, but the benefits of getting specialists

12 that are essentially focusing on that might be

13 paying some very good dividends.

14 So, that's an area that, in mission

10:19:35 15 support. And that's an area that they've been

16 looking at in mission support and some of the

17 specialty capabilities in carrying out the

18 foregoing, the future missions.

19 The next item is an item actually that

10:19:49 20 Steve had brought up in the March meeting, and we

21 had discussions. Steve and I have had discussions.

22 And we were intending to have

23 discussions with Steve and I and Jack. However, I

1 think it was supposed to be in June sometime, and
2 you had gotten waylaid.

3 And might be some of the things that we
4 now know, but I tried to carry the water on that
10:20:16 5 one. So, Steve, I might ask some help if we need
6 some clarification on some of the issues.

7 But for performance-based contracting,
8 we, we see that there needs to be an orientation of
9 not driving contractor on an M&O-type basis and
10:20:35 10 oversight. Managing the contract, not the
11 contractors, is a very preferred strategy.

12 I don't think we're saying, "DOE, get
13 out of their way." That's not what's being said
14 here.

10:20:46 15 But it is saying that if we're bringing
16 on some performance-based contracting, and we're
17 bringing on very specialized talent in certain
18 areas in closure, that we need to allow them the
19 flexibility to bring that expertise and talent, and
10:21:04 20 not -- obviously in compliance to regulations and
21 compliance to contract and that, but essentially
22 let them do their job.

23 Steve, you probably have some added

1 comments in that area.

2 MR. ALLRED: Yeah. This, I've tried to
3 figure out why this is happening. And it's not --

4 MR. FERRIGNO: You need to turn the mic
10:21:19 5 on.

6 MR. ALLRED: It's not just at a single
7 site, because I've talked to several contractors,
8 and observed DOE in a couple different situations.
9 And what I've concluded is that what's causing
10:21:37 10 this, even though we have people trained to manage
11 these percent-, these performance-based contracts,
12 is a tendency on the part of -- and I'm not saying
13 Headquarters, and not only within EM, but much
14 broader than that. -- to be risk adverse.

10:22:04 15 And that aversion to risk is tending to
16 cause the field, I think, to be in a mode where
17 they're telling the contractor more than perhaps
18 they should as to what to do. And because of that,
19 I think it's also causing the contractors to be
10:22:26 20 less risk averse.

21 And it's in, it's in a number of issues.
22 It's in certainly safety.

23 And I don't want to depreciate the need

1 to be safe. But the reaction sometimes to a safety
2 incident I think feeds this.

3 And again, it's not necessarily coming
4 out of the sites. I think it's more coming out of,
10:22:52 5 of, of Headquarters.

6 And I think what we do by that, what --
7 The disadvantage of what's happening is that
8 performance-based contracts were, were instigated
9 so that there was more innovation and an incentive
10:23:17 10 to try new things.

11 And I think what, at least, in my
12 opinion, what's happening is this pressure to be no
13 risk or risk aversive is causing people not to do
14 what the Contracts were designed to do. And maybe
10:23:32 15 that's human nature.

16 Maybe it's part of the process. But I
17 think it's something that DOE really needs to guard
18 against if they want to get the maximum advantage
19 out of these performance-based, -based Contracts.

10:23:48 20 And that's, that's not something that
21 you normally see happening. I think that both you
22 and I in, in private industry, it's characteristic
23 of government operations.

1 I don't know how to solve that issue
2 other than to perhaps question what's going on.
3 And hopefully DOE itself will, will look at that
4 issue, and how to be, how to not create the
10:24:14 5 disincentive that I think's being created .

6 And it's not an issue with a particular
7 contractor or contract. I think it's a broader
8 issue just in reaction to Headquarters.

9 MR. FERRIGNO: Okay, thank you.

10:24:25 10 One of these areas with Steve going to
11 other dep-, other agency, maybe that's something
12 that Brian might be able to focus on as we continue
13 that discussion. Because I think that area does
14 require a little more attention, and some, and it
10:24:42 15 has some merit for payback.

16 Change management: Jack and I have
17 talked about that. And, Jim, we have talked about
18 this.

19 There has been a number of recent
10:24:54 20 situations where awards have been made, and then
21 all of a sudden delays in awards cause the scopes
22 to be changing. And the process makes an award,
23 and then a realignment of baseline establishes very

1 significantly different targets or goals and
2 objectives with regards to financing, with regards
3 to size of project, regards to characterization of
4 what's there, et cetera; all of the classical
10:25:25 5 things of change.

6 This is an area that we need to really
7 drill down on. And that is, have the appropriate
8 contract form for areas that are well-defined, and
9 when they are not well-defined, have the
10:25:40 10 appropriate Contract form that adds a lot of
11 flexibility.

12 And the, the change management process
13 needs to be rigorous, it needs to be complimentary,
14 and it needs to be focused on the kinds of work
10:25:55 15 that we are doing. An area that is, is fraught
16 with problems if it's done poorly, and it's an area
17 that is a reality in project management.

18 So, it's, it's always going to be there.
19 And it's a continual effort.

10:26:13 20 But we really need to spend some extra
21 effort now, especially with the Department in
22 its -- We know two offices are going through a
23 complete change-over of procurement. Probably

1 represents half of the entire budget of the EM
2 program budget.

3 So, these are things that I think are
4 very important to the Department, and need to be,
10:26:37 5 have a strong attention.

6 THE CHAIR: I would add that every time
7 we visit communities like this, the input that we
8 receive from the contracting community is uniformly
9 one of frustration around this process. And, you
10:26:56 10 know, I, I, I heard about it during this trip, and
11 I've heard about it in almost every other
12 circumstance, where the contracting community,
13 while admittedly has a vested interest,
14 nonetheless, there's a very consistent theme around
10:26:58 15 this.

16 And the cost of the waste and the
17 inefficient, inefficiency attendant to, to this
18 problem is, is enormous. And I, I think,
19 personally think this is one of the areas that
10:27:15 20 caused Rispoli to set up a specific function now
21 handled by Jack to, to, to manage this process a
22 lot better.

23 This is a major, major area of, of, of

1 difficulty and inefficiency.

2 MR. FERRIGNO: Well, when we look at the
3 project, WTP project that we've seen -- And, and
4 for right or maybe not so right reasons, we're not
10:27:45 5 here to even say they're right or wrong. The fact
6 is is that a budget is going to grow.

7 And Congress needs to appropriate
8 additional funds to be able to build a facility to
9 carry out the mission. That change is about 25
10:28:00 10 percent or more of the original authorization for
11 that facility, which is a huge amount of funds in
12 contracting dollars.

13 And so it behooves us as a, as a
14 Department to really make sure that we're going in
10:28:19 15 the right direction.

16 Small-business contracting, financing,
17 and cash flow: I've had a, a number of discussions
18 with folks on EMAB and also outside EMAB in the
19 small-business community.

10:28:37 20 There is hesitation in some cases for
21 small businesses to be pursuing large DOE
22 contracts. And the reason being is, is that it
23 really takes quite a bit of grub stake to be able

1 to weather the period of contracting and the amount
2 of funds that are necessary to bid some of these
3 jobs.

4 But let's assume the small businesses
10:29:06 5 are awarded the work. Then where they have a
6 situation is is carrying the cash flow necessary to
7 operate the contracts.

8 Now, some small businesses are larger
9 than other small businesses. We have varying
10:29:21 10 degrees of small businesses.

11 But in any of the cases, I've talked to
12 some of the CEOs of small businesses, and one of
13 their requests was -- And, and maybe large
14 businesses would want this, too.

10:29:34 15 But -- And there are vehicles to do
16 this. But, with regards to the small businesses,
17 where they are looking to take offer-of-magnitudes
18 possible growth if they're awarded these type
19 contracts, they're looking for ways of either
10:29:49 20 having lines of credit or having some sort of
21 zero-balance banking, or some methodology where
22 their financial balance sheet, which is limited, in
23 many cases, is not stressed to the point where they

1 can't do other business because they no longer have
2 any financial capital to do other business.

3 What I'm saying is is that maybe they're
4 swallowing a little too much; maybe not. That's
10:30:21 5 their decision.

6 But, if we want to encourage small
7 businesses in this arena of larger-type projects
8 than possibly they're used to, we may need to look
9 at how we can structure cash flow assistance, how
10:30:36 10 we can structure their financial backing so that
11 they can go to their financial institutions and get
12 the proper funding necessary to be able to support
13 their employee and their cost of capital and
14 capital employee for the projects.

10:30:58 15 We had an open-action item with Kay Rash
16 (phonetic). I met with her at the Small Business
17 Conference.

18 She is going to look into what the
19 Department and other agencies have been doing and
10:31:10 20 what they're talking about possibly doing to see if
21 there's any methodology contractually that they
22 could provide to give some assistance in this area.
23 We have not received that report yet or action from

1 Kay, but for the record, Kay is taking that on and
2 we're looking forward to seeing her response.

3 THE CHAIR: There, there are a number
4 of, of established techniques that have been used
10:31:33 5 for a very long time on enhancing the credit
6 position of, of contractors and cash-flow cycles.
7 And I wouldn't say the technology is as old as the
8 hills, but it's very established.

9 So, for me, you know, it would be
10:31:46 10 interesting to see how governmental rules or
11 procurement rules might, might interact with what,
12 what, what we might consider fairly established
13 techniques with lock boxes and fund transfer
14 agreements and, you know, pledges of, of various
10:32:01 15 things, and Letters of Credit.

16 So, so I think all the techniques are
17 there. We know them.

18 It's a question of whether this can be
19 implemented within this legal framework. And
10:32:10 20 that's why we'll wait for Kay to come back to us.

21 MR. FERRIGNO: Yes.

22 THE CHAIR: Um-hum.

23 MR. FERRIGNO: A couple comments from

1 some of the companies and, and some outside
2 discussions was that sometimes the small businesses
3 are more fragile than what DOE is used to. And we
4 would not want to put such stress on a small
10:32:31 5 business to the point where we award a Contract,
6 and because of our process we're, we're putting the
7 company in jeopardy of its financial ability to
8 exist.

9 THE CHAIR: Um-hum.

10:32:45 10 MR. FERRIGNO: That might be more
11 dramatic than normal, but I did hear those
12 comments.

13 THE CHAIR: Yep. Okay.

14 MR. FERRIGNO: Guaranteed closure
10:32:53 15 contracts: We heard a little bit from that from
16 Jack, and I'm personally excited.

17 This is a campaign that EMAB has been
18 talking to DOE about for the last three or four
19 years. And Jack brings a very fresh perspective.

10:33:10 20 And coming from the DOD side, or at
21 least from the Navy side, his background, I think
22 there's going to be a lot more comfort level of
23 seeing what the DOD has been doing in the area of

1 guaranteed closure contracts with warranty
2 insurance and provisions. Where appropriate,
3 obviously scope needs to be very well-defined,
4 closure site needs to be well-defined,
10:33:36 5 well-established as far as a closure site.

6 This is an area that's going to take a
7 little bit of work. It may even take a special
8 subcommittee just on this type of work.

9 But it does provide some really good
10:33:49 10 opportunity. With regards to acquisition strategy,
11 we heard yesterday from Jack.

12 This is a, a, an item that we've been
13 talking to in establishing a public schedule on
14 when we expect acquisitions, where they are, what
10:34:05 15 their budgets are, maybe even going as far as who
16 the points of contact are. So that way we can
17 encourage the contractor community to prepare the
18 proper resources, the proper teamings, and
19 essentially treat the procurements from the DOE
10:34:23 20 side as a project with known criteria, known start,
21 known end, hear the resources, yawdee, yawdee,
22 yawdee.

23 THE CHAIR: This is in the same category

1 of predictability again. The, the community of
2 contractors who work on that screen for
3 predictability, staying with the calendar, having a
4 predictable process and outcomes.

10:34:46 5 So, it's, to me they're all kind of like
6 together.

7 MR. FERRIGNO: Okay, that, that's my
8 report.

9 THE CHAIR: Okay.

10:34:54 10 MR. FERRIGNO: It's open for questions.
11 But Brian's not here.

12 But Jim, did you, I know you've been
13 interacting with me. As we go --

14 THE CHAIR: No, I did. Yeah, this is a
10:35:02 15 target-rich opportunity.

16 MR. FERRIGNO: Yeah.

17 THE CHAIR: I'll tell you, this, this is
18 an important area of which we will continue to

19 press. It's also an area that I suspect the NAPA
10:35:08 20 folks will touch on as, as they do their work in
21 the procurement process.

22 So I think that's probably enough said
23 on that. And that's --

1 MR. SWINDLE: Jim, Jim, --

2 THE CHAIR: Yeah.

3 MR. SWINDLE: -- just as a, as a note to
4 follow on, I guess. And Dennis, as, as we
10:35:19 5 discussed very briefly with Jack yesterday, one of
6 the elements that's reflected from Dennis's or, and
7 Brian's report is that there is a, a lack of, let's
8 call it standardization or clarity in terms of when
9 is it appropriate for a small business contract to
10:35:38 10 be utilized, and even then, what types of contracts
11 would be utilized?

12 THE CHAIR: Um-hum. Yeah.

13 MR. SWINDLE: And, and I think we are in
14 a position as a (sic) Advisory Board, that we can,
10:35:50 15 and would encourage for future discussion in a
16 moment, that we can, several of us would be, and
17 should, in fact, help put some boundaries. And I
18 realize these are coming from a practical
19 standpoint, not a regulatory standpoint.

10:36:04 20 But I think it's the combination of two
21 elements that could help very effectively the
22 Department be more effective in both encouraging
23 small business and not bankrupting small

1 businesses, okay?

2 THE CHAIR: Yeah. I, I was struck
3 yesterday, without being dramatic, that there, you
4 know, I, I just assumed that there were more
10:36:21 5 specific criteria and screens applied for when a
6 job was determined fit for small business.

7 And there, there must be, but in, in the
8 conversation yesterday it, it, it certainly didn't
9 seem very specific to me.

10:36:39 10 MR. SWINDLE: Well, and I, I, I think
11 the objective, I think, that we, well, at least
12 from a more personal perspective, is to eliminate
13 some of the arbitrariness out, out of -- You know,
14 someone obviously made a conversa-, or a incision
10:36:53 15 yesterday as we listened to Jack about whatever
16 analysis, again, flawed perhaps, perhaps not, but
17 to have it to get to that level, and then at the
18 last minute all that work go forward and find out
19 that it wasn't, you know, that, you know, clearly
10:37:08 20 on a, on a moment's notice, and again, not a
21 criticism of Jack, that a decision was made up,
22 "Let's just go small business," which changed the
23 whole procurement cycle.

1 So it's, it's, it's unfair to industry.

2 THE CHAIR: Yeah. And yet we also heard
3 that it's going to be difficult to achieve the
4 goals. So I think it was sort of asked and

10:37:26 5 answered in that respect.

6 MR. FERRIGNO: I, I probably would want
7 us to table this dialogue when we get into the
8 small business report, --

9 THE CHAIR: Yeah.

10:37:31 10 MR. FERRIGNO: -- because this is one of
11 the items in that.

12 THE CHAIR: Yeah. Yeah.

13 Well, that's actually the one after the
14 following one, so --

10:37:33 15 MR. FERRIGNO: Right.

16 THE CHAIR: -- why don't you take that
17 right now and we can wrap up that topic.

18 MR. FERRIGNO: Take the small business?

19 THE CHAIR: Yeah, right. And then we'll
10:37:40 20 come back to the human capital management.

21 MR. FERRIGNO: Thank you, Jim.

22 THE CHAIR: See, I'm looking at the
23 Agenda here. Finally.

1 SMALL BUSINESS ENGAGEMENT

2 MR. FERRIGNO: Okay. If you look in
3 your book past the Human Capital presentation, and
4 go to the Trip Report, which we're using as the
10:38:03 5 basis of discussion for this report, for the
6 status, with regards to small business, I have been
7 working with a number -- Dave and I have been
8 having discussions, and, and we had Terri, even
9 though she's not with EMAB as far as an EMAB
10:38:23 10 adviser, Terri joined me and we went to the Small
11 Business Conference that was held in Seattle this
12 past June.

13 It was June twenty-seventh through the
14 thirtieth. This is the seventh conference that
10:38:40 15 the, the DOE Office of Small and Disadvantaged
16 Business Utilization.

17 And it has a very large acronym tied to
18 it. I won't even dare try to use that acronym.

19 But essentially this is the DOE's
10:38:54 20 organization that interacts with the SBA and their
21 small-business community to encourage
22 small-business participation, to be advocates for
23 small business, to allow small businesses comfort

1 previous couple of years there were a number of
2 small-business initiatives that went through some
3 very long periods of evaluation and award. And I'm
4 talking about Portsmouth and Paducah, as far as
10:40:35 5 those procurements.

6 We saw both projects being protested.
7 And we saw some interaction and some follow-up
8 actions on one of them for a rebid of the project
9 to those who were, originally submitted their
10:40:55 10 offers.

11 So, I was a little concerned would there
12 be a waning of the troops. But there wasn't.

13 There were 1,400 people, and obviously
14 the Budget speaks for itself. So there is a
10:41:12 15 community out there, very capable community that is
16 interested in supporting the Department and its
17 needs, both not just from EM, but also from the,
18 the energy side, the NNSA side, the OCRM RW side,
19 and obviously science.

10:41:29 20 It's recommended that for small
21 business, that, and for EM and other DOE agencies,
22 have some sort of a DAS-level representation for
23 small business at the, at the meeting. What we

1 noticed was is that DOE EM has been extremely busy,
2 and by a lot of initiatives that we've seen here.

3 And, unfortunately, timing, personal
4 issues, corporate issues, whatever, we have

10:41:59 5 recommended to, to this Board and to Jim that next,
6 next year that we can try to get some DAS-level
7 participation. The M&O contractors attended.

8 Obviously they had a reason for that; to
9 make sure that their programs were articulated well
10:42:22 10 to the small businesses, that they would be able to
11 encourage folks to support their mission. The
12 offices that were there: GSA, DOD, Transportation,
13 and obviously the SBA.

14 There's a web site that you can go on.
10:42:37 15 You all have the Trip Report.

16 You can go on that web site. There is a
17 Small Business Conference that is going to be held
18 next year about the same timeframe.

19 I don't have any details. We can surely
10:42:49 20 get this to this Board, that if somebody wants to
21 relieve me or Terri -- Well, I think Terri has to
22 go.

23 Please. It's open.

1 necessarily be alignment with EM.

2 MR. FERRIGNO: I agree.

3 MR. SWINDLE: I think that goes back to
4 a point earlier.

10:44:00 5 THE CHAIR: I asked the question
6 yesterday: Who owns the small-business goal?

7 MR. SWINDLE: Correct.

8 THE CHAIR: And, of course, the DOE at
9 large owns the small-business goal, but, you know,
10:44:08 10 I, I don't, I didn't get a sense that there was

11 clear alignment or, you know, delineation of how
12 much might come from each of the programs.

13 And I also didn't get a clear sense of,
14 of how well the large-company mentoring programs

10:44:24 15 might be working to bring along of the small and
16 disadvantaged businesses. I, I actually manage one
17 of those myself, and, you know, I, that takes a lot
18 of work.

19 MR. FERRIGNO: You're talking about the
10:44:34 20 mentor/protegee programs?

21 THE CHAIR: Yeah, mentor/protegee
22 programs. So I, you know, I mean, I'm not sure how
23 the DOE prime contracts might have flow-down

1 provisions that have, you know, primes effectively
2 committing to some of the goals --

3 MR. FERRIGNO: Well, you know, --

4 THE CHAIR: -- around that. So --

10:44:51 5 MR. FERRIGNO: -- there's been a, a
6 significant shift from the goals being both prime
7 and sublevel, now to the only thing counted really
8 in DOE, not that they don't want to do the others,
9 because they do. But the only thing counted really
10:45:09 10 is what the prime contracts are.

11 And that's been a decision that's been
12 made by, you know, some of the accountability
13 groups --

14 THE CHAIR: Why wouldn't they, why
10:45:17 15 wouldn't they count contracts directly between the
16 DOE and the small businesses?

17 MR. FERRIGNO: Well, they have in the
18 past, but that's not the way it's going now.

19 THE CHAIR: That's kind of odd.

10:45:25 20 MR. FERRIGNO: They would only count
21 what's directly to DOE.

22 MR. SWINDLE: The whole program's odd.

23 MR. FERRIGNO: Well, I don't -- I, as,

1 as probably a comment to someone else yesterday,
2 you know, whether we agree or disagree with their
3 goals or whatever, their goals are their goals, and
4 they're being driven -- DOE is accountable to drive
10:45:45 5 the Administration's directives, and that is what
6 they're doing.

7 THE CHAIR: Well, right. Well, when I
8 also asked the question yesterday what would, what
9 would the metrics of the procurement office be,
10:45:55 10 the, you know, the EM-50, I fully expected one
11 metric to be, you know, \$60 million, or whatever
12 the X number was, per year of contract placements
13 with this community. But --

14 MR. FERRIGNO: I believe they have those
10:46:08 15 metrics, but I don't think Jack was prepared to put
16 that on public record.

17 THE CHAIR: Okay. All right.

18 MR. FERRIGNO: Okay? We talked about
19 the financing, so I won't deal with that.

10:46:19 20 As I said, the Trip Report is here. It
21 deals with the small-business initiatives.

22 This entire program, as far as DOE and
23 its prime contracts, and what it's going to do in

1 2008, -9, -10, is again a fertile area of
2 significant need of input because they've got to
3 decide: How big are the contracts?

4 How much is DOE going to become an
10:46:48 5 integrator? Because the more prime contracts you
6 have, all of a sudden, you know, you have a
7 diminishing number of sites, and you've got site
8 accountability and responsibility for the sites
9 vested to a few organizations.

10:47:03 10 So, changing that, and dividing it up
11 because of small business, in addition to specialty
12 areas, the complexity of management may need to be
13 visited as far as not being overwhelming, and being
14 sustainable and controllable.

10:47:23 15 THE CHAIR: Okay. Is that it?

16 MR. FERRIGNO: Yeah. Open to comment.

17 THE CHAIR: All right.

18 MR. FERRIGNO: You have the Report, so

19 --

10:47:32 20 THE CHAIR: Yeah. Thanks very much.

21 Any comments on -- Let's take the last

22 two. Oh, sorry.

23 Lorraine, and Paul.

1 MS. ANDERSON: You know, I'm -- Coming
2 from a small-business background I think it's
3 great. But I think we shouldn't lose sight of the
4 overall, overall goal for EM, which is to clean up
10:47:55 5 the sites.

6 I think Dennis made some good points in,
7 in how perhaps small businesses need to be
8 reinforced so they can, financially, so they can
9 meet the goals of their contract, but I think
10:48:14 10 yesterday we did hear there was some concern among
11 the community about whether or not the overall
12 goals of the EM will be met with a small-business
13 prime contract.

14 I think there should be some flexibility
10:48:31 15 within the process to recognize those small
16 businesses that are perhaps capable of fulfilling a
17 contract, and, and also to be able to use small
18 businesses as some, as subcontractors. So I think,
19 you know, there's not enough evidence for me to
10:48:57 20 think that we can just switch over to awarding
21 small-business contracts without some concern.

22 THE CHAIR: I, I was personally, you
23 know, one of the take-aways from the site visit was

1 the small-business contractor we met at the, at the
2 mockup tank who were designing and manufacturing
3 the highly sophisticated robotic tools, the Mantis
4 and the others. I believe that was a Denver-based
10:49:30 5 small-business entity that was doing some very,
6 very sophisticated work.

7 I mean, we, maybe that's quite unusual,
8 but it was impressive to me.

9 MR. FERRIGNO: No, actually that's more
10:49:42 10 common, because there's the specialty area, and
11 there's a tool. Where it would be unique is if you
12 drill that, not that company, but let's say they
13 have a technology and we say, "Okay, we'd like you
14 for two years to go do tank cleanup."

10:49:56 15 All of a sudden you have 15 men that
16 have a technology that have to add 200 people to go
17 do tank cleanups. That doesn't make sense.

18 And, and I -- They're not going that
19 way, okay? But you've got to keep it all in
10:50:06 20 perspective.

21 THE CHAIR: Sure.

22 Paul?

23 MR. DABBAR: I, I, I had a comment back

1 on the last topic, I mean, if that's --

2 THE CHAIR: Right.

3 MR. DABBAR: -- around, around
4 acquisition management in general.

10:50:15 5 THE CHAIR: Right.

6 MR. DABBAR: What -- A, a comment I
7 would like to make is that across many of the
8 things discussed around this topic yesterday and
9 today that's kind of underlying a lot of these
10:50:26 10 points is, has to deal with the financial issues.

11 But it's always been kind of an undercurrent,
12 rather than something that's overt.

13 That, you know, period, at least we
14 heard, at least around the budgeting process
10:50:40 15 yesterday about expectations of future
16 appropriations and how it was going to drop, and
17 how, you know, that's the expectations of what's
18 going happen, and a, and in a, in a (sic)
19 underlying tone of, you know, it might be a little
10:50:52 20 bit challenging to try to, to move that back up.

21 And within that context, and being the
22 banker here, you know, to talk about budgeting,
23 whenever, whenever companies are out there looking

1 to clean up a waste site, G.E. looking to clean up
2 issues that it's had in the past, or someone's
3 trying to build a chemical plant, or so on, you
4 know, in general people are talking about cost and
10:51:15 5 timing and cost delays.

6 You know, very forefront. But every
7 time that, that something is brought up in terms
8 of, of change in scope and so on and so forth.

9 And, and I'll give, I'll give another
10:51:29 10 example around, around decommissioning of nuclear
11 power plants. This is something that NRC does and
12 all the commercial reactor owners have is that they
13 have, they have, when they do estimates around the
14 cost structure, they have something called a
10:51:44 15 liability inflation growth rate, which reads
16 they're estimating, you know, over time when things
17 get delayed or, you know, it takes longer, of the
18 different components of the cost structure, the
19 human costs, the rad waste disposal cost, what is
10:52:03 20 in general called the energy costs.

21 And these are some NRC equations that
22 are out there, you know, that, that, that they're
23 very cognizant of their expectations of those

1 growth rates. And, you know, I would just, I would
2 just like to, you know, as, as we kind of go
3 forward here and further develop this topic and,
4 and, and through future meetings, I would, I think
10:52:26 5 it would be helpful to start, you know, having that
6 as part of the conversation, I think, given some of
7 the, some of the past issues around recontracting
8 and so on.

9 THE CHAIR: If you had a sound bite,
10:52:38 10 what would the topic be so we can put it on our
11 follow-up list?

12 MR. DABBAR: Yeah. You know, I think, I
13 think the topic would be, you know, a discussion
14 around cost estimates and changes in scope, and,
10:52:53 15 and how the cost and budgeting process evaluates
16 that dollar amount.

17 I know that's not, not a perfect bullet,
18 but I think some of the comments that at least I've
19 heard around how, you know, that, that this, this
10:53:12 20 agency gets comped against other agencies in terms
21 of expectations and change orders and budgets and
22 how do you hit budgets, you know, it would be good
23 -- I don't, I, I certainly don't fully understand,

1 you know, the scope of how, how EM is comped to
2 other, other DOE or, or DOD, or so on, sort of
3 projects, and how it's perceived.

4 And then try to, you know, try to
10:53:40 5 understand maybe variances in the past, why there's
6 been variances around costs. And maybe kind of
7 learn about, you know -- And I think we were
8 touching on all this, but I think actually talking
9 about dollars.

10:53:55 10 So, at the end of the day, delay costs
11 money.

12 THE CHAIR: Okay. Okay.

13 MR. DABBAR: At least from my, you know,
14 my perception of many large projects globally,
10:54:06 15 whether it's building of dams or whatever, that
16 delay itself costs money.

17 You have people sitting around. You
18 have fixed costs of equipment and so on sitting
19 around.

10:54:15 20 And, and, and at the end of the day you
21 want to try to optimize, because if you have a
22 fixed budget, EM has a fixed budget, or somewhat
23 fixed budget, with, you know, with only small

1 variances of maybe extra appropriation, it behooves
2 everybody that if we, if we understand, if we're
3 trying to change things and how things are being
4 budgeted so that the mortgage costs and the
10:54:38 5 life-cycle costs are minimized, and also things can
6 get, you know, from a timing point of view happen
7 faster, which I think is a goal for everybody.

8 And money's the, money's the limiting
9 factor at the end of the day of how fast things get
10:54:50 10 done. The better it's managed, the better that
11 everybody are.

12 THE CHAIR: Well stated.

13 Steve, do you have a follow-up to that?

14 MR. ALLRED: The -- We talked about this
10:55:01 15 before, and it came up, I think, yesterday or
16 during the tour, this failure to include
17 contingencies in baselines and estimates. You
18 know, I think it, it, it's a problem.

19 And I think it, it misleads and it, it
10:55:17 20 implies inaccuracy to people on the outside that
21 just isn't there. And so I guess I'd like to begin
22 to see us, see the Board bring that up and to talk
23 with, with the EM-1.

1 --

2 MR. FERRIGNO: I'm not going to go
3 through all the slides.

4 THE CHAIR: -- the next two in about 15,
10:56:36 5 20 minutes max.

6 MR. FERRIGNO: Yeah. Well, I think I'm
7 going to do this, like, in --

8 Terri, tell me when it's eight minutes.

9 HUMAN CAPITAL MANAGEMENT:

10:56:44 10 MR. FERRIGNO: Okay, just moving to the
11 next slide, Jim and I are part of this
12 subcommittee.

13 Essentially our report deals with the
14 background, the capital plan, and some issues and
10:56:56 15 thoughts.

16 Let's go to the next one.

17 With regards to the EMAB meeting that we
18 had in March, there were six areas that we wanted
19 to review: morale, planning, certification,
10:57:10 20 mentoring, staffing, and competing industries. You
21 have this report.

22 These, some of these were addressed in
23 detail yesterday. Some may require a little more

1 effort.

2 Please go to the next slide.

3 This is just the actionable item that
4 was in our, our, our packet.

10:57:28 5 Next one, please.

6 Okay. A survey was completed or at
7 least put out in June of this year.

8 The survey dealt with human capital
9 issues, trying to be proactive, and it was. We
10:57:43 10 don't know the results yet of those surveys.

11 Next slide.

12 After we have that survey result we
13 probably have a lot more information to look at
14 what we think, the Human Capital survey.

10:57:56 15 Participation rate of the survey system-wide for
16 the Department of Energy was 57 percent.

17 That was 13,000 survey employee
18 population we're dealing with here. And 47
19 subagency, 47 subagencies achieved a participation
10:58:13 20 right equal to or greater than 50 percent.

21 So, the point is is that the survey
22 results will be used to identify strengths,
23 challenges, change strategies, help improve DOE

1 work environment. And you've got a fairly good
2 population to be able to draw those conclusions.

3 Next slide, please.

4 And, and that was the survey that went
10:58:32 5 out. I just put that in there.

6 Please, next slide.

7 One of the other subjects we dealt with
8 in review was morale, and, excuse me, mentoring.

9 And in that we were able to see that the Office of
10:58:47 10 Human Capital Management Innovation Solutions has
11 had a mentoring program for the last three years.

12 The details of that program were
13 identified here. It's supposed to be a 12-month
14 program in which a mentor and a protegee are put
10:59:05 15 together and they have meaningful discussions,
16 actions, et cetera.

17 It's primarily a voluntary program.
18 However, if one wants to go up the scale to SES
19 level, it's something that is prescribed that you
10:59:20 20 need to do.

21 Next slide, please.

22 There's a point of contact for mentoring
23 that's here, Karen Lurma (phonetic). Karen is in

1 the Albuquerque Office.

2 However, she's attached to the HR
3 Department in Headquarters, and she's part of the
4 Office of Innovation Solutions, Enterprise Training
10:59:39 5 Services. Much of the information that I have
6 based on what monitoring program at DOE is came
7 from Karen.

8 Please, next slide.

9 So, you know, if there's a question or
10:59:47 10 if I've done something here that is not quite right
11 and I think there's a question on the 50 SES
12 openings, I would ask that you go directly to the
13 source.

14 As I said, the problem's been in
11:00:00 15 existence for three years. It's a one-year
16 participation.

17 It's facilitator-driven. It's had a
18 very slow start.

19 They've tried to reinject this past
11:00:11 20 July. Karen just took over the program in July.

21 There was another leader of the program
22 three years prior to that. There are nine programs
23 that are endorsing the mentoring program.

1 The program does not appear to be officially linked
2 on career development, other, as I said, than the
3 SES thing.

4 They didn't have a strategic plan.

11:01:34 5 They're working on one.

6 I found that kind of interesting, not in
7 a negative comment that the program's been in place
8 a while, but we did not really articulate what the
9 mission, vision, and goals were in that structure.

11:01:48 10 In a communication phase it would be helpful to
11 have the Assistant Secretary of, or a DIS-level
12 endorsement, an encouragement to the employee to
13 participate.

14 In training, we heard a lot about
11:02:04 15 training. I don't think I even want to talk about
16 that at this point as far as background, so let's
17 skip over that.

18 We heard -- We saw yesterday that the
19 human capital --

11:02:13 20 Please, next slide. Next one.

21 Next one. Yeah, that's good.

22 We saw yesterday a presentation on human
23 capital. There's some issues, though.

1 The plan appears to be thorough and
2 thought out. I, I like the idea, and Jim, you and
3 I both talked about this, is that whenever you do
4 plans, if you can do it with your own staff, you've
11:02:34 5 already bought in.

6 And, and that's exactly what happened
7 with here, in this case. And the Department's to
8 be complicated for, complimented to do that.

9 Please strike that other word.

11:02:45 10 Okay. The Plan has not fully addressed
11 morale in the demographics.

12 However, in review and meetings with
13 Fiore and others, they feel that because the
14 workload has engaged a number of folks, that the
11:03:00 15 morale has been picking up and it's in a positive
16 vein. Also I believe it has a lot to do with Jim
17 Rispoli's leadership and his team.

18 The Plan briefly addresses staffing, new
19 replacement staff, gap, et cetera. However, you'll
11:03:17 20 see later in, in the report here we feel that the
21 impacts of competition, both within agencies and
22 the federal programs, as well as commercial
23 programs and nuclear, et cetera, are, are not

1 really addressed or are weak at best in this Plan,
2 and that should be really revisited, because we
3 think the numbers are going to impact, or the
4 potential risk of those numbers are going to impact
11:03:42 5 significantly.

6 The report was issued officially July
7 fourteenth. They plan to revisit it each year.

8 And the Plan is a basis for staff
9 metrics goals and resonance. And this is in the
11:03:54 10 process of being articulated.

11 Please go to the next slide, the one
12 after that. We talked about them --.

13 Areas that EM may want to additionally
14 spend extra time, retraining and resources should
11:04:08 15 be more explored. And that would be in a
16 transitional thing.

17 So if somebody's in one area in one
18 field site or one office, and there's a need in
19 another area, they don't have necessarily all the
11:04:22 20 requisite skills, is there a deliberate plan to
21 reutilize those seasoned, veteraned project
22 managers, and give them maybe some of the skills
23 that they can go and fill some fairly high-level

1 positions at other sites?

2 That needs to be reviewed in the Plan.

3 It's not addressed.

4 The actual personnel execution, who the

11:04:41 5 point of contact is for metrics and performance

6 fitness report was not at all addressed in the Plan

7 and it's something that should be done.

8 In summary, thoughts about the Plan,

9 there are areas of added focus that could be added.

11:04:53 10 However, the basic Human Capital Plan is concise.

11 It established needs and priority, and

12 will provide documentation for that accountability.

13 Some recommendations in Human Capital: Publish a

14 human capital survey results quickly.

11:05:08 15 It hasn't been published yet. That

16 needs to get out pretty quickly.

17 The mentoring program should be more

18 than a voluntary program. Establish some

19 participation in recognition and reward and

11:05:19 20 performance review.

21 Training seems quite aggressive.

22 However, training with mentored application is

23 really the ideal, and it is not connected to the

1 Mentor Program.

2 The Plan should increase areas of focus
3 and morale, accountability and plan metrics. There
4 are other recommendations --

11:05:36 5 Please, next slide.

6 -- that we have.

7 I've had some discussions with other
8 folks in the Department, and there's a number of
9 off-the-Record discussions with staff. We have not

11:05:49 10 drilled down each one of these.

11 This is more of a catch list. Are they
12 valid?

13 I saw some that were discussed in
14 Jennifer's report, by the way, which shows a little

11:06:01 15 bit of maybe there is a common theme here. But we
16 need to maybe drill down on these and follow them
17 up with the staff.

18 So, I leave them here for the staff to
19 review.

11:06:15 20 Next slide, please.

21 And I'm not going to go through these
22 because, as I said, they should be really
23 validated, and this is something we should be

1 doing.

2 In summary, EM is commended for the
3 proactive Human Capital Program. The challenges
4 are significant.

11:06:33 5 EM executive management are opening
6 addressing the challenges. They're the right
7 people for the right job, which is really to be
8 commended.

9 The NAPA Study, Al should review this
11:06:42 10 material and maybe vet out areas of specific
11 improvements.

12 Now that I know who you are and what
13 your team is doing, I'm very confident -- Where's
14 Al? Oh, there he is. Okay. -- that this will be
11:06:51 15 done.

16 EMAB should continue to monitor and
17 review the thoughts and recommendations to
18 Assistant Secretary Rispoli.

19 Jim, do you have any comments?

11:06:59 20 MR. BARNES: Well, I mean, I -- To, to
21 begin with I really would commend you for the
22 really excellent work you put in with the, taking
23 the laboring oar on this. I think I have about

1 four kind of, of macro comments.

2 One, certainly to echo your applause,
3 starting with Jim Rispoli for recognizing that
4 human resources are absolutely critical to the
11:07:23 5 ability of the organization to perform now, and to,
6 to have itself set up to perform in the future.

7 I think the Plan that was developed
8 incorporates a lot of best practices. I think
9 we've had some suggestions for some tinkering, and,
11:07:34 10 and hopefully the NAPA Panel will do that as well.

11 The issues that, that I think have,
12 have, have come on a little more as, as this
13 meeting's gone on include the recognizing that,
14 that, that perfor-, getting the kind of, of results
11:07:50 15 in this area you want are going to take a
16 commitment of, of time and, and effort beyond just
17 Jim Rispoli; that other senior managers are going,
18 going to have to buy into that.

19 And I think there is some question about
11:08:05 20 whether there are sufficient resources in the Human
21 Resources area to carry out what is a very
22 ambitious and desirable plan. I -- And I know my
23 own experience as, as, as Deputy Administrator at

1 EPA, where we had a very ambitious human resource
2 effort, is it, it, it just, you had to put a lot
3 of, a lot of people had to put a lot of time in to
4 make it happen.

11:08:32 5 In our case, we felt, felt very rewarded
6 to see, among other things, that an SES candidate
7 program we put in place produced 20 years later the
8 current Administrator of EPA. So, somebody who was
9 a GS-15 when we brought him in, came through the
11:08:51 10 program, and is now leading it.

11 And I take a lot of heart from the fact
12 that the Chair of the NAPA Panel is Howard Messner
13 (phonetic), who I viewed was my partner at EPA. He
14 was the Assistant Secretary of Management when we
11:09:03 15 put this program in place.

16 So he's somebody that, that's been
17 there, has, has done it at a very high level; knows
18 what it takes to do it; has very good ties to the
19 human resource community.

11:09:17 20 So, so, so to me --

21 THE CHAIR: I'm just remembering what Al
22 Kliman said yesterday, and remember what Paul
23 Dabbar said. And I think we're echoing the same

1 points.

2 This is a good start. It's, it's, it's,
3 it's reasonably good plan.

4 It's going to take lot, lot of work, lot
11:09:35 5 of effort. Question mark, are the resources there,
6 you know, to make it really happen?

7 And so that's what I took away from
8 this. Is that a fair summary?

9 MR. FERRIGNO: Yeah. Any time you put a
11:09:48 10 plan together, no matter who it is, it's nice to
11 have a plan, but now you need an organization
12 alignment to execute the plan and be accountable
13 for the metrics, the goals and points of contact,
14 and take names.

11:10:01 15 THE CHAIR: And then --

16 MR. FERRIGNO: And that second piece
17 hasn't been established.

18 MR. BARNES: And the analysis --

19 MR. FERRIGNO: I wasn't going to say
11:10:11 20 that.

21 THE CHAIR: But once you do create a
22 plan and you give it some profile and publicity,
23 and you create expectations, if it's not done well,

1 it, it just becomes more difficult to make it
2 happen.

3 So, okay, good report.

4 MR. FERRIGNO: Thank you.

11:10:24 5 THE CHAIR: Great. Dave, I believe --

6 MR. FERRIGNO: Paul.

7 MR. WINSTON: Well, Paul has a comment.

8 THE CHAIR: I'm sorry. Paul.

9 MR. DABBAR: I, I just wanted to say for
11:10:34 10 the Record that what Jim and Claudia are doing I

11 think are, are, are, are actually quite

12 forward-thinking from what I see in the nuclear

13 industry. I hear, hear people not only here in the

14 U.S. talk about the issues of retirements and the,

11:10:50 15 and the age, average age of the workforce issues.

16 You hear that across the U.S., but

17 frankly, even other large nuclear organizations

18 globally like Electricite du France, the largest

19 nuclear power plant on earth, has the same issues,

11:11:04 20 and so on and so forth, globally.

21 And out of all the organizations that's,

22 that, that, that, that I know, there's only two

23 that are, actively have a plan to try to start

1 bringing in new talent into the organization to
2 address the issues that everyone knows is out
3 there.

4 And one of them's Westinghouse, and, and
11:11:21 5 the other one is, is EM. And so out of all the
6 rest of them, the utilities, the other big nuclear
7 contractors, they all talk about it, but actually
8 moving forward is very positive.

9 And I like to, I like to commend the
11:11:40 10 Assistant Secretary and, and Claudia for moving
11 forward on that.

12 THE CHAIR: That's great.

13 Okay. Dave, I think that you're next,
14 and the topic of your piece is Management
11:11:53 15 Development.

16 MANAGEMENT DEVELOPMENT

17 MR. SWINDLE: Yep. Just a very brief.

18 There has been handed out to the Board,
19 which will be an addendum to, to your notebook, the
11:12:02 20 report on the program management focus area dealing
21 with interfacing with, through Jack Surash and Jim
22 Rispoli, with Department of Defense on, as part of
23 the executive development activity which was

1 highlighted in the Human Capital Plan, but
2 elsewhere, for essentially taking, well, what was
3 the first step of developing and, and helping train
4 executive leadership in the Department, both
11:12:29 5 Headquarters and field, on fundamental federal
6 acquisition practices, policies, and procedures.
7 This activity, what's, very briefly to
8 touch base, and then I'll highlight what's up here
9 on the screen here in a moment, back in May it was
11:12:45 10 worked out to where a pool of senior leaders from
11 the Department and EM went to the Defense
12 Acquisition University, which is an ongoing
13 operation that the Department of Defense operates
14 as part of the, the NDU.

11:13:01 15 They have the, what they call the
16 Acquisition Defense University. And Department of
17 Defense has a requirement that all DOD executives,
18 civilian as well as military leadership, must
19 receive top-level training in the basic
11:13:14 20 fundamentals of acquisition rules, principles of
21 program administration, and management and
22 regulations if they're going to have any oversight
23 and/or management responsibility on any level of

1 work exceeding \$5 million annually.

2 And that is a (sic) absolute
3 requirement. And so it's a disciplined process.

4 That's their contrast. That's not the
11:13:36 5 case in the Department of Energy.

6 This particular workshop, and, and, and
7 the brief Trip Report are who all the attendees
8 were. They were all of the field office managers,
9 as well as the deputy assistant secretaries.

11:13:48 10 It really focused upon the basic
11 understandings and planning the acquisition
12 process, how you conduct the acquisition process,
13 and in conducting of the acquisition process, the
14 mission needs identification, requirements

11:14:01 15 analysis, trade-off studies, technical maturity, as
16 well as, and when you implement it, how you going
17 to manage it from, like, an earned value.

18 And all those descriptions are included.
19 I want to just highlight some observations.

11:14:15 20 And it was quite interesting. I was
21 there as an observer.

22 And clear, the case studies were very
23 well received, because the way the instructors use

1 it, it created a level of interaction that, at
2 least for many years that I've worked with, I've
3 not seen among DOE leadership.

4 I mean, they, they were getting down on
11:14:34 5 the grass, sharing ideas, exchanging lessons
6 learned in a cooperative environment instead of a
7 competitive environment. And that was a very
8 important perspective.

9 The one challenge was the information
11:14:45 10 that was being utilized was all Department of
11 Defense case studies. And the primary hardware
12 acquisitions as opposed to type of business EM's
13 in, more or less DOE.

14 So, while at the technical or
11:14:59 15 operational level it wasn't, you know, directly
16 applicable, the processes were, and the types of
17 events that came through and the like. What came
18 out of the, some of the watching, the observations,
19 and just the dialogue, with but a couple of
11:15:13 20 exceptions, the majority of the DOE senior
21 leadership was there.

22 The only true training that they had in
23 formal project acquisition, acquisition management

1 was through on-the-job training. And, you know,
2 while some of that has been, you know, some had a
3 better grasp than others, it was clear the
4 fundamentals were lacking.

11:15:33 5 And, and they all came away much
6 strengthened from that. The other observation was
7 the case studies that were used, you know, were,
8 were all over size and complexity, political
9 issues, how you get funding on the Hill.

11:15:45 10 It looked at the full spectrum, not
11 just, you know, go and put a Contract in the field
12 and execute it. Look for the true life cycle,
13 which is something else that most DOE project
14 managers never get to see.

11:15:57 15 And that's, again, the size and
16 complexity akin, would, would dwarf the Hanford
17 tank project. These are F-22s, major ship
18 programs.

19 But again, of the complexity that is
11:16:08 20 there on the line. The, one of the things that,
21 that, you know, while it was very well-received,
22 and there was good interaction at the Headquarters
23 and the field office managers, there was not a

1 clear path forward about how you take that
2 new-learned experience and get it into the heads of
3 the mid-level managers, because that's where the
4 rubber hits the road.

11:16:29 5 So, pointed out here three
6 recommendations. Just want to highlight and then
7 sort of cite this one chart on the board here.

8 One, I think it is very important that,
9 and there's an opportunity and a receptivity from
11:16:43 10 the Department of Defense's National Defense
11 University to create collaboratively a reoccurring
12 but DOE EM-specific set of case studies.

13 And I know there are some case studies
14 you'll see in that one chart that's already been
11:16:57 15 put together, but need to be sort of redeveloped,
16 retooled from a standpoint of really focused upon,
17 you know, the, the acquisition, mechanics, the
18 process, you know, the, the full life cycle.

19 I mean, there's a, there's a pretty
11:17:11 20 prescriptive model at the end of the day. And, and
21 include in that specific training the federal
22 acquisition regs, the Department of Energy's
23 acquisition regs, which are a subset, and

1 principles of industry financial equity capital
2 market, because that was an important part that
3 goes into every Defense acquisition module right
4 now.

11:17:28 5 I think the, the other, or second
6 recommendation is that EM should be encouraged to,
7 to make this training, as it was addressed at the
8 ADU shop, like it is for DOD, a prerequisite to
9 assignments for program and acquisition management,
11:17:45 10 which, this would be in addition to already the
11 certifications that the Department has made great
12 strides on that were highlighted several times
13 yesterday.

14 And I think the last thing that, just as
11:17:59 15 a point, and again this are (sic) in the written
16 text here, is that we recommend that DOE should,
17 should, or DOE EM should, as part of its Human
18 Capital Initiative, review the career development
19 progression training process that the Department of
11:18:10 20 Defense uses to essentially establish for key
21 positions a career progression path.

22 And I know part of that's been outlined
23 already. But, again, some lessons learned rather

1 than reinventing the wheel.

2 Last thing to comment, just put up here,
3 which we provided to Jack and others. We -- It, it
4 was interesting just listening to the dialogue
11:18:32 5 among the leadership of perceptions of what type of
6 contracts were used for what thing.

7 And of the 11 people there, not one of
8 them had the same opinions and the same, when it
9 was appropriate to use a cost-plus versus a
11:18:45 10 fixed-price, versus all the different types. And
11 most people did not realize the burd-, you know,
12 the complexity of what the Government has in total
13 contracts.

14 This is a very crib sheet we produced
11:18:56 15 after the session that actually we got through
16 DCMA, Defense Contract Management Agency. But it's
17 the same.

18 It's a FAR based. It's an excellent
19 reference tool, and, and would, would make that
11:19:08 20 available to the Board just for reference.

21 And so we've already provided it to
22 Jack. So that concludes my report, Mr. Chairman.

23 THE CHAIR: Great report. I think

1 there's some obvious benefits there, and good
2 recommendations as well.

3 And, Dave, have you shared these as of
4 yet with Jim or Jack or --

11:19:31 5 MR. SWINDLE: No.

6 THE CHAIR: -- is that a to-do?

7 MR. SWINDLE: No, that's a to-do.

8 THE CHAIR: Great. Any comment or
9 assessment?

11:19:35 10 Paul, you have a comment.

11 MR. DABBAR: Dave, I found that actually
12 very interesting about kind of what they have and
13 have not done, and, you know, kind of their, you
14 know, kind of how they've learned, and so on, and,
11:19:47 15 and history.

16 Is there any, in addition to what they
17 just went through, which sounds very helpful, is,
18 is, is there, is there other, is there other things
19 that they should be doing that, you know, that

11:20:00 20 there are other training programs, whether within
21 DOD or other departments, whether there's any ap-,
22 applicability of any civilian training, executive
23 training programs that , you know, do address

1 things like this in, in, in the private industry
2 about similar contracting issues that, that you
3 might recommend in addition to this?

4 MR. SWINDLE: There, there are a number
11:20:30 5 that the, let's call it the contractor community
6 across the federal government, Professional
7 Services Council Contract Services Association,
8 that routinely puts on courses but use federal
9 trainers.

11:20:42 10 And that's an important dimension. And
11 so they're an extension of, like the Defense
12 Contract Management Agency, DCAA, Defense Contract
13 Audit Agency, on fundamentals of contracts.

14 You know, how you bid a contract, again,
11:20:56 15 preaching it from the Government's side, that would
16 probably be good to at least proctor or monitor.
17 And certainly can -- And they're constantly done on
18 a quarterly basis.

19 But that's one. And, and, and I know in
11:21:07 20 the Phase 3, which is in that one chart that's in
21 the, I think it's the first attachment, there are
22 being planned -- And as far as I know that hasn't
23 occurred, all of those contacts yet on Page 3?

1 A SPECTATOR: No.

2 MR. SWINDLE: No. Okay.

3 You know, again, with other -- Ask me,
4 like, OMB.

11:21:24 5 I mean, clearly contracting community is
6 not going to deal with an OMB, okay, but yet they,
7 you know, the OMB, OMB Examiners, you know, they,
8 they can play Solomon, you know, on whether a
9 Budget gets approved.

11:21:38 10 So, I mean, there's a lot more finesse
11 that's unique for the federal side that's not
12 necessarily for the contractor's side. So those
13 important dimensions that, again, at the end of the
14 day, to empower of the DOE program managers to have
11:21:53 15 true ownership of, of a successful program.

16 So, that's a long answer. Yes, there
17 are some, and we should take that on to identify a
18 --

19 MR. FERRIGNO: And --

11:21:56 20 MR. SWINDLE: -- specific follow-on
21 action.

22 MR. FERRIGNO: As, as a matter of fact,
23 an associate of ours in my company is one of the

1 trainers. And he is a former director of
2 procurement for the Air Force and also contracts
3 officer.

4 He's subsequently retired, and he is a
11:22:13 5 trainer for the GSA who goes out and goes to the
6 contract officers, and training the basic
7 fundamentals of the acquisition process, and then
8 the follow-up, pre- and post-acquisition.

9 THE CHAIR: We had a very interesting
11:22:28 10 experience in my own company recently. Maybe this
11 is applicable.

12 But we do an awful lot of, of work with
13 various federal government agencies. The Federal
14 Government is the largest energy purchaser in the
11:22:42 15 world, as a matter of fact.

16 So, so you would obviously find that if
17 you were in my business. And they do an awful lot
18 of, of contracting solicitations.

19 And they actually, the Defense Fuel
11:22:57 20 Supply Center and the General Services
21 Administration actually opened up some workshops
22 for companies like ours to come and be briefed on
23 and interact about how they initiate their

1 solicitations, --

2 MR. FERRIGNO: Right.

3 THE CHAIR: -- and the theories behind
4 that.

11:23:16 5 And their theory was that we who were
6 responding to their solicitations better understood
7 why they're doing it a certain way, the process
8 would be smoother, quicker, and might have fewer
9 disputes at the end of the day. So we're, we're
11:23:32 10 just getting underway with that right now, and it's
11 kind of an interesting reach-out that they've done.

12 Steve.

13 MR. ALLRED: One of the things that I
14 think is important that you identified is trying to
11:23:47 15 train the federal managers in the industrial
16 financial equity capital market system, and, and a
17 better understanding of that. Because while, while
18 privately, private organizations will learn how to
19 work with the Government, and that, there's a
11:24:01 20 driver to have that happen, for the most part I
21 think there's a little understanding on the part of
22 the government manager side as to the private, what
23 drives the private equity or private availability

1 of capital, and hence the, the movers for their
2 private clients or private contractors.

3 And if they don't know that, then
4 there's no way to set up win-win situations. So,
11:24:30 5 while I think there are a lot of courses you talked
6 about that teach private organizations how to deal
7 with Federal Government, I don't think there are
8 many on the opposite side.

9 Although there are some that certainly
11:24:43 10 teach private managers how to deal with the equity
11 market. So I think it would be important as you go
12 forward to try to identify some of those resources
13 so that there is a better understanding on the part
14 of the federal contracts managers as to what their
11:24:59 15 actions do or don't do with regard to the ability
16 of the private community to react to it.

17 MR. SWINDLE: And, by the way, I've
18 really got to give kudos. There was -- To say it
19 for the Record here.

11:25:12 20 Jim, I'll use the old analogy, like
21 pulling hen's teeth. You know, the, the initial
22 reaction for the majority of the managers going
23 into this is, "Oh, gosh, you know, another three or

1 four days, you know, out from doing the work I've
2 got to do."

3 They got into it. They embraced it.

4 And people came out of there singing a
11:25:32 5 song like you wouldn't believe. It was a really
6 good experience.

7 THE CHAIR: Paul.

8 MR. DABBAR: Yeah, I would just, just
9 comment slightly more to what, to what Steve just
11:25:43 10 said. You know, very normally and kind of general
11 business community, whenever someone is selling a
12 business or a company, or asking for certain things
13 its backstops around credit, or letters, you know,
14 Letters of Credit or guarantees, knowing who the
11:26:01 15 counterparty is that you're going to be dealing
16 with, and the impact of your request on them, you
17 know, from a cost point of view, a capital, how
18 much capital they're going to have to employ for
19 each and every, you know, each request is, is
11:26:14 20 important.

21 And, and it's actually even more
22 important when you have a, a limited group of
23 people, you know, who are going to be bidding.

1 And, and, and in general what I would say is that
2 within the sort of things that we're talking about
3 here, you know, the small-business community is a
4 smaller fraction.

11:26:32 5 You know, the large amount of the
6 business is a relatively small group of the larger
7 contractors compared to a lot of other industries
8 out there in which there's lots and, lots and lots
9 of people who are, who could all compete against,
11:26:48 10 you know, big, big contracts.

11 And I think it's, I think it's, should
12 be relatively easy to understand that if they've,
13 when an additional request is put on a procurement
14 request, the impact of that is going to have on
11:27:02 15 cost, the impact of that is going to have on
16 timing, the impact of that on, on interest.

17 I mean, one of the important things
18 around procurement is understood, is to have as
19 many people who are interested as possible. And I
11:27:16 20 think understanding those issues from a, since the
21 bidders are private, understanding that
22 perspective, I think, is, is very key.

23 THE CHAIR: That's good. Great.

1 Great dialogue. Okay?

2 MR. BARNES: Terri, you'll be getting or
3 sending us a copy of this chart?

4 MS. LAMB: David, can you get me a copy
11:27:37 5 of the chart?

6 MR. SWINDLE: Yeah, I'll get this --

7 MS. LAMB: Oh, I have a file.

8 MR. SWINDLE: You've got it.

9 MS. LAMB: It's in the file. Yeah, I'll
11:27:41 10 get the file to you.

11 MR. BARNES: Great.

12 MS. LAMB: Yeah, I've got the file.

13 MR. BARNES: Thank you.

14 THE CHAIR: First of all I'd like to say
11:27:44 15 thanks to all of those of you who, who presented
16 these topical issues this morning. These, these
17 are all, you know, as I said yesterday, target-rich
18 opportunities for, for improvement and advice that,
19 that we would provide.

11:27:58 20 And it's some great information in here.

21 And our dialogue, I think, indicates that.

22 So I appreciate very much that we've

23 done that. And I think, I think what, what we'll

1 do is I will summarize some of what I believe are
2 the take-aways and circulate around a draft by
3 e-mail so that we might, you know, get our, our
4 list together of activities.

11:28:23 5 So, so one of the things that I will
6 undertake is to, both from yesterday's sessions and
7 from today's reports, lay out some, what I think is
8 for some of the clear follow-up items, and would,
9 would ask you all when you receive that draft to
11:28:40 10 annotate those and, you know, revise them
11 accordingly, to make sure that we have our list
12 together, because we're, we're quickly running out
13 of time this morning.

14 We don't have an opportunity as we did
11:28:51 15 at the last meeting to get up on the white board
16 and sort of negotiate a list of, of follow-up
17 items. But I think we can do that efficiently by
18 e-mail, and we'll get that around to you.

19 We have at least ten or 15 items that
11:29:03 20 I've been keeping track of between yesterday and
21 today.

22 MR. FERRIGNO: It's growing.

23 THE CHAIR: And it's growing. And, and

1 what happens, as you can evidently see is that when
2 you get into outreach or acquisition management or
3 human capital, topics continue to evolve.

4 And so I'll, I'll undertake to, to put
11:29:22 5 those together to do that. We have some
6 placeholders for what are called "New Business" and
7 a, and a roundtable discussion, my view, this
8 morning, without trying to eliminate any more
9 discussion, is that we've, we've, we've had some
11:29:35 10 good discussion.

11 But I want to make sure we, we ask if
12 there's any other items you'd like to bring forward
13 either for a brief discussion now, or just tabling
14 them for the future.

11:29:47 15 Jim.

16 MR. BARNES: The, the one I have that I
17 think could be on the agenda for the future is I
18 was really stunned when we had the presentation on
19 regulatory compliance --

11:29:56 20 THE CHAIR: Okay.

21 MR. BARNES: -- and I asked the question
22 about the role of, of environmental auditing, and
23 was, and got the response, "What's environmental

1 auditing?"

2 I mean, that is a -- It -- In an area
3 where you've got lots of regulatory requirements,
4 certainly best industry practice as part of an
11:30:16 5 environmental management program is, is an
6 effective environmental auditing program. And
7 certainly if I'm sitting in Jim Rispoli's shoes, I,
8 I'd like to have the benefit of that to know I'm
9 not going to get some unpleasant compliance issue
11:30:31 10 being raised by the State or Federal Government, or
11 that the citizens confront or, or come up with,
12 with a problem.

13 So I, I think that's an area maybe that
14 we need to, or I'd, I'd like maybe need more, a
11:30:46 15 more in-depth briefing. But I think in the interim
16 really would like to, to suggest to the, the
17 leadership in that area that's something they ought
18 to take a look at and --

19 THE CHAIR: Good. Thank you. I'll --

11:30:59 20 MR. BARNES: -- so --

21 THE CHAIR: I'll place that on our
22 action item list for follow up, and, and when you
23 receive that, maybe you can elaborate --

1 MR. BARNES: Okay.

2 THE CHAIR: -- an example or two so we
3 can make that point.

4 MR. BARNES: Okay.

11:31:09 5 THE CHAIR: Steve.

6 MR. ALLRED: Just to comment on, on that
7 subject. I think I was the one that asked for that
8 presentation, and, --

9 THE CHAIR: Yep.

11:31:17 10 MR. ALLRED: -- and it wasn't what I
11 anticipated.

12 My concern, as I talked before, is that,
13 that EM needs to deal with those things which can
14 cause, which can be fatal flaws to the program.

11:31:31 15 And whether it's regulation or lawsuits or whatever
16 it is, they need to have a strategy to understand
17 what the impact of those can be on the program.

18 And, and I don't think they do. And
19 there is no role that I can see within EM that
11:31:42 20 really does that.

21 And I thought maybe this function might
22 do it. Pretty obviously it does not.

23 MR. BARNES: I agree.

1 MR. ALLRED: So I, I, I guess I would
2 encourage you as you go forward, that's something
3 where you need to try to help out. Because I don't
4 think they understand what, certainly what we were
11:32:02 5 talking about, and do not understand, I don't think
6 they understand what's facing them around some of
7 those issues.

8 THE CHAIR: If I could add to that, I
9 think you're both talking about two very or related
11:32:14 10 substantive items. But what I also observed, and
11 it's already on the list for you to look at it, is,
12 is that when we have conversations again with
13 program folks, that we focus really on issues that,
14 that are, that are crucial, as, as opposed to more
11:32:29 15 background information of, you know, perhaps how an
16 organization here or there may be laid out.

17 I think those are instructive and kind
18 of much useful, but you can sort of read about
19 those. But I found the richer dialogue and
11:32:47 20 information flow was, was issues bubbled up to the
21 top, almost the exception problems are things that,
22 you know, where we might be able to use our
23 expertise to provide, you know, feedback, as a

1 style.

2 And, and, and so while that's not a
3 substantive issue around waste disposal or anything
4 like that, it essentially is, is a way that we
11:33:01 5 might, might conduct ourselves here and ask that we
6 interact along issues that, that are, you know,
7 very topical and important, whether they be
8 environmental compliance or environmental auditing
9 or, or the like.

11:33:14 10 MR. BARNES: I, I think that the, the
11 thing that maybe both Steve and I are focusing on
12 here, this seems to be, I've got failure in the,
13 the core function; in, in the way it's structured
14 and what it, what it sees itself doing.

11:33:31 15 THE CHAIR: Um-hum.

16 MR. BARNES: So It's a really, it's a
17 real gut, gut issue in this area, or several gut
18 issues in this area.

19 THE CHAIR: Okay.

11:33:38 20 Paul.

21 MR. DABBAR: Yeah, I, I had a different
22 topic that I'm not even certain warrants a, a
23 follow-up right now, but just a comment that I

1 just want to have that, and, and, and I don't think
2 it's a follow-up right now. But I just want to
3 say, you know, from an applicability point of view,
4 there's a lot of learning.

11:35:13 5 Whether it's within DOE it can be
6 applied or elsewhere, that we should just be
7 cognizant of longer term. That might be
8 interesting.

9 THE CHAIR: When one thinks of that, one
11:35:21 10 thinks of NASA, you know, in, in, in terms of
11 things that they've done. And I, I, I think the
12 topic is generally technology transfer and
13 commercial application, you know.

14 But, so I actually think it's probably a
11:35:30 15 pretty good one. It's, it's, it's -- I'm not sure
16 whether they would agree it's central to the core
17 to what they did, but nonetheless it, you know, it
18 could be valuable.

19 So, that's a good point. Any other
11:35:42 20 thoughts before we sort of work into somewhat more
21 of the practical items that we might mention?

22 (Whereupon, no response was had.)

23 THE CHAIR: Okay. Date for the next

1 meeting.

2 And just before we launch into that,
3 what I'd like to do is, if you're in agreement, to
4 sort of follow our approach here. I would

11:36:04 5 circulate some follow-up items.

6 You know, we, we need to have sufficient
7 time sort of vet them and work on them and come up
8 with recommendations such as the ones that we heard
9 this morning, and then give, give enough time to,

11:36:17 10 to get that done, and, and then begin. We've been
11 on sort of five-, six-month schedules going out.

12 That, that would sort of, you know,
13 naturally take us into a February/March timeframe
14 for a meeting again. The other thought I would ask

11:36:33 15 you to consider is that I think most of us have
16 benefitted from these last couple of meetings where
17 we've been able to get out into the field, as well
18 as meet with advisory groups and other
19 stakeholders.

11:36:46 20 So, you know, my, my, my disposition was
21 to do that again, and at least bring the group to
22 what I consider to be the other major site in this
23 complex, having visited Savannah River, having

1 visited Hanford, and, and then Oak Ridge comes to
2 mind as, as the other one.

3 And just some preliminary discussions
4 with Charlie Anderson and Jim Rispoli indicate that
11:37:08 5 there's a big welcome sign out, you know, to do
6 that. So, so that's something that we might
7 consider.

8 And then the logistics of, of doing that
9 is, is quite substantial. Any time we visit one of
11:37:22 10 these facilities there's a lot of activity
11 involved, and so many perhaps staying on the same
12 cycle, planning something for the March timeframe.

13 And in that respect what I'll do, too,
14 is in the note that I'll circulate, propose some
11:37:37 15 specific dates and you can check calendars. And,
16 you know, there are always school, vacation,
17 business obligations and, and the like that, that
18 may or may not fit.

19 So, we'll have to come to a consensus
11:37:48 20 around dates. But we were able to meet sort of
21 mid, third week of March last time.

22 And whether or not folks are available
23 --

1 MR. FERRIGNO: Warm.

2 THE CHAIR: Sorry?

3 MR. FERRIGNO: Make it the fourth week
4 if it's warmer.

11:38:02 5 THE CHAIR: Okay. Always that
6 consideration.

7 So, that's a to-do that I will take on
8 as well. And by, by all means, if you, if you get
9 back to your offices and you know that there are
11:38:13 10 some dates which are absolutely not possible, shoot
11 them to me right away so that when I put out a
12 date, it's at least realistic so far as I would
13 know.

14 So that, that is that one. And, Steve,
11:38:30 15 I think you had a few words that you wanted to
16 make, as much as you may be transitioning.

17 MR. ALLRED: Well, thanks. I just
18 wanted to indicate to you how much I have enjoyed
19 this thing.

11:38:45 20 And as Jim said, in the next few weeks I
21 will be resigning from the Board. Believe it or
22 not, there is a protocol that I have to follow as a
23 White House appointee.

1 So, as that protocol is applied, I will
2 be leaving the Board.

3 I think this has been very valuable to
4 me. And, and setting here the last two days, I've
11:39:08 5 listened with a different perspective than I
6 perhaps had before.

7 And it kind of reinforces where I think
8 the value of this Board is, and that is to cause
9 the Department of Energy and its management to
11:39:25 10 think about what it does. And I think just because
11 we ask a question and have a presentation, causes,
12 I think, the Agency to think about what it's doing,
13 and perhaps widen its perspective as to how it does
14 its job.

11:39:44 15 I think that's very important. And, and
16 so I encourage you to get involved in things,
17 things that, that are, perhaps need more external
18 view, and have an external impact within the Agency
19 and its mission.

11:40:05 20 But I think it's been very enlightening
21 to me. I've enjoyed very much doing this.

22 Terri has been excellent. And I really
23 appreciate her.

1 And, and then in this meeting in many
2 ways has certainly been excellent. And I think
3 that the, that the DOE staff here has just, has
4 done an excellent job, and I appreciate it.

11:40:27 5 So, thank you very much. I value this
6 association very much, and I encourage you to keep
7 doing what you're doing, and, and I think DOE and
8 the Nation will really benefit from it.

9 Thank you.

11:40:42 10 THE CHAIR: Thanks, Steve. We're, we're
11 all very confident that you'll be proceeding to
12 that next phase, and so this will likely be your
13 last meeting.

14 And we wish you the very best. Your,
11:40:55 15 your contributions have been outstanding, without
16 question, and we're going to miss that.

17 We, we, we have shored up the Board
18 recently with Paul Dabbar and Brian Estes and
19 Maxine Savitz, who wasn't able to attend this time
11:41:08 20 around. But I think we've got a great group of
21 folks with a diversity of opinions and backgrounds
22 and, and experience levels that, that are really
23 adding some value.

1 I continually hear that from Jim and
2 Charlie, so -- And I, I'm certain they're 100
3 percent sincere when they say that. And so I'm
4 very proud of what we've been able to do.

11:41:28 5 And you've been a big part of that,
6 although it hasn't been that long. Nonetheless,
7 it's been a very good thing to, to work with you,
8 and wish you the very best.

9 You got your plaque yesterday, so we
11:41:41 10 don't need another plaque for you today. So, only
11 one plaque per meeting, so that's, that', you got
12 the plaque.

13 PUBLIC COMMENT:

14 We have on the Agenda now a, an
11:41:50 15 opportunity for public comments. I'd like to call
16 on the audience.

17 Anyone here who'd like to offer any, any
18 comments that we would provide?

19 Yes, sir. Please step up to the
11:42:00 20 microphone and your name and affiliation.

21 MR. PLAHUDA: Thank you. My name is
22 Manard Plahuda, and I'm immediate past president of
23 the Eastern Washington Chapter of the American

1 Nuclear Society.

2 MR. FERRIGNO: We just ask him to come
3 to the table and speak.

4 MR. PLAHUDA: Maybe I just I can talk
11:42:29 5 loud. My name is Manard --

6 THE CHAIR: Just one moment.

7 MR. PLAHUDA: Now it's Maynard --

8 MR. ALLRED: Now Come back.

9 MR. PLAHUDA: My name is Manard Plahuda,
11:42:40 10 and I'm the immediate past president of the Eastern
11 Washington section of the American Nuclear Society.
12 And the reason I'm standing up here is the topic
13 that was discussed here this morning, and that's
14 Human Capital.

11:42:52 15 The Eastern Washington section has a
16 great concern that we have a lack of qualified new
17 young engineers in the pipeline, so to speak,
18 whether it be for the DOE, whether it be the
19 commercial nuclear energy, whatever it is. There,
11:43:09 20 there's a real diminishing -- And it's beginning to
21 turn around, I think, a little.

22 But, for example, if you look at the
23 number of universities and colleges who are

1 offering nuclear energy degrees, it's diminished.

2 I think you're all aware of that.

3 And we here locally are trying to

4 encourage the Washington State University

11:43:33 5 Tri-Cities Branch to reinstitute its nuclear

6 engineering program. And we're getting some

7 success, but it's not as rapid as we would like.

8 And a lot of it is a political thing.

9 It's a public perception thing with the Legislature

11:43:49 10 and so on.

11 There's this idea of, well, you know,

12 there's the one side of the table that talks about

13 we don't want any more nuclear engineers and all

14 the aspects of the nuclear industry. The one thing

11:44:02 15 that I would encourage maybe you people to look at

16 is if you look back in about late '50s, early '60s,

17 when, at that time AEC, and I joined the AEC in

18 1963, and retired about eight years ago from the

19 same agency, although a different name, of course,

11:44:21 20 that, we had at that time the ORSRT, you know, the

21 Oak Ridge School of Reactor Technologies and so on,

22 when the universities did not have a nuclear

23 engineering program.

1 I mean, that was new in the, in the late
2 '40s, early '50s. I think DOE as an agency, and
3 maybe EM could help encourage the Secretary to
4 initiate again some emphasis of encouraging the
11:44:44 5 universities and colleges to get back offering
6 nuclear engineering degrees.

7 It's, it's a rough road for some reason.
8 We don't really understand why that is.

9 But there's, I think, the political
11:44:58 10 aspects that these universities in some cases are a
11 little bit shy of going forth aggressively to
12 reestablish those classes. What we hear is, "We're
13 happy to give some classes in chem engineering or
14 electrical or whatever with a nuclear emphasis, but
11:45:21 15 not to give the degree in nuclear engineering
16 itself."

17 So, I, I would encourage maybe if
18 there's anything that could be suggested to the
19 Secretary or to the Assistant Secretary, Mr.
11:45:33 20 Rispoli, to initiate again some of that thinking
21 and some of that activity that was back in the, in
22 the '50s and '60s. For example, in this, in this
23 community, in this state, we don't have a public

1 university offering nuclear engineering degrees.

2 I know of a couple of families who their
3 children wanted to do nuclear engineering. They
4 had to go to Oregon State University.

11:45:57 5 That's the only university in the
6 Northwest which currently offers a degree in
7 nuclear engineering. And, what results was they
8 had to pay out-of-state tuition.

9 So, those are the many things that kind
11:46:10 10 of have an impact on that, and causes a more of a
11 decline in the interest of students to take up
12 that.

13 Thank you for your attention.

14 THE CHAIR: Well, thank you very much
11:46:18 15 for your comments.

16 Are there any thoughts around those
17 comments? This, I know this group has a certain
18 perspective on that, I'm sure.

19 MS. SALISBURY: We should look at the
11:46:27 20 free trade zone, too.

21 THE CHAIR: Tom.

22 MR. WINSTON: Actually, the, this, this
23 Board a number of years ago looked at this issue.

1 years ago, which was potentially significantly
2 impacting EM's ability to come up with really
3 cutting-edge solutions of some of the thornier
4 problems that we're facing, we're going to be
11:47:59 5 facing in EM.

6 THE CHAIR: You know, yesterday when we
7 talked about targeting certain types of schools or
8 universities for mentoring programs and requirement
9 efforts, it would seem to me that this is one of
11:48:13 10 the screens or criteria that ought to be used when
11 the program restocks itself, you know, with the
12 younger staff that needs to be developed and going
13 along. You know.

14 And so, you know, so I, I, I have to
11:48:26 15 think that the program can't, while it can't solve
16 the issue entirely, that probably started it after
17 the Three-Mile Island accident in 1979. I mean,
18 that's when we started seeing a decrease, and, and
19 it's gotten really bad.

11:48:41 20 And so I agree with the comments that
21 you made over time. But -- So that was 27 years
22 ago.

23 So we've, we've had an awfully long

1 time, almost three decades of deterioration in, in,
2 in, in those programs. And so -- But clearly what
3 EM might be able to do is create some demand,
4 right? And in, in, in the commercial sector, and
11:49:04 5 whether it be public universities or private
6 universities' research dollars.

7 I think it's kind of a cycle that can be
8 started and agitated again around this area. So I
9 do think it's a huge problem, but one of the things
11:49:20 10 EM probably should do is create that demand.

11 MR. BARNES: I'd really like to
12 reinforce that. I mean, I think in terms of
13 encouraging somebody to add a nuclear engineering
14 dimension to their existing program, that's going
11:49:35 15 to get demand-driven.

16 But, I mean, I think what you can do in
17 the short run is really try to re-, reinforce and
18 help those programs that, that, that exist out
19 there. Like the, the Oregon State one.

11:49:46 20 They out to be recruiting there. You
21 may think of research dollars going there.

22 You may be able to set up a dedicated
23 scholarship program. You go there and try to get

1 interns coming to your program.

2 And as, as other universities look and
3 see that that's a more robust area, then the
4 entrepreneurs in, in these engineering, other
11:50:08 5 engineering schools may look to, to add it. But in
6 the short run you're, you're much better off
7 working with the ones that are actually still out
8 there.

9 MR. FERRIGNO: If you look at the Human
11:50:19 10 Capital Planning and Gap Analysis, I think, one,
11 what they're, what we want to do in EM with new
12 engineering graduates is extremely important and
13 admirable, --

14 MR. BARNES: I do, too.

11:50:33 15 MR. FERRIGNO: -- but that dog doesn't
16 hunt, okay?

17 It's too short an issue. You need
18 experienced, trained project managers and mid-level
19 management seasoning in very short order.

11:50:47 20 It was only a three-line recommendation
21 in my report, but retraining and transition is
22 critical. If we can take people who have good
23 experience in other industries and give them a

1 six-month to a year barrage of technology update,
2 whether it be with the university setting or some
3 sort of program within EM to give them the nuclear
4 background and some of the other things that they
11:51:18 5 can build on, then we have a workforce that is
6 midlevel, midlevel management experienced with new
7 technology training that can be applied in some
8 sort of infusion to deal with the gap of where they
9 are today in, in this huge issue of EM.

11:51:40 10 Because they've got a 40-percent
11 reduction staring them in the face, not even
12 looking at what issues competition might have.

13 THE CHAIR: Which are going to be
14 substantial.

11:51:52 15 MR. FERRIGNO: And a young graduate with
16 hopefully the experience base, that's fine. But as
17 I say, and I'll be quoted on that, in my
18 estimation, that dog doesn't hunt, okay?

19 MR. BARNES: Oh, I, I think you're
11:52:07 20 absolutely right there, that you've got to look
21 seriously at a lot of, of, of training of existing
22 merid-, mid-career folks. And I think you're
23 right.

1 You may be able to find an Oregon State
2 or somebody that may be willing to set up a, or, or
3 give you access to the, the, the mix of courses you
4 need. They don't need a -- Somebody doesn't need a
11:52:28 5 four-year degree, but they need --

6 MR. FERRIGNO: Correct.

7 MR. BARNES: -- a year of the, the
8 complex of courses that are available in that area.

9 MR. FERRIGNO: And then the mentoring in
11:52:36 10 the program. Now, the biased because we did this
11 in 1999 for four years, reversing it.

12 We, we took people with power, mining,
13 and other industry background. And at CU we put
14 200 people through the program because there was a
11:52:54 15 huge missed gap of project managers in information
16 technology.

17 And it was a six-month boot camp that
18 went through another six months of mentoring. And
19 then within a year you had seasoned project
11:53:08 20 managers withtoday's technology, and their
21 experience base of about 15 to 20 years to infuse.

22 THE CHAIR: Dennis, is that Colorado
23 University --

1 MR. FERRIGNO: CU.

2 THE CHAIR: -- template available?

3 MR. FERRIGNO: Yeah, I can make it
4 available.

11:53:24 5 THE CHAIR: Okay. Good.

6 MR. DABBAR: I mean, I would say, you
7 know, for, for, for longer-term issues I think for
8 the broader industry, I think it really does need
9 to be demand pulled. And certainly hopefully the
11:53:38 10 recovery of the commercial nuclear industry, given
11 that it's quite economic now days, should hopefully
12 do that from a junior person.

13 And I, I, I think that no one
14 organization can really move, you know, such broad
11:53:54 15 dynamics. I know, I think another thing on the, on
16 the kind of more, you know, mid, midlevel sort of
17 personnel that, you know, personally I think is
18 quite untapped across the nuclear industry is, and
19 although I see lots of them around, is, is still
11:54:10 20 the Navy nuclear program.

21 They, yeah, they produce -- You know,
22 even though the vast majority of the people don't
23 technically have nuclear engineering degrees,

1 they're all practically nuclear engineers. And in
2 any particular year there's probably, I don't know,
3 400 top graduates created to go through this
4 system.

11:54:28 5 They're going to leave the Navy at some
6 points. They've got different levels of
7 experience, either the 25-, 26-year-olds who've
8 been doing it for five or six years, or whatever,
9 or the more senior.

11:54:38 10 You know what? The vast majority of
11 those people do not go into the nuclear sector in
12 the commercial.

13 The vast majority of these people, you
14 know, go off to banking or home mortgages or, you
11:54:48 15 know, consulting or -- I mean, they're, they're
16 just scattered all over the place. Right.

17 They go into technology start-ups. Have
18 nothing to do with nuclear.

19 So, you know, I don't want to encourage
11:54:59 20 EM to start poaching DOD personnel. That's a
21 dangerous thing to do.

22 But, but there's a practical reality.
23 These people leave, they've got a lot of practical

1 nuclear operating experience even though they don't
2 have the degree, per se.

3 That's, that's always out there as, as
4 an HR possibility. That, I think, is, is

11:55:17 5 undertapped.

6 THE CHAIR: Okay, good.

7 MR. FERRIGNO: It may be very real. I,
8 I came out of the Viet Nam era.

9 And the crises of Viet Nam was solved,
11:55:28 10 we had a reduction in force in the U.S. Army and
11 other, and other agen-, you know, other groups, of
12 the Navy, et cetera, was the same thing.

13 THE CHAIR: Good. Excellent discussion.
14 Thanks very much.

11:55:44 15 Is there any other public comments
16 before we adjourn for the day?

17 (Whereupon, no response was had.)

18 THE CHAIR: Okay. First of all I want
19 to thank everybody for coming out.

11:55:52 20 I want to echo Steve's comments.
21 Everyone in the community and at DOE locally and at
22 Headquarters have been very responsive and
23 supportive of our activities.

1 And it's been an excellent meeting and a
2 visit. It, it further encourages me, and I think
3 all of us to, to get out to, to the field to see
4 where a lot of this great work is being done.

11:56:12 5 And so our, our hope and our plan would
6 be to have another meeting again at, at a time
7 where it's convenient for us in, in the field,
8 combine it with a session like this, and visit
9 another major site.

11:56:25 10 So that's, that would be our hope and
11 game plan. Any other thoughts before we wrap it
12 up?

13 (Whereupon, no response was had.)

14 THE CHAIR: Okay. Thanks again.

11:56:35 15 The meeting is adjourned.

16 (Whereupon, at 11:56 a.m. PT, the above
17 Meeting was concluded.)

18 I certify the foregoing to be a
19 true transcript from my notes.

20 E-signature: D. I. Bunn

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CSR CP RPR

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1 CERTIFICATION

2 I, D. I. Bunn, a Registered
3 Professional Reporter, Certified Conference
4 Reporter, and Notary Public, do hereby certify that
5 the foregoing testimony was duly taken and reduced
6 to writing before me at the place and time therein
7 mentioned. I further certify that I am neither
8 related to any of the parties by blood or marriage,
9 nor do I have any interest in the outcome of the
10 above matter.

11 In witness whereof, I have hereunto set
12 my hand and affixed my official seal, at Lusk,
13 Wyoming, USA, this 28th day of August, 2006.

14 E-signature: D. I. Bunn

15 Notary Public

16 My Commission expires January 5, 2007.

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