

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

PUBLIC MEETING MINUTES

**THE KNOXVILLE MARRIOTT
500 Hill Avenue, S.E.
Knoxville, TN 37915**

March 6-7, 2007

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ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
SUMMARY OF MEETING

The Environmental Management Advisory Board was convened at 9:00 a.m. on Tuesday, March 6, 2007, and Wednesday, March 7, 2007, at the Knoxville Marriott in Knoxville, Tennessee. Mr. James A. Ajello, Board Chair, introduced the Board members for this meeting.

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

Board members present:

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

EMAB Executive Director:

- Ms. Terri Lamb

Others present for all or part of the meeting:

- Gerald Boyd, Manager, Oak Ridge Office
- Tom Conley, UT-Battelle
- DiAnn Fields, ORO Public Affairs
- James Fiore, DOE Deputy Assistant Secretary for Human Capital and Business Services
- Amy Fitzgerald, City of Oak Ridge
- Mark Frei, DOE Deputy Assistant Secretary for Program Planning and Budget (via telephone)
- Susan Gawarecki, Oak Ridge Reservation Local Oversight Committee
- Luther Gibson, BWXT Y-12
- Mark Gilbertson, DOE Deputy Assistant Secretary for Engineering and Technology
- Spencer Gross, EM Oak Ridge Site Specific Advisory Board
- Pat Hopper, Energy Solutions
- Michael Koentop, ORO Public Affairs
- Henry Mayer, Rutgers – CRESP
- Lance Mezga, Chair, EM Oak Ridge Site Specific Advisory Board
- Frank Munger, Knoxville News Sentinel
- Rob Nelson, URS
- Melissa Nielson, DOE Director of the Office of Public and Intergovernmental Accountability

- Dennis Nixon, Fluor
- Peter Osborne, EM Oak Ridge Site Specific Advisory Board
- Walter Perry, ORO Public Affairs
- James A. Rispoli, DOE Assistant Secretary for Environmental Management (via telephone)
- Elizabeth Schmitt, e-Management
- Jack Surash, DOE Deputy Assistant Secretary for Acquisition and Project Management (via telephone)
- Steve Trischman, DOE Office of Strategic Planning and Analysis (via telephone)
- Dirk Van Hoesen, UT-Battelle
- Chuan-Fu Wu, DOE EM Chief Safety Officer

ADDITIONAL MATERIALS

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

PRESENTATIONS

- Environmental Management Program Update by James A. Rispoli, Assistant Secretary for Environmental Management
- Small Business, Acquisition, and Project Management Update by Jack Surash, Deputy Assistant Secretary for Acquisition and Project Management
- U.S. DOE Oak Ridge Office Presentation by Gerald Boyd, Manager, Oak Ridge Office
- EM Recruitment Strategy Presentation by James Fiore, Deputy Assistant Secretary for Human Capital and Business Services
- Communications Working Group Presentation by Mark Gilbertson, Working Group Lead and Deputy Assistant Secretary for Engineering and Technology
- Reducing Risks and Uncertainties to Environmental Management Projects Presentation by Mark Gilbertson, Deputy Assistant Secretary for Engineering and Technology
- Focusing EM Resources on Cleanup Presentation by Mark Frei, Deputy Assistant Secretary for Program Planning and Budget, and Steve Trischman, Office of Strategic Planning and Analysis
- Implementation of EMAB, NAPA, and EM Leadership Working Group Recommendations – Status Briefing by Chuan-Fu Wu, Chief Safety Officer, Environmental Management
- Oak Ridge Site Specific Advisory Board Presentation by Lance Mezga, Chair, Oak Ridge Site Specific Advisory Board

LIST OF ACRONYMS

ANSI – American National Standards Institute	EM-30 – Deputy Assistant Secretary for Program Planning and Budget
B&P – Bid and Proposal	EM-40 – Deputy Assistant Secretary for Human Capital and Business Services
CAB – Citizens’ Advisory Board	EM-50 – Deputy Assistant Secretary for Acquisition and Project Management
CBC – Consolidated Business Center	EM – Office of Environmental Management
CD – Critical Decision	EMAB – Environmental Management Advisory Board
CO – Contracting Officer	EMCIP – Environmental Management Career Intern Program
COO – Chief Operating Officer	EM SSAB – Environmental Management Site Specific Advisory Board
CERCLA – Comprehensive Environmental Response, Compensation, and Liability Act	EPA – Environmental Protection Agency
CPIF – Cost-Plus-Incentive-Fee	ETR – External Technical Review
D&D – Decontamination & Decommissioning	ETTP – East Tennessee Technology Park
DAS – Deputy Assistant Secretary	FACA – Federal Advisory Committee Act
DFO – Designated Federal Officer	FFTF – Fast Flux Test Facility
DOE – Department of Energy	FPD – Federal Project Director
DOD – Department of Defense	FY – Fiscal Year
DPW – Department of Public Works	GC – General Counsel
DWPF – Defense Waste Processing Facility	HEU – Highly Enriched Uranium
ECA – Energy Communities Alliance	HCA – Head of Contract Agency
EIS – Environmental Impact Statement	HLW – High-Level Waste
EM-1 – Assistant Secretary for the Office of Environmental Management	HR – Human Resources
EM-2 – Principal Deputy Assistant Secretary for the Office of Environmental Management	HQ – Headquarters
EM-3 – Chief Operating Officer for the Office of Environmental Management	IDF – Integrated Disposal Facility
EM-20 – Deputy Assistant Secretary for Engineering and Technology	IDIQ – Indefinite Delivery, Indefinite Quantity
	IFDP – Integrated Facilities Disposition Project

IMIS – Integrated Safety Management System	ORSSAB – Oak Ridge Site Specific Advisory Board
INL – Idaho National Laboratory	OSD – Office of the Secretary of Defense
IPABS – Integrated Planning, Accountability and Budget System	OSDBU – Office of Small and Disadvantaged Business Utilization
LANL – Los Alamos National Laboratory	OSHA – Occupational Safety & Health Administration
LBNL – Lawrence Berkeley National Laboratory	PBM – Performance-Based Management
LEU – Low Enriched Uranium	PBS – Project Baseline Summary
LLW – Low-Level Waste	PMP – Performance Management Plan
LM – Office of Legacy Management	QPR – Quarterly Project Review
LTS – Long-Term Stewardship	RCRA – Resource Conservation and Recovery Act
M&I – Management and Integration	REA – Request for Equitable Adjustment
M&O – Management and Operating	RFP – Request for Proposal
MAA – Material Access Area	ROD – Record of Decision
MLLW – Mixed Low-Level Waste	R2A2 – Roles, Responsibilities, Accountabilities, and Authorities
MOU – Memorandum of Understanding	SBA – Small Business Administration
NAPA – National Academy of Public Administration	SC – Office of Science
NAS – National Academy of Sciences	SEB – Source Evaluation Board
NGA – National Governors Association	SES – Senior Executive Service
NE – Office of Nuclear Energy	SSO – Safety System Oversight
NEPA – National Environmental Policy Act	SRS – Savannah River Site
NNSA – National Nuclear Security Administration	TOSCA – Toxic Substance Control Act
NRC – Nuclear Regulatory Commission	TPA – Tri-Party Agreement
NTS – Nevada Test Site	TRU – Transuranic Waste
OECM – Office of Engineering and Construction Management	USEC – United States Enrichment Corporation
OCR – Other Change Request	VIT Plant – Vitrification Plant
OMB – Office of Management and Budget	WBS – Work Breakdown Structure
ORNL – Oak Ridge National Laboratory	WIPP – Waste Isolation Pilot Plant
ORO – Oak Ridge Office	WM – Waste Management
ORP – Office of River Protection	WTP – Waste Treatment Plant

Meeting Minutes: March 6, 2007

Opening Remarks

Mr. James Ajello, Chair of the U.S. Department of Energy's (DOE) Environmental Management Advisory Board (EMAB or Board), called the meeting to order at 9:00 a.m. He welcomed members of the Board and the public to the proceedings and explained that EMAB member Jim Barnes would participate via telephone. Prior to the public meeting, EMAB had the welcomed opportunity to tour the Oak Ridge Reservation facilities; Mr. Ajello remarked that the EMAB members who had visited Oak Ridge in the past few years were impressed with the significant progress throughout the site. Mr. Ajello indicated that the proceedings would build on the Board's knowledge of the EM program and referred individuals interested in EM and EMAB to their respective websites: www.em.doe.gov and www.em.doe.gov/emab.

He then introduced Mr. Gerald Boyd, Manager of the DOE Oak Ridge Office (ORO).

Mr. Boyd welcomed the Board, public, and representatives from DOE Headquarters (HQ). He thanked the Board for its contributions to the EM program and recognized the Oak Ridge EM Site Specific Advisory Board (EM SSAB) for its efforts as well.

EM Program Update

Assistant Secretary James Rispoli joined the meeting via telephone due to Congressional hearings on EM's annual budget request in Washington, D.C.

Mr. Rispoli noted that the past year had been a very productive year for dialogue between himself and EMAB; and, in order to build on that dialogue, he indicated that his presentation would address the Board's Fiscal Year (FY) 2007 topics. Furthermore, Mr. Rispoli informed EMAB that a system had been developed to manage the implementation of changes in the EM program, such as those recommended by the Board in its FY 2006 Report. He then launched into a thorough update on the EM program, its recent accomplishments, and current focus.

EM's number one program priority continues to be safety, and statistically, it has made progress on this front by steadily improving the program's safety track record. Mr. Rispoli also recalled that the EM mission consists of cost-effective prioritized risk reduction and clean-up that aims to go beyond maintenance to actually reduce the risk certain materials pose to communities, stakeholders, and workers. In order to accomplish its mission, EM requires a robust management system and effective acquisition strategies that provide the maximum performance and benefit per dollar spent. Therefore, EM must cooperate with Industry partners, recognize its own professional competence, and yield performance that gets results.

Mr. Rispoli detailed the sequence of EM program priorities with regards to budgetary decisions. At the top of the list are safety and the ability to conduct safe operations. Second, is the establishment of disposition capability for radioactive liquid tank waste, spent nuclear fuel, and special nuclear materials; EM believes this capability will yield the greatest risk reduction. Third is the disposition of contact-handled and remote-handled transuranic (TRU) and low-level radioactive waste (LLW), which falls in line with EM's robust program of shipping TRU waste to the Waste Isolation Pilot Plant (WIPP) in New Mexico and continued pursuit of disposition facilities and activities for all radioactive wastes. This is followed by a focus on soil and groundwater issues and remediation, specifically with regards to contaminated plumes that threaten underground aquifers (ex: Hanford, Los Alamos, Paducah, etc.). And, lastly, there is the decommissioning and decontaminating (D&D) of facilities without value added risk-reduction.

After recounting EM's budgetary priorities, Mr. Rispoli shared multiple photographs attesting to the significant accomplishments EM achieved in the past year. Highlights included the site closures of Rocky Flats, Fernald, Ashtabula, Columbus, and Miamisburg; clean-up of Oak Ridge's Melton Valley; closure of the Savannah River Site T-Area; clean-up of Paducah's outside material storage areas; the first shipment of remote-handled TRU waste to WIPP; the containerization of Hanford's K East sludge; and the first tank closure of Idaho National Laboratory's Liquid Radioactive Waste Station.

Mr. Rispoli then reviewed EM's standard Quarterly Project Review (QPR) process with the Board. EM engages in face-to-face reviews that begin with a summary description of the project in question and then detail the last six months of earned value statistics, safety performance, and project risk and risk mitigation. The QPRs are modeled after similar industry reviews and allow EM to focus on major management elements throughout the execution of its mission.

Mr. Rispoli stated that safety must also be incorporated into the planning and selection of capital projects. Special consideration is necessary when designing facilities that will process nuclear materials; this includes preparation and preventative action beyond that required for average, easily conceivable threats. It is a much more complex process. He noted that EM also has significant issues with quality assurance in the planning, design, and construction phases of capital projects. Based on its experience with the construction of Hanford's Waste Treatment Plant (WTP), EM has learned that a lot of the qualified materials needed for capital projects come from outside the U.S.; as a result, there has been a tremendous effort to provide in-plant quality assurance beginning with the planning phase and continuing through construction.

Furthermore, Federal Project Directors (FPD) are responsible and accountable for the integration of quality and safety into their projects, and Mr. Rispoli noted that EM is in the midst of implementing a new occupational safety rule that he expects contractors to comply with by the end of May 2007. Mr. Rispoli also receives normalized safety data on all EM contracts that he is able to share with his superiors, including corporate officials visiting the Secretary of Energy.

Mr. Rispoli briefed the Board on the management initiative of assuring effective identification and management of risks. Mr. Mark Gilbertson, the Deputy Assistant Secretary (DAS) for Engineering and Technology, is performing independent technical reviews while the Office of Engineering and Construction Management (OECM) and Mr. Jack Surash, the DAS for Acquisition and Project Management, perform reviews of the program's cost schedules.

Mr. Rispoli reminded the Board that EM is dealing with increased scope and quantities. The program has embarked on a path to accept significant new scope, such as the Integrated Facilities Disposition Project (IFDP) at Oak Ridge which, if approved, would represent a very large addition to the scope of the EM program of a number of additional Oak Ridge Reservation facilities, including Y-12, for D&D. Acceptance of this new scope into the program enables the site manager to re-track the site's priorities for D&D from a risk perspective. However, until that scope is approved, resources cannot be legitimately spent on planning. Furthermore, EM has experienced an increase in quantities accompanied by extra costs and requirements. Mr. Rispoli cited the Ohio clean-up sites as an example of this, where at times the quantities of waste being removed turned out to be double what EM expected.

The intention is always to clean-up a site; however, extra costs and requirements present real challenges. DAS Gilbertson's and Surash's reviews will help identify risks as EM moves forward into areas of increased scope and quantity, and prepare the program to deal with them.

EM is also promoting the use of proper management tools with an objective of having independently audited costs schedules and function.

With reference to the QPRs, Mr. Rispoli stated that EM needs to push the incorporation and institutionalization of critical-path thinking and the use of earned-value management systems for Federal Project Directors and Contractor Project Managers, until it is the norm. There is still work to be done on this front in order to improve project management and ensure that the FPDs and their contractor counterparts are using those tools. This, along with highly qualified, well-trained, diverse personnel and enhanced communications, is key to becoming a higher-performing organization.

Mr. Rispoli noted that EM has also successfully implemented a more effective acquisition process under the DAS for Acquisition and Project Management, which incorporates the proper clauses, approaches, and evaluations up front, prior to the post-award phase.

Mr. Rispoli addressed EMAB's FY 2007 topics, and noted that the Board could be particularly helpful with regard to Small Business and Project Management. He indicated that EMAB should refer to point of contact DAS Surash, and explained that EM needs to capture small business lessons-learned and promulgate them. Mr. Rispoli also highlighted the issue of whether EM is approaching small businesses in the right way; EM needs to develop local capability while preserving safety and quality in all that it does. EMAB's thoughts on those issues are welcomed.

Regarding the topic of Employee Recruitment and Retention, Mr. Rispoli suggested that EMAB could assist the program by evaluating the recruitment efforts for the inaugural EM Career Intern Program (EMCIP) class. Advice that can improve the second round of recruitment is welcomed and DAS James Fiore is the point of contact.

Mr. Rispoli briefly explained that EM's Leadership Team created a Communications Working Group, and indicated that DAS Gilbertson would discuss this topic with the Board later in the afternoon. He believes that it would be helpful for the EMAB Communications Team to interface with the Communications Working Group throughout its tenure, and hopes the collaboration will result in better communication both internally and with stakeholders. DAS Gilbertson is the point of contact.

Mr. Rispoli stated that he would also appreciate the Board's engagement with DAS Gilbertson regarding the Office of Engineering and Technology's (EM-20) role in reviewing technical issues and identifying risk, specifically as it prepares a technical road map for Congress. He asked EMAB to verify that the right elements have been included in that document, using its corporate expertise.

Lastly, with regard to the topic of Discretionary Budgeting, Mr. Rispoli noted that the Board had been given the 2003 "Focusing EM Resources on Cleanup" final report to review. He asked EMAB to use the report as a benchmark, in order to gain a historic picture of discretionary budgeting and assess EM's current status.

Mr. Rispoli summarized that EM needs to continue to focus on the safe and cost-effective accomplishment of its clean-up mission; management initiatives to improve performance; and, the incorporation of safety in both the pre-award acquisition phase and the execution of projects. He encouraged the audience to visit EM's newly redesigned website and thanked the Board members for their time and effort before opening the floor to dialogue.

Roundtable Discussion

Mr. David Swindle began the roundtable discussion with a reference to the issues raised in recent months over seismic concerns at Hanford and the Savannah River Site, particularly as they related to waste treatment plants. He asked Mr. Rispoli, what changes in the baselines have, or are expected to occur relative to the total estimated cost?

Mr. Rispoli stated that seismic concerns are a component of safety. The Hanford WTP has undergone comprehensive reviews for just about every aspect of the project, and the Deputy Secretary approved the new baseline of \$12.3 billion in December 2006. EM has notified Congress of the new amount and included it in the current EM budget request; that baseline has officially been updated to reflect the new amount. Mr. Rispoli pointed out that the original baseline for the WTP of \$5.8 billion did not include the robust degree of seismic consideration and was intended to address only part of the high-level waste (HLW). The historical documents contain written evidence that construction of a second plant, costing upwards of \$8 billion, would have been required to process the remaining HLW. Therefore, the baseline change approved in December 2006, and officially documented in the budget, is a rather comprehensive baseline change. It is the Department's first recognition of the WTP's full scope, including the seismic considerations and the new construction schedule.

The Savannah River Salt Waste Processing Facility does not have an approved baseline at this time; EM still needs to complete an in-depth external baseline audit. The Salt Waste Processing Facility has technical issues that need to be defined and resolved prior to the development and approval of an official baseline.

Mr. Swindle suggested that some of the technical assumptions behind the re-baselining warrant an independent look from a balanced standpoint to the end result, and indicated that he read that as part of EMAB's charge.

Mr. Rispoli confirmed Mr. Swindle's assumption and added that EM has had difficulty conveying the message that until a baseline has been officially approved, there is no baseline; perhaps EMAB could provide advice on ways to better communicate this information. Furthermore, Mr. Rispoli indicated that budget documents for Congress have become increasingly detailed, and it is often difficult for EM to provide that level of information for a problem or project that without funding, the program knows very little about. Mr. Rispoli suggested that EMAB could look for parallel functions in private industry and provide advice on this issue as well.

Mr. Tom Winston acknowledged Mr. Rispoli's participation in the Fernald closure ceremony and remarked that it was a wonderful celebration. He also commended Mr. Rispoli for the recognition of the Field's responsibility in the management initiative of enhanced communication. Case in point, the aforementioned closure ceremony highlighted the fact that Fernald's achievement was due in part to good communication that spanned decades, between the site and its local stakeholders. Proactive communication and a site-specific rhythm help foster partnership, and good communication makes the difference between a successful project and a completed project.

Mr. Winston also mentioned that the states of Kentucky, Ohio, and Tennessee hope to dialogue with DOE on gaseous diffusion D&D, and intend to hold a summit in the coming months to discuss a partnership and look at strategic planning steps, waste disposal challenges, budgetary considerations, roles and responsibilities, and lessons learned from the East Tennessee Technology Park (ETTP). EM Managers Bill Murphie and Steve McCracken have expressed their support.

He added that EM has many partners in the stakeholder community, local governments, and regulators; those groups should not be after-the-fact communication points. Early partnerships facilitate an understanding of the big-picture as well as project streamlining and customer satisfaction; Mr. Winston encouraged Mr. Rispoli to support dialogues of that nature.

Mr. Rispoli agreed, and stated that communication, both internal and with stakeholders, is vital. He looks forward to hearing more about the tri-state initiative and remarked that it sounded like a very good approach. With regard to communications, Mr. Rispoli referenced the EM Communications Working Group, and encouraged the Board to focus on a dialogue with DAS Gilbertson. Any discussions with DAS Gilbertson following his presentation would directly benefit the Leadership Team during its next meeting on March 13-14, 2007.

Mr. Paul Dabbar asked Mr. Rispoli to expand upon his indication that EM has made headway in terms of internal management metrics and earned-value management processes; does EM use the various metrics to make its case in the annual budget request? Or, are there other financial metrics that are more beneficial?

Mr. Rispoli responded that with the exception of a focused hearing on the waste treatment plants in the past, the short answer is no. EM must formulate a budget request for FY 2009 right now, which will go to Congress in February 2008. This presents a dilemma because EM is forced to document where it believes it will be at the time the request goes before Congress, even though currently, its projects are in completely different phases. Mr. Rispoli explained that it is very difficult to give meaningful progress indicators using the real-time project management tool of earned-value when developing a budget that will not go into effect for another year and a half. Therefore, the answer is no, EM has not endeavored to do that, although it has requested it in an exclusion mode. The reality of the problem is that EM is forced to project so far out and too much uncertainty exists; EM does not even know what its FY 2008 budget will be, yet it must prepare a request for FY 2009.

Mr. Dabbar mentioned that he and a few of the Board members had discussed the issue of making certain that EM has enough data for its request and that sensitivities are tweaked as it goes through the budget process. He suggested that an understanding of the impact budget request changes have on life-cycle costs may be useful to EM's dialogue.

Before he departed, Mr. Rispoli thanked the Board members and expressed his hope that their meeting would be productive.

Mr. Ajello thanked Mr. Rispoli for his participation.

Small Business, Acquisition, and Project Management Update

Mr. Jack Surash, Deputy Assistant Secretary for Acquisition and Project Management (EM-50), joined the EMAB meeting via telephone. He explained that his update would cover the following topics: EM-50's Responsibilities, the Acquisition Machine, Pre-Award and Post-Award Activities, EM Small Business Activities, and Project Management.

While EM-50 primarily focuses on acquisition and project management, its objective also includes developing and implementing project-specific acquisition and contract strategies. Prior to managing a project or procurement, EM-50 must help align the need for work with programmatic priorities and take into account regulatory and technical considerations to determine funding. Once these efforts have been completed, EM-50 can manage a project.

The Acquisition Machine represents a change in EM's approach to procurements. The Machine is built on the General Accounting Office's (GAO) four acquisition cornerstones: Organizational Alignment, Policies and Procedures, Human Capital, and Knowledge Management. Its objective is to standardize and, to a certain extent, centralize pre-award matters through an integrated project team approach, thereby allowing the Field to focus on the post-award matter of managing a contract over five or ten year periods.

Regarding the new Director for the Office of Procurement Planning, Mr. Surash noted that the Office of Personnel Management is about to complete the selection of a Senior Executive Service (SES) individual who could be on board in a matter of weeks. Mr. Surash also reported that additional Acquisition Specialist positions are currently undergoing selection. Furthermore, EM-50 now has the authority to hire Procurement Analysts for the Office of Procurement Planning, and will put forth an announcement for multiple openings. Mr. Surash's expectation is that high-grade individuals will be able to assist EM-50 in its acquisition efforts. He noted that the Consolidated Business Center's (CBC) expanded role has helped fill the vacancies, enabling this increase in management to come together.

Mr. Surash provided the Board with a summary of significant ongoing procurements.

EM-50 is currently finalizing the award documentation for WIPP transportation and is weeks, if not days, away from an announcement. The West Valley Interim End State is currently in discussions. The final Request for Proposals (RFP) for the Savannah River management and operating (M&O) contract will be released in the coming weeks; a draft RFP was sent out late 2006 followed by multiple one-on-one discussions, site tours, and Q&As. Also in Savannah River, EM-50 is about a week or two away from releasing a draft RFP for the Liquid Waste Contract, but still needs to go through site tours, one-on-one discussions, and Q&As; the current M&O Contract has been extended through June 2008. At Hanford, RFPs are being finalized for three new contracts, including mission support, tank operations, and plateau remediation. Draft RFPs were issued in November and one-on-one discussions were completed before Christmas. The final RFPs will be released in the coming weeks. There will be built-in sequencing for all RFPs. Proposals for Moab have been received as of January 17th, 2007, and evaluations are in process; the Moab contract was announced through the CBC's Indefinite Deliver, Indefinite Quantity vehicle.

Mr. Surash provided the Board with a summary of significant future procurements and reprocurements.

A new procurement for the Idaho Advanced Mixed Waste Treatment Plant needs to be in place by the end of April 2008. Oak Ridge's TRU waste facility contract, which was the last of the so-called privatization deals, needs to be in place by May 2008; negotiations were completed in September 2006 on a cost-plus-award-fee type of contract. There is a great deal of potential regarding the Portsmouth Gaseous Diffusion Plant D&D; currently, EM-50 is awaiting Critical Decision One (CD-1) and looking at a range of available options for this project. The project will be a multi-billion dollar procurement, spanning many years. Lastly, the so-called small sites, which include the Separation Process Unit Land Area clean-up and D&D, the Stanford Linear Accelerator Center, and the Energy Technology Engineering Center, will have procurements in the range of \$20-\$100 million; all three are approaching CD-1 without any foreseeable hurdles.

Having completed his summary of current and future procurements, Mr. Surash addressed

EM-50's post-award activities. He commented that EM's reaction to changed conditions is insufficient; therefore, EM is working to streamline the contract change review and approval processes and correctively prosecute change orders.

The "Partnership for Public Service" is a pilot program comprising different concepts that focus on the post-award period. The concepts hail from various sources and are currently being piloted by three or four different federal agencies. EM-50 expects to apply one of the alternatives derived from the program to its West Valley procurement once the new contract has been put in place. The office is also awaiting feedback from site managers who have been briefed on the partnership.

Regarding contractor accountability, Mr. Surash stated that EM needs to focus on doing the right thing by taking actions to hold contractors accountable. He also addressed recent contract closeout activities, and commented that EM must be satisfied with both the physical completion of a project and the actual work. He added that management actions are needed to bring projects to critical decision, complete lessons learned, and ultimately close out the contracts.

Mr. Surash displayed EM's Small Business results for FY 2005, 2006, and 2007; essentially, the program is doing well. FY 2006 Small Business results surpassed EM-50's goal of \$208 million or 3.35 percent of dollars spent on procurements, with an actual total of \$327 million or 5.5 percent of prime-contracts awarded to small businesses. Furthermore, small businesses received many subcontracts as well. Mr. Surash estimated that EM was responsible for one out of every three dollars awarded to small businesses in FY 2006 by DOE overall.

The FY 2007 small business goal is still 3.35 percent, or \$197.7 million. Mr. Surash indicated that some of EM's smaller sites rely solely on small businesses, while many of the larger sites utilize few, if any, at the prime contract level; EM-50 is working to balance this situation. Small businesses provide a wealth of job growth; however, EM needs to be sure that the work is appropriate for Small Business and that the contractors can be successful. The last thing EM-50 wants is to award work to a small business, which it is unable to perform.

Mr. Surash briefly touched on the topic of Project Management, which falls under the purview of Office of Project Management Oversight. EM has projectized its entire portfolio, which consists of roughly 87 projects worth an estimated \$180 billion. DOE Order 413.3A, which guides EM projects, was recently updated, placing new requirements on the program while also voiding existing manuals. A number of new guides will be issued in the coming years; EM is responsible for two of the manuals, one focused on environmental management clean-up projects, and the other focused on risk management procedures. Mr. Surash stated that he believes EM is doing well with respect to certifying its FPDs. However, while both line-item and EM operating projects are covered, the program is stretched thin and needs to increase its ability to respond to the loss of certified FPDs. Currently, EM is working to qualify site personnel and insert them into the FPD pipeline to build a "bench" of qualified personnel.

Along with the revised Order 413.3A, EM has put in place an Environmental Management Acquisition Advisory Board (EMAAB). EMAAB was established in the summer of 2006, and officially approved in December. The EMAAB charter provides guidance on how to manage the critical decision process for all EM projects, defines the Acquisition Executive, and details necessary procedures.

EM has also conducted regular QPRs of its entire project portfolio. Mr. Surash described the components of a QPR, including the first slide of a typical review, known as the "quad chart." The quad chart includes basic project information, risk concerns, the last quarter's safety

outcome, and a “bull’s eye chart,” which graphs cost and schedule performance indices. QPRs vary in length and are given either at HQ or through teleconference; in addition to EM personnel, they generally include individuals from the OECM and General Counsel (GC). Mr. Surash suggested that EMAB attend and observe a QPR at its earliest convenience.

Roundtable Discussion

Mr. Estes began the discussion by asking Mr. Surash if the concept of an EM head of contract agency (HCA) had been approved.

Mr. Surash indicated that the DOE Senior Executive has approved the concept; however, EM must submit an implementation plan for review prior to receiving the authority. The implementation plan is under development, and should be submitted within the next one to two months.

Mr. Estes asked for clarification on what the plan would be and who would be the head. Furthermore, if the plan were to be approved, would the head be the final authority on all EM acquisition items?

Mr. Surash explained that he would be the lead. Unlike the Department of Defense (DOD), DOE has multiple HCAs. The delegated authority to the HCA, while unlimited in contracting authority, is administratively restricted. For example, in EM, the range of delegation is \$5-\$10 million, which EM-50 is working to raise. There are great advantages to be had by consolidating the HCA authority with respect to the current approach.

Dr. Ferrigno asked Mr. Surash to qualify his statement regarding “central procurement” and asked, is there some sort of critical decision as to what kind of strategic initiatives are centralized procurements versus in the Field?

Mr. Surash explained that each site will have a delegated authority of X. Routinely, anything above X would need to come to him and then go to the Procurement Executive. However, EM would like to provide the opportunity for each site to receive a one-time increased delegated authority. Recently, Mr. Surash cited, there was a procurement action from the CBC that exceeded its current delegated authority; however, after a review of its acquisition plan, the DOE Procurement Executive delegated all further action back to the CBC. EM intends to do the same, based on the risk of the procurement and the ability of the site to accommodate the workload.

Dr. Ferrigno suggested that Mr. Surash may find this helpful as internal guidance for the Department.

Mr. Surash concurred and added that one of the main things EM needs to establish as part of the HCA authority is a set of procedures.

Dr. Ferrigno asked Mr. Surash to clarify the CBC’s expanded role.

Mr. Surash stated that the CBC’s role has not been expanded just yet; however, that is the recommendation of the National Academy of Public Administration (NAPA). At this point, it is a working suggestion. Currently the CBC reports to Chief Operating Officer Inés Triay (EM-3) and essentially supports the smaller EM sites. When considering the implications of EM procurement processes in the future, NAPA has recommended that the CBC play a greater role, and provide support to the entire EM portfolio rather than just the small sites.

Dr. Ferrigno asked if the CBC would change its reporting through EM to Mr. Surash rather than EM-3.

Mr. Surash indicated that the question of to whom the CBC would report to will be answered once action is taken on the NAPA recommendation. Currently, the personalities involved work well together, but something would need to be formalized as EM moves forward.

Dr. Ferrigno asked if the EMAAB was an internal or external advisory board.

Mr. Surash explained that the EMAAB is the Acquisition Executive's internal advisory board. Assistant Secretary Rispoli (EM-1) has a delegated acquisition authority of \$1 billion for critical decisions on EM clean-up projects and an authority of \$400 million for EM line-item projects. EMAAB provides input until either a critical decision or baseline change is reached; however, the ultimate decision lies with the Acquisition Executive. The same board procedure is used to develop decisions regardless of who the Acquisition Executive is, based on the dollar amount of the action. EMAAB is a HQ board consisting of all the DASs, EM-3, GC, and OECEM. If the decision is a CD-1, the Program and Appraisal office is also represented.

Mr. Ajello commented that based on Mr. Surash's initial statements, the staff increase that has been in the works for quite some time is starting to take root; it appears that there will be four or five senior positions along with maybe ten or so more people added to the existing staff. What impact will the staff increase have? Will it increase the speed of the procurement process? Will there be fewer disputes? What sorts of outcomes will it provide?

Mr. Surash responded that the addition of professional acquisition-type hires will help round out the EM team. Once on board, the acquisition personnel will aide the ongoing procurements and play a role in the future procurements. In addition, the new hires will assist EM-50 to implement the Acquisition Machine. The staff increase will provide EM with a procurement manager, procurement analyst, procurement office, cost and price-type expertise, and a core rounded out by site representatives, HQ technical representatives, and GC.

Ms. Lorraine Anderson wondered if the new appointments would possess an entrepreneurial spirit that could bring changes to how business is done in EM.

Mr. Surash replied that he believes bringing on appointments with a more robust acquisition background will certainly promote that spirit. He also commented that he expects to see some changes including a more effective, standardized approach to procurements. One of the biggest impacts however, is that it will all be faster; EM-50 is capable of getting things done, however, right now it just takes too long.

Mr. Estes asked if Mr. Surash knew where the new appointments would come from; would they come from other agencies, programs, or the private sector?

Mr. Surash replied that he believes most will come from the federal system. The procurement analysts will mostly likely be federal, while the Acquisition Specialists could very well come from industry.

Mr. Ajello thanked Mr. Surash for his participation and called for a ten-minute break.

Break

Oak Ridge Office Presentation

The Board reconvened, and Mr. Ajello reintroduced Mr. Gerald Boyd, Manager of the DOE Oak Ridge Office.

Mr. Boyd provided an overview of ORO operations and highlighted some of its unique challenges and circumstances.

Mr. Boyd outlined ORO's key missions, which include Science and Technology; Science Education; Environmental Cleanup; Energy and Nuclear Fuel Supply; National Security; Reindustrialization; and Technology Transfer and Economic Development.

The Oak Ridge Reservation is contained entirely within the Oak Ridge city limits; therefore, a large part of the city's land is actually DOE property. ORO has a strong relationship with its community and stakeholders.

The Oak Ridge Reservation is also home to the National Nuclear Security Administration's (NNSA) Y-12 Office, led by DOE Manager Ted Sherry. The two offices have a unique relationship because ORO is responsible for the environmental clean-up of Y-12, with the exception of newly generated waste which falls under the Y-12 Office's purview.

ORO and Y-12 share a security contract with Wackenhut. Other ORO contractors include UT Battelle which is responsible for the Oak Ridge National Laboratory (ORNL), the Oak Ridge Associated Universities which run the Oak Ridge Institute for Science and Education, and the three environmental cleanup contractors: Bechtel Jacobs, Isotech, and Foster Wheeler. ORO is also responsible for the lease arrangement with the United States Enrichment Corporation (USEC) for uranium enrichment and the gaseous diffusion plants in Paducah, Kentucky. Furthermore, it is responsible for standing up the new Centrifuge Enrichment Program that USEC is developing on behalf of the Deputy Secretary.

ORO has three line programs: the Office of Science (SC), the Office of Nuclear Energy (NE), and EM. ORO is also responsible for a host of activities that support these programs' efforts.

Mr. Boyd detailed the Oak Ridge FY 2006 budget, the FY 2007 President's Budget, and the FY 2008 Presidential request. He explained that the President's budget does not reflect the allocation currently awarded to Oak Ridge due to the current Continuing Resolution. Mr. Boyd reported that the site will receive an increase from \$1.8 billion in FY 2006 to a little over \$2 billion in FY 2008 to augment its SC projects. However, it faces a significant challenge due to the decrease in its EM budget. Although the decrease is in response to project completions throughout 2006 and 2007, ORO still has additional EM work to address which has not been fully baselined.

Mr. Boyd indicated that ORO has had safety issues in the past. However, over the last five years, the site has implemented a plan to improve its performance in terms of injury rates, lost-work days, transportation incidents, electrical occurrences, etc., and has made significant progress. Injury rates and lost-work days have decreased. Furthermore, in 2003, Oak Ridge had the highest percentage of transportation incidents in the DOE complex; however, that percentage has dropped to zero in the past year and Oak Ridge has been without incident for 18 months in spite of a substantial increase in transportation activities.

The EM Program at Oak Ridge is divided into three major projects. The first is the TRU Waste Processing Facility managed by Foster Wheeler. This project has been operating for several years. The second project includes three gaseous diffusion plant D&D programs contracted to

BNG America, which is responsible for making the buildings available for reuse; for all practical and contractual purposes, this project is complete. The last and largest project is the Accelerated Closure Project managed by Bechtel Jacobs Company, LLC.

There are four major components to the Accelerated Closure Project, the most significant of which is the K-25 building which has become increasingly dangerous. The project also includes the recently completed Melton Valley site which housed 120 acres of burial grounds. Only two components of the Accelerated Closure Project have not been completed, the ETTP closure site, and the Balance of Reservation Project, which is divided into the Y-12 valley and the ORNL Central Campus.

While EM has made significant progress on the ETTP closure project, the Y-12 valley and the ORNL Central Campus are still significantly contaminated. However, with Assistant Secretary Rispoli's assistance, ORO will be able to develop baselines for the Y-12 valley and ORNL Central Campus and include them in out-year funding, enabling ORO to complete all of its EM work. This is what Mr. Rispoli referred to as the Integrated Facilities Disposition Plan; the plan is "integrated" because EM, SC, NE, and NNSA all own facilities in the Y-12 valley and Central Campus; four different DOE owners, most without baselined projects or out-year budgets.

EM is responsible for the remediation of the soil beneath the Y-12 valley and Central Campus facilities. Therefore, in order to complete its mission, the facilities must be removed. Mr. Rispoli is working with ORO through the EMAAB to combine the projects under one CD-0 package for Deputy Secretary Clay Sell's approval. Once approved, ORO will be able to baseline the remaining work for ORO environmental cleanup. It is a very complex and costly program that is expected to take several years. Furthermore, the work will be complicated in terms of interfacing between separate programs and performing work in the middle of operating sites with heightened security requirements. CD-0 will be one of ORO's most important achievements for future DOE missions because it involves an EM project tied directly to missions of national security at Y-12 and of science and technology at ORNL. Without the completion of EM's work and the removal of the facilities, the Y-12 Office cannot accomplish its 2030 Plan for Modernization and ORNL cannot expand its mission.

ORO is making progress on all current closure activities and has begun planning for future work. Mr. Boyd expects the approval of CD-1 in 2008 for ETTP, and hopes that ORO will be able to wrap up the remainder of its work and close out the site in 2009.

Roundtable Discussion

Mr. Winston began by thanking Mr. Boyd and his staff for an excellent site tour. He shared his concern that the EM work lacks adequate assessment with regards to determining where the waste will be handled. Some of the work has been done through the National Disposition Strategy, produced by DAS Frank Marcinowski's Office of Regulatory Compliance, but there is a void between what is coming out and what is expected to come out of D&D work from a waste-volume and waste-time perspective. Mr. Winston added that one of the issues that had been raised is the role of the Toxic Substance Control Act (TOSCA) incinerator with regards to measuring the D&D work schedule and determining how it will affect plans for either continued operation or closure. How is that planning occurring from the perspective of both a waste generator and a provider of waste management services? What needs to be done to better connect the dots over this significant challenge for D&D work?

Mr. Boyd responded that the D&D waste that comes out of Oak Ridge will be addressed in the CD-1 planning process which will better define exact volumes, quantities, and types of

contamination. He believes that the disposition for the majority of Oak Ridge D&D waste will occur on site in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) cell. Off-site disposal will be used when it is required; however, ORO believes that the on-site CERCLA cell is really the answer. ORO's work to finalize all of the D&D and soil remediation projects in Oak Ridge is time-critical. If ORO loses the capability to dispose of its remaining waste on site, the costs will sky-rocket. The CERCLA cell is critical to ORO's EM mission.

The TOSCA incinerator was very important to Oak Ridge in the past. Currently, more materials from other sites are burned in the incinerator than materials from Oak Ridge. The continued operation or closure of the incinerator is a DOE corporate decision, and DOE has asked ORO to continue running it through 2009. Geographically, the incinerator does not pose any impediment, but the concern is that if DOE decides that it should continue to operate beyond 2009, significant upgrades will be required. In the meantime, ORO is taking care not to run the incinerator into the ground until a decision is made.

On a separate topic, Mr. Boyd added that he believes a dialogue between Portsmouth, Paducah, and Oak Ridge on gaseous diffusion D&D is an excellent idea. Oak Ridge has many lessons-learned to share and the coordination of a formal exchange would be welcomed.

Dr. Ferrigno asked Mr. Boyd if there is a documented master plan for the cleanup of the Y-12 valley and the ORNL Central Campus.

Mr. Boyd responded that there are two things to consider. First is that at Y-12, NNSA has a 2030 Modernization Plan which details what the Y-12 Plant needs to look like in a defined period of time; therefore, NNSA is shrinking the Y-12 footprint and reducing the security area and number of buildings. One can look at the 2030 plan in order to view the big picture for Y-12. Similarly, ORNL has established a plan for what the new Science and Technology Park will look like in the future. ORO also has the CD-0 package which paints a picture of how those two sites will be cleaned-up so that they are prepared for modernization. The CD-0 package is ORO's first cut at an overall plan, but, as Mr. Boyd explained, there are other plans that relate to Y-12 and ORNL as well.

Dr. Ferrigno asked what level of effort is required by the CD-0 package for Y-12 and ORNL over a life-cycle.

Mr. Boyd clarified that CD-0 is defined as a mission-need at this point in time; that means that it does not have a performance baseline as of yet. There is a rough order of magnitude schedule and a rough order of magnitude cost. The cost is bounded from three to five billion dollars and the schedule is fifty years. A more accurate schedule and cost will be developed in CD-1.

Dr. Ferrigno asked whether or not ORO intends to do this through its existing contracts or if there will be separate stand-alone clean-up contracts.

Mr. Boyd indicated that ORO intends to develop the CD-1 with in-house contracting capability, engineering support contracts, and an acquisition plan. ORO will not use the current clean-up contractors to develop that CD-1; rather, ORO will contract out and compete all of the IFDP work. It hopes that CD-1 will occur in 2008 and RFPs will be issued in 2009 so that work can begin in the 2010 timeframe. However, Mr. Boyd cautioned, there are still budget uncertainties.

ORO anticipates that the current work under Bechtel Jacobs will close out under the same contract, as predicted.

Mr. Estes asked for clarification on the role of Wackenhut which has responsibilities at Y-12 with NNSA and on ORO's Balance of Reservation Project. Is its work performed under a single contract, or two separate contracts?

Mr. Boyd responded that Wackenhut operates under two separate contracts managed by a single entity, company president John Burlson. Mr. Burlson is responsible for the security workforce on both of those contracts; he must ensure that all of the guard stations are manned and that the security workforce is dealt with across the Reservation. This is to the advantage of Oak Ridge due to the proximity of its missions and sites, and it has proved to be the preferred working arrangement. The security contracts are actually under competition right now, and new contracts will be awarded in the near future with the same arrangements.

Mr. Estes stated that the second part of his question related more to NNSA. Are the costs and security for Y-12 included in the commercial resources for medical isotope production, or are they part of the Plant's overhead?

Mr. Boyd explained that the Medical Isotope Program is located in ORNL and the isotopes are produced by the high-flux isotope reactor. Any security needed either for the isotopes or the reactor fuel comes through Y-12 and is covered under the Wackenhut security contract. Spent fuel from this production is generally sent to the Savannah River Site after use.

Mr. Estes asked if the high costs associated with protecting highly enriched uranium (HEU) materials versus low enriched uranium (LEU) materials, were part of the price that the ultimate producer is responsible for.

Mr. Boyd responded that the cost for protecting HEU at Y-12 is based upon just that, and not on the cost of security for the reactor that produces isotopes from LEU. Each facility bears its own costs.

Ms. Jennifer Salisbury commented that Mr. Dave Adler, ORO, did a wonderful job on the previous day's site tour. With regard to Mr. Rispoli's management initiative of communication, Ms. Salisbury asked Mr. Boyd if there were any communications lessons learned, in light of ORO's clean-up work, that should be implemented across the EM complex.

Mr. Boyd replied that he participated in a Lessons Learned for Future Work panel at the recent Waste Management (WM) Symposium in Tucson, Arizona. A report based on the WM panel will be issued and made available through the WM Symposium's website. Discussions were oriented around acceleration of projects, project management, safety, and security, and each speaker concluded their presentation with a slide on communication. There are many lessons that can be learned from Oak Ridge. Mr. Boyd cited an example from K-25 in which three different workforces experienced problems communicating due to the use of three different kinds of respirators, specifically when incidents occurred. Communication always plays a prominent role.

Mr. Ajello concurred that that was an excellent point, and added that EMAB will review the WM panel's report.

Mr. Ajello opened the session to public comments, whereupon no response was had. He then thanked Mr. Boyd for his participation and hospitality and announced that the Board would take a one hour lunch break and return at 1:00 p.m.

Lunch Break

Environmental Management Recruitment Strategy Presentation

The Board reconvened at 1:00 p.m., and Mr. Ajello introduced Mr. James Fiore, Deputy Assistant Secretary for Human Capital and Business Services (EM-40).

Mr. Fiore indicated that the focus of his presentation would be on recruitment and the new EM Career Intern Program.

The average age of the EM workforce is over 50 years old, and the program expects to lose a number of its personnel to retirement in the near future. Hiring in EM is also at a disadvantage due to the fact that the program is already operating below its authorized personnel ceiling of 1500 employees. Currently, the program comprises an estimated 1400 people. Therefore, the challenge is to not only accommodate the pending loss, but to also fill the existing gaps, particularly at the sites.

Between now and 2010, 36 percent of the EM workforce will be eligible for regular retirement. Taking into account other possibilities, including eligibility for early retirement, that statistic jumps to as high as 72 percent. The combination of those factors projected out to the year 2010 allows for the possibility that 94 percent of the EM workforce could retire in the coming years. However, realistically, research indicates that the average individual retires three years after they are actually eligible; therefore, EM should expect to face retirement rates between six and nine percent per year.

To date, EM has engaged in a decentralized recruitment effort taking place across the various sites and programs. The practice wasn't necessarily bad, however it lacked a centralized corporate evaluation of "what resources do we need and how could we combine our recruiting efforts?"

Mr. Fiore explained that EM needs to be viewed as a comprehensive system, a total entity or corporation, and not as individual pieces. In support of that concept, EM-40 has changed the processes for filling positions in the Field. Prior to October 2006, the fulfillment of any vacancy had to be approved by Principal Deputy Assistant Secretary Charlie Anderson (EM-2) at HQ. The new policy, however, assigns a certain number of positions to the Field Managers, and allows them to use their discretion in the hiring of individuals for those roles. Site Managers have full authority until they reach their ceiling and do not need to consult HQ unless they need to fill excepted service positions, which must be approved by the Deputy Secretary.

In the fall of 2006, EM-40 began evaluating EM's internship program and consulting experienced Field staff to determine what EM's needs were and how a corporate recruitment team could be formed. With Mr. Rispoli's approval, EM-40 created the EMCIP.

Mr. Fiore stated that the EMCIP is a future leaders program, not a temporary activity like many summer internship programs, and he encouraged the Board to visit its website. EM-40 is particularly proud of the EMCIP website and had worked with the Partnership for Public Service and other external organizations to solicit feedback from a number of young people. Mr. Fiore welcomed EMAB's comments and suggestions as well.

As EM-40 moves forward with the EMCIP, it will incorporate senior staff to serve as mentors for the interns; thus far, feedback has been very positive. A number of current EM managers began their careers in DOE's Reactor Development Intern Program in the 1970s. Furthermore, at one

point six of the eight Field Office Managers in EM were graduates of that program; the hope is that EMCIP will yield a similar return.

Modeled after the NNSA Future Leaders Program, the EMCIP requires a two-year commitment and includes developmental assignments and specialized training. The initial EMCIP target is a class of 15 to 20 interns that will begin in summer 2007; a full-sized class will be composed of 30 individuals. The first session will start off under capacity so that EM-40 can monitor it closely and troubleshoot prior to a full-fledged launch. EMCIP interns will be assigned to specific sites, and in a sense, given a home; although they will rotate throughout the complex, they will maintain this home base. Mr. Fiore noted that so far, a number of sites have expressed interest in participating and have requested one or more interns.

EM is firmly committed to making this program a success. Mr. Fiore added that the development of the EMCIP and the recruitment of 45 interns prior to the end of the current Administration was chosen as a goal by the Secretary of Energy to be documented and passed on to the White House.

The execution of the EMCIP is a team effort propelled by a variety of HQ and Field staff tasked to orchestrate its implementation and committed to its success. EMCIP recruitment teams comprised of 40 people from around the EM complex have traveled to approximately 30 job fairs and special-interest conferences, such as the Black Engineers' Conference, to conduct on-campus interviews. Mr. Fiore noted that there are still a few more visits on the horizon, extending into the month of April.

In order to complete the inaugural EMCIP class of 15 interns for summer 2007, EM-40 will perform an initial round of recruitment and select ten candidates, followed by a second round of interviews to narrow the field down to the final five and round out the first group.

Despite the competition for candidates from organizations like the Nuclear Regulatory Commission and Nuclear Utilities, Mr. Fiore is confident that EM will secure a strong class of interns. The EMCIP has identified at least 500 candidates worth serious consideration, and has interviewed 75 individuals.

In recruiting for the EMCIP, EM has tried to reach out to very diverse backgrounds, including organizations and universities that have either large Hispanic or large Black populations to ensure a diverse workforce for the future. Qualified candidates that are not chosen for the EMCIP are taken under consideration for direct hire to the sites or referred to DOE's intern program. There are a number of talented young professionals in the EMCIP pool, and EM-40 plans to utilize its many human capital tools to bring them into the organization by other means.

Mr. Fiore explained that EM still needs to do a better job identifying the competencies needed across the complex. The majority of the EM sites have completed workforce plans that reflect changes in their work over time and the skills that they will require; however, HQ is only beginning to address this issue. Collectively, EM must evaluate its needs at each site, and identify whether or not they can be met by the existing workforce from another site. EM needs to improve its resource planning.

The EMCIP benefits from a team of experienced recruiters; however, there is no formal method in place to evaluate the effectiveness of the team and its trips. Recruitment can be improved by answering the questions of: How did things go on a particular trip? What worked well? What didn't work well? The more effective the recruitment team, the better the candidates that are attracted to the organization.

While the EMCIP is a major accomplishment for EM, Mr. Fiore indicated that the program still seeks to hire journeyman-level and senior-level professionals. EM is about 100 employees below its authorized ceiling, and the majority of vacancies need to be filled by mid-level people. His office would like to utilize the same recruitment team responsible for the EMCIP to reach out to middle-level managers through events such as the WM Symposium.

EM is making a conscious effort to instill a corporate identity and has created an EM brand. Whether EM is dealing with Capitol Hill or visiting universities, it needs to be recognizable as a corporation. In support of this effort, EM-40 is exploring the development of a five to ten minute video for the EMCIP website and recruitment trips.

Mr. Fiore revisited the objective of developing a diverse workforce through reaching out to minority institutions and societies and added that there is a major effort to increase the recruitment of women into the organization. Mr. Fiore pointed out that five of EM's last seven Senior Executive Service (SES) hires have been women and two have been minorities. EM is making an effort to ensure that both the average workforce and the senior management represent a very diverse organization.

Mr. Fiore concluded his presentation by emphasizing that EM-40 will work to improve EM through quality and collective recruitment at all levels. Although Mr. Fiore hadn't had a chance to address the topic of employee of retention, he shared one creative idea that his office is entertaining. The EMCIP program employs a proven incentive of student loan repayment to retain the individuals it brings on board; Mr. Fiore cited the Nuclear Regulatory Commission's (NRC) practice of reaching out to potential candidates' parents to highlight this incentive as an effective tool for pushing individuals toward their program.

Roundtable Discussion

Mr. Ajello stated that recruitment was a topic EMAB had reviewed within the ambit of human capital, and added that the EMCIP was a very comprehensive program. Many of the activities Mr. Fiore had said his office would undertake are in the works and some of EMAB's recommendations have been incorporated as well. Mr. Ajello commended Mr. Fiore for the impressive progress on what sounds like an exciting program.

Mr. A. James Barnes echoed Mr. Ajello's complements. He was very impressed with the thought and nature of the program that had been developed, as well as with the results. Mr. Barnes was also interested to hear Mr. Fiore's comments on the older intern program that produced EM's current leaders and found that to be his experience in the EPA as well. He asked Mr. Fiore to discuss the size and quality of the applicant pool, specifically as it compared to his expectations.

Mr. Fiore responded that at the very least, the situation has not proved to be as bleak as some of the predictions indicated. He also clarified that all of his comments pertained to the federal workforce, not the contractor workforce; in the grand scheme of things, EM is not reaching out for that many individuals. Based on feedback from the recruitment trips, Mr. Fiore believes that there is enough talent in the pool to meet EM's needs for both the intern program and other recruitment efforts. Whether or not the major utilities and/or companies would agree at this point remains to be seen.

Ms. Anderson complimented Mr. Fiore, specifically with regards to the recruitment of women, and added that the student loan repayment incentive was really an added bonus.

Mr. Fiore reiterated that the recruitment of women is a major priority. He added that his office is working to gain access to the Women of Waste Management network database. Furthermore, Mr. Fiore was invited to chair the panel at the group's reception during the WM Symposium. He viewed the opportunity as a chance to network with a number of women, and brought with him job lists and descriptions for anybody that was interested.

Mr. Dabbar congratulated Mr. Fiore on the organization of a great program and commended him on the incorporation of a broad cross-section of current employees in the effort. Speaking from experience, Mr. Dabbar pointed out that many of the programs targeting the same individuals as the EMCIP focus their recruitment efforts in the fall. He suggested that in order to optimize recruitment, Mr. Fiore may want to consider accelerating the process and focus on making offers by late fall, before the end of the year.

Mr. Dabbar also added that EM-40 has done a great job of identifying the sales aspect of recruiting, noting that the post-interview push and conversion rates are very important because candidates often have other opportunities. Regarding the management of the intern program, Mr. Dabbar inquired about Mr. Fiore's view on the practicality of centralized coordination when the interns themselves are in different business units or other offices.

Mr. Fiore confirmed that his office had considered accelerating the EMCIP process, and definitely intends to pursue that option. He recognizes that often, the best and the brightest sign commitment letters fairly early in the year. EM-40 will try and account for this when scheduling the next recruitment cycle. Mr. Fiore suggested that the EMCIP would accept ten or 15 candidates as early as possible while spreading the remaining slots over the rest of the year.

Mr. Fiore emphasized that EM-40 is committed to both the sales effort and the follow-up aspects of recruitment. A key practice the office picked up from the NRC is to have a senior mentor in place, either an SES or a very senior GS-15, the day the offer is made to help draw the applicant in.

With respect to the management of the program, Mr. Fiore explained that EM-40 works closely with each of the sites and the people who staff this endeavor. HQ partners with the sites to line up mentors and training systems; however, generally, it allows experienced Field staff to handle the program's implementation. In order to provide guidance on this implementation, EM-40 has set up a high-level Human Capital Steering Committee including Mr. Fiore, Mr. Gilbertson, and Field Managers. Therefore, the program has both the staff to coordinate the mechanics of the program, as well as the senior management to provide the oversight and refocus it if things get off track.

Mr. Ajello suggested that the EMCIP may want to consider inviting premier candidates to the sites and let them make comparisons between EM and their other options. The opportunity to come to one of the EM sites and look around could work tremendously well in the EMCIP's favor, allowing the candidate to see the complexity and magnitude of the EM projects. Furthermore, there are tremendous current and future opportunities available at the sites in addition to cleaning up the 1940s legacy.

Mr. Fiore responded by stating that EMCIP is moving in that direction. Initially, the intention was to bring all 75 recruits back to HQ and interview them in the halls of the Forestall building. However, upon second thought, EM-40 decided to take the interviews to the sites where the interns would perform the majority of their work. Mr. Fiore agreed to reflect on Mr. Ajello's suggestion and will explore the idea of inviting outstanding candidates back to the sites for more in-depth visits.

Mr. Swindle asked about the financial support for the EMCIP. Since the program exists outside of the day-to-day budgetary process, is it able to acquire adequate funding such that money is not diverted from the EMCIP to another priority?

Mr. Fiore indicated that Mr. Rispoli and Mr. Anderson have been very supportive. The financial commitment is there; recruitment is something that must be done, and he has not felt any kind of pressure to reallocate the money to other projects. The EMCIP is a high priority, and requests for additional funding have been met without fail.

Mr. Swindle followed his question with an observation: In his experience working with members of the United Kingdom's Atomic Energy Commission and the Ministry of Defense, Mr. Swindle learned of a career development program, not unlike the EMCIP. He explained that in this program, seasoned executives within the senior government ranks are taken and rotated through positions in private industry. Generally, individuals spend six months with Company X at the executive board-level and gain an understanding of Industry's decisions and risk management mechanics. Mr. Swindle encouraged Mr. Fiore to review that practice as a way to develop EM's personnel, especially in a department that is particularly dependent on contractors.

Mr. Fiore agreed to take Mr. Swindle's suggestion under consideration.

Ms. Salisbury asked about the progress made in reducing the length of time it takes between extending individuals an offer and actually bringing them on board; how does it affect the internships?

Mr. Fiore could not answer Ms. Salisbury's question specifically, but agreed that it is a concern and will consult Human Resources. The Department is addressing the problem corporately. However, since the majority of interns do not require high-level clearances, they should not be affected by the lag. EM is working through DOE Human Resources to accelerate the EMCIP process and exploring the option of utilizing the CBC in the recruitment process. DOE Human Resources is understaffed; the CBC already provides personnel support to small sites around the EM complex and hopefully it can assist EM HQ as well.

Ms. Salisbury added that if EM is affected at the hiring end of personnel, then it is most likely affected through the promotion process as well; there is a ripple effect throughout the entire organization.

EM Communications Working Group Presentation

Mr. Ajello introduced Mr. Mark Gilbertson, Deputy Assistant Secretary for Engineering and Technology as well as lead for the EM Communications Working Group.

Mr. Gilbertson stated that he was going to present on the topic of communication. Referencing Mr. Fiore's presentation, he added that communication will be integral to a successful workforce transition.

The EM Communications Working Group (Group), co-chaired by Mr. Gilbertson and Savannah River Site Senior Manager Bill Spader, was established during EM's last Leadership Meeting in 2006. The Group is comprised of high-level people from both EM HQ and the Field along with DOE Public Affairs representative Megan Barnett.

Mr. Gilbertson prefaced his overview of the Group's activities and efforts with the suggestion that EMAB think about the topic of institutionalizing communication and let that guide the following roundtable discussion.

To date, the Group has adopted a charter and is focusing on the development of formal action plans. Its motto is to learn by doing, and it recognizes that the implementation and success of the EM Program is directly related to effective communication between HQ and the Field.

Mr. Gilbertson provided the Board with examples of the Group's successes, noting that Mr. Rispoli's management style has been very conducive and encouraging. Fortunately, the Group has had access to many resources, including EMAB's recommendations and the Joint Intergovernmental Groups' break-out sessions on State and stakeholder communication issues from its most recent meeting. The Group has collected pages of notes to mine for ideas and guidance to use in tackling the issue of communications.

At first, the Group focused on a series of quick wins. As an example, Mr. Gilbertson discussed the recent successful budget meetings. For the first time in recent memory, Field Managers were invited to discuss larger programmatic issues and cross-site priorities prior to budget rollout; by engaging in pre-decisional budgetary discussion, Mr. Rispoli signaled his willingness and commitment to communication. As a result, sites gained an understanding of the motivations behind certain decisions and knew what to expect at the end of the process. In past administrations, this was an afterthought; this new openness represents a paradigm shift with regard to the budget process.

Mr. Gilbertson added that the budget rollout was introduced to external stakeholders on a site and national basis using the EM brand and other new tools, such as the redesigned EM website.

Mr. Gilbertson outlined the focus and direction of the Group's developing action plans. The Group intends to develop consistent guiding principles and use of the EM brand. It would like to encourage strong communication processes and practices. Currently, it is working to formalize the budget rollout processes in preparation for next year. The Group is also developing standardized checklists for communications plans and has instituted a practice pioneered in EM by the Savannah River Site of starting every internal meeting with a discussion on safety, and ending with a review of the resulting messages that need to be communicated, to whom, and in what time frame. The Group would like to implement and institutionalize the aforementioned objectives as real-time EM practices.

Mr. Gilbertson added that the Group is also addressing DOE's employee portal to facilitate internal communications and is pursuing the development of a Master Schedule to better coordinate programmatic activities.

In order to build some conformity across HQ and the Field, the Group is exploring ways to standardize the appearance of the EM web pages. The hope is that uniform web pages will allow the public to better interact with the program.

Regarding the EMAB Communications Team's recommendation that EM establish a communications position, Mr. Rispoli agreed with their suggestion and hired Communications Director, Bobby Carr, who is responsible for focusing EM messages and rolling out the EM brand.

EM has strong relationships right now with the Bobby Carrs and the Megan Barnetts of the Department; however, those people are political appointees and not permanent career personnel.

EM has invested a lot of time and effort in bringing them up to speed, while on the other hand, there are strong career employees like Ms. Melissa Nielson, Director of the Office of Public and Intergovernmental Accountability, who interface with the Tribes, and EMAB, and the sites everyday. The Group is coming up against the dilemma that EM does not have a similar career-position layer at the top. Therefore, the Group plans to engage in some benchmarking against other Departmental programs that supplement interfacing with the Field with similar strategic positions. Mr. Gilbertson noted that at one time, Executive Officer Bill Levitan held that role; however, he has since assumed other responsibilities.

One of the Group's action plans pertains to the reestablishment of EM's professional networks that have been lost over time due to changing workforce dynamics and reorganizations. The Group took the initial step of building communication into some performance standards, but still needs to assess these standards' effectiveness and explore ways to incentivize and reward success. A communication component is included in all of the technical staff's performance reviews and is integral to management standards.

Mr. Gilbertson stated that training is important, and at the next EM Leadership Meeting on March 14-15, 2007, the Group will address techniques to improve communication skills. Furthermore, the Group is also researching ongoing communications training programs to identify potential opportunities. As an example, Mr. Gilbertson cited EM's Senior Technical Safety Managers' qualifications program, which includes communications as a core competency. The question remains, should that kind of requirement be propagated throughout the organization to give the importance of communication greater visibility?

Mr. Gilbertson concluded his presentation by emphasizing that the Group has achieved many quick wins and made a lot of progress building on the recommendations provided by groups such as the EMAB Team. However, the greatest challenge is the pending transition in Administration and workforce. Mr. Gilbertson suggested that EMAB work with the Group to institutionalize communication practices and improvements that will survive this transition.

Roundtable Discussion

Mr. Ajello commented that Mr. Gilbertson's presentation felt much like Mr. Fiore's in that the Group had made substantial progress. Mr. Ajello gave the floor to the EMAB Communications Team lead, Ms. Salisbury.

Ms. Salisbury thanked Mr. Gilbertson for utilizing the EMAB Team's report to address EM communications. She also relayed Mr. Rispoli's direction that the EMAB Team continue to work with the Group as it finalizes and implements its action plans. She expressed hope that the two groups could continue working together throughout the remainder of the current Administration.

Ms. Anderson pointed out that in the 15 years of the Energy Communities Alliance (ECA) meetings, this was the first year that there were not a lot of complaints about communication; the majority of the attendees were happy with their sites. She attributed this to Mr. Rispoli and his charge to the Field Managers to improve their communications with local stakeholders, which has been a tremendous success.

Ms. Anderson added that she believes EM's commitment to better communication will increase successes in the field, particularly when it concerns groups such as Tribal nations or local governments. Ms. Anderson also pointed out that each Board member had received a copy of the ECA publication, "The Politics of Cleanup" which describes three different communities and their processes for communication and working with DOE to clean-up their sites.

Ms. Salisbury suggested that EM could celebrate its successes more and commented that there is a lot for both the employees and public to be proud of.

Mr. Ajello cited a creative communication tool that his company practices. Every Monday morning, a pride-enhancing voicemail from the CEO is sent to the employees, recounting information and successes from the previous week. The Public Affairs department collects and edits material throughout the week and compiles it into a script along with metrics that are used to incentivize and reward employees for achievement. Employees are also rewarded with “power bucks” which are redeemable through a website similar to Amazon.com. Mr. Ajello suggested that EM could employ similar communications tools to enhance pride and draw attention to certain messages.

Mr. Gilbertson agreed that that is a good idea. EM does have a standard e-mail and monthly message, but a voicemail would be a simple cost-effective way to touch its employees.

Ms. Anderson commented that the recent site closure celebrations have been very good for the whole EM complex; they impart a certain optimism that it can be done. DOE needs to take full credit for its success.

Mr. Winston requested that Mr. Gilbertson review the skill sets and responsibilities factored into Mr. Carr’s position with the EMAB Team in the near future.

Mr. Gilbertson agreed and indicated that functions have been established for Mr. Carr’s position. He suggested a follow-up conference call or meeting to discuss those functions, and acknowledged that a lot of progress had been made but there is still work to be done.

Mr. Winston clarified that he was not being critical, and was glad to hear that EM had moved forward with the recommendation; however, the EMAB Team spent a lot of time interviewing people and focused on how Mr. Carr’s position could pay quick dividends. He suggested that perhaps Mr. Carr could be included in the follow-up conversation as well.

With regard to Mr. Rispoli’s earlier comments on the site manager – stakeholder component of communications, Mr. Winston asked if the Group had considered accountable communications measures for the Field. He explained that he perceived variability amongst the sites in terms of information flow and levels of interaction, and cited examples from the past when Assistant Secretaries were often surprised to find out that information, such as budget numbers, appeared at one site, but not another. Although a rigorous management system may be unnecessary, had the Group looked at accountability measures?

Communication is a cultural issue. One of the ways to change the culture is to ask questions such as how are you doing things? Or, why don’t you report to us? Mr. Winston encouraged EM to celebrate its changes and deal collectively with its shortfalls.

Mr. Gilbertson reported that performance qualifications for Field Office Managers had been built into annual appraisals; however, the full cycle of appraisals has not been completed, so there isn’t an indication of how effective the practice was or how well people were measured and rewarded by it. Results are pending a lessons-learned exercise is performed.

Mr. Winston cited his organization’s practice of using a 360-evaluation to elicit feedback from external parties on how robust and effective external communication can be. His organization has also used external mentors to monitor and evaluate site managers’ communication, to identify

blind spots or missed opportunities. Many of EM's stakeholder partners would be very eager to serve in that role.

Mr. Dabbar cited a practice his organization employs, suggesting that perhaps Site Managers and/or employees above a certain level could gather at HQ for a day and discuss a lot of the topics that have been reviewed in this session as part of that communication effort. The meeting could include a presentation on recent accomplishments or a regular discussion about lessons learned from those successes. In Mr. Dabbar's experience, meetings such as those provide the opportunity to convey specific messages and create informal networks.

Mr. Gilbertson responded that EM is very fortunate to be able to do something like that in its Leadership Meetings, organized by Mr. Fiore, which are separate from the business-directed Field Manager meetings. Generally, Leadership meetings are held about three or four times a year.

Mr. Ajello indicated that Mr. Gilbertson would stay with the group through the next portion of the agenda to give a presentation on Technical Uncertainty and Risk Reduction.

Technical Uncertainty and Risk Reduction Presentation

Improved project management and the use of Risk Management Plans presents a tremendous opportunity for Mr. Gilbertson's Office of Engineering and Technology to target the reduction of technical risks for the overall EM program.

A lot of progress has been made in EM, leaving only a handful of sites and major activities going into the future. Therefore, unlike the past when the program had to deal with technical issues at 20 or 30 sites, EM-20 is able to narrow its focus and move the program forward. Mr. Gilbertson stated that some of the visions held in the past have changed and EM-20 is now able to manage the program in more of its totality rather than on a site-to-site basis, and do what it needs to in order to accomplish its mission.

EM-20 is focused on reducing technical barriers and uncertainties. One of the ways it accomplishes this mission is through technical workshops such as the recent Aluminum and Chrome workshop in Atlanta, Georgia and the Cementation Waste Forms workshop at Savannah River. EM-20 is also engaging in external technical reviews (ETR), such as the one performed at the Office of River Protection's WTP.

Follow-on reviews conducted by EM-20 for other major EM projects uncovered multiple technical issues and resulted in broad cross-site discussions on a variety of topics. Through these discussions, EM-20 will be able to aid in future planning and contracts.

Capitol Hill has requested that EM-20 prepare and submit a road map that details the major technical issues and challenges facing EM in draft form for the 2007 budget appropriations. Not only does the road map identify technical issues and challenges, but it also provides potential strategies to address them. Mr. Gilbertson commented that the Technology Road Map was another example of the technological openness Mr. Rispoli has encouraged throughout the program. He also noted that the open dialogue has been very beneficial for the program.

On March 13, 2007, the National Academy of Sciences will review EM's long-term technical needs. Previously, the technology and development component of the EM program had nearly \$400 million per year in funding. However, recent funding levels range from only \$20 to \$21 million. Mr. Gilbertson stipulated that the funding does not indicate that technical work and risk

reduction has ceased; rather, it has been built into the project structures and framework of the current activities. EM-20 is focusing on drawing work across sites and sharing lessons learned. The office is the glue connecting sites with similar challenges and projects to create a type of synergy across the complex.

There are times and areas where a particular project lacks the authority or responsibility to develop new and necessary techniques. In order to supplement these activities, EM-20 makes an investment, such as the development of the Non-Destructive Examination/Assay technology for the Savannah River Site which allows sites to characterize boxes of remote-handled TRU waste and ship them to WIPP without having to remove, sort, and re-drum their contents and expose workers to greater risks. EM-20 pioneered the technology at Savannah River, but it is an example of an innovation that can be used across the complex.

EM-20 has solicited and brought in several different companies from the private sector to provide examples and demonstrations on the next generation of field-removal technologies. The technologies may include ways to immobilize and bind calcine waste, ways to better to characterize plumes in the subsurface, or ways to treat waste either in or right next to its tanks. EM-20 is in the midst of evaluating the technologies at this time.

Mr. Gilbertson stated that completed ETRs have been posted on the EM webpage as part of the lessons-learned communications endeavor. With the posted ETRs, both federal and contractor employees can see the challenges faced by EM projects and better understand the dynamics of the program's situation. Mr. Gilbertson provided the Board with a summary of those findings and a list of ETRs planned for the future. He commented that the EM-20 is playing a bit of catch-up with the ETRs; ideally, the reviews would be performed according to a schedule in the CD process.

As EM-20 moves forward with its mission, it has adopted a lessons learned philosophy and placed emphasis on professional networks and the concept of technical-exchange workshops. EM-20 continues to work directly with Federal Project Managers. It has made itself a resource for reducing technical risk and formalizing guidance for the sites.

Mr. Gilbertson concluded his presentation by noting that the ETRs have played a key role in opening up dialogues on program risks and technical problems. He believes this is important in order to move EM forward, maintain its credibility, and work on the right problems at the right times.

Roundtable Discussion

Mr. Swindle thanked Mr. Gilbertson for his clear and comprehensive report, and noted that a lot of progress has been made on the road map.

Referencing his organization's recent work with the DOD, Mr. Swindle observed that a philosophy of risk management is to mitigate risks rather than avoid them; however, there are certain unforgiving areas in the nuclear arena where risk aversion must be factored in. As reflected in Mr. Gilbertson's presentation, EM tends to focus very heavily on technical risk due to the problems and challenges it has faced.

Mr. Swindle recommended that EM-20 put risk into a broader context and strike a balance in its focus.

Technical risks are well contained and understood by EM. However, there is also performance risk, which includes schedule and scope issues, and the harder to quantify political risk, both of which have posed significant challenges to the program. Furthermore there are regulatory and compliance risks which recognize that a series of federal, state, and local frameworks must be dealt with, and often complicate other risks (i.e. political). Lastly, there is the risk of performance capability, and that relates to the identification of contractors' resources.

Mr. Swindle ventured that there are opportunities in the various programmatic reviews to increase awareness of all of these risk areas and equip project managers and HQ staff with a better understanding of the program's risk dimensionality.

Mr. Gilbertson clarified that EM-20 is a support organization, and that all of the risks Mr. Swindle listed are included in the project reviews, although he concurred that historically, technology and technical risks have been in the spotlight. The performance, political, and regulatory risks are included in how EM manages projects; EM-20's focus on technical risk reduction is supplemental to those management frameworks. EM has been reorganized as an acquisition and project management organization, and is still being retooled.

Mr. Winston commented that one topic that has been discussed time and again is the role of the regulatory system and its potential to act as a barrier to technological enhancements, cost savings, and opportunities. He asked Mr. Gilbertson if he had a read on this topic in terms of how EM and the regulators are faring. The regulators feel that regulatory documents are dynamic and have a track record of change. However, if one were to ask the contractor, they may be disappointed with the process. Is there a message for the regulator community regarding this perceived barrier, specifically as it applies to EM's continuing challenges?

Mr. Gilbertson responded that the regulatory framework in and of itself does not prevent progress from moving forward. A burden needs to come on both parties to try and communicate better and understand the ramifications across the process. Organizations look to optimize within regulatory side, and it behooves EM to put forth the totality of issues so that people can better understand the program's direction. EM is not unique, in that all federal and state environmental programs face these challenges.

Mr. Dabbar asked Mr. Gilbertson to comment on the planning and the development of technical abilities associated with the situations he mentioned last fall; such as the tripartite-like agreements EM entered into at certain sites.

Mr. Gilbertson responded that many of the EM activities are first-of-a-kind activities, and risk is inherent; often schedules and timeframes need to be modified to accommodate these activities. EM-20 is also exploring framework that will allow the office to better communicate. The challenge is to demonstrate progress on a goal when its fulfillment is decades away, and show returns on that goal's funding. Communications and transparency are fundamental, and each party must understand what the assumptions are and what they are not.

Mr. Estes commented that inclusion of risk in the QPR quad charts is very important. In his advisory board experience, he has heard criticism that risk management plans are sometimes compiled, shelved, and forgotten; so its presence in the QPRs keeps risk fresh in everyone's mind. Risks must be recognized up front and mitigation plans must be developed in order to effectively reduce them. Certainly, adequate attention is needed on a continuous basis.

Mr. Winston agreed that ideally EM would not enter into Agreements with lots of stretchables. He referenced specific examples from Fernald to demonstrate the importance of striking a

balance and maintaining enough energy to reach the end of a project, and noted that organizations need to be cognizant of political realities. The challenge lies in the relationships and civil dialogue that allows the program to move forward, in spite of that which it cannot control.

Mr. Swindle concluded the session with a few observations. Referencing the impact that seismic risk considerations could pose to the WTP baseline, Mr. Swindle commented that he is concerned about what may become unbounded risk issues that are not necessarily technical, but rather emotional and political in nature, and have the potential to drive up the costs of the EM program exorbitantly. Beginning with the original infant program, EM's reputation was damaged by having good contractors report numbers that were a tenth or a third of what the costs are now. Mr. Swindle suggested that perhaps EMAB could provide the Assistant Secretary and EM-20 with guidelines that could be used to build a framework that allows EM to draw the line and get on with the clean-up.

Mr. Ajello thanked Mr. Gilbertson for speaking with the Board and announced that there would be a 15 minute break followed by the last two presentations and discussions of the day.

Break

Discretionary Budgeting Discussion

Mr. Ajello welcomed Mr. Mark Frei, the Deputy Assistant Secretary for Program Planning and Budget (EM-30), and Mr. Steve Trischman from the Office of Strategic Planning and Analysis to the meeting via telephone to discuss the topic of discretionary budgeting.

Mr. Trischman began the discussion and explained that he would speak to former Assistant Secretary Jessie Roberson's focus on EM corporate problems in the 2002-2003 timeframe as well as EM's approach to discretionary budgeting then and now.

In order to accelerate and change the direction of EM, Ms. Roberson chartered 12 corporate teams to resolve problems identified through the EM Top-to-Bottom Review. Each problem was managed as a project through the critical decision process and addressed a range of technical, project management and business issues.

Mr. Trischman was involved in the twelfth project, "Focusing EM Resources on Cleanup." His team was tasked to travel to each site and determine how all of its resources were being spent on items such as program support, travel, training, awards, and other areas of discretionary spending. Furthermore, the team was directed to evaluate the different federal systems in place and identify ways to prioritize activities across the EM complex.

Generally, the team found that there was a lack of comprehensive coordination regarding the sites' respective strategies. Throughout its work, the team compiled lists of findings in order to guide organizational changes and reduce program support spending, i.e. those things that are mission-related, but not in direct support of clean-up. The overall goal was to reduce that amount to the greatest extent possible, and in the end, the team identified about \$70 million of cost savings for that year. The project also served the dual purpose of ensuring that federal Field staff were actively seeking out opportunities to capture every possible savings and clean-up the sites as quickly as possible.

Since then, EM has established a system to regularly evaluate discretionary spending and prioritize funding. Whereas in the past, only ten percent of the budget was managed as projects and the other 90 percent was allocated for ongoing operations, the situation has been reversed;

EM has projectized nearly 90 percent of the activities in its budget. These projects undergo external reviews and are validated by OECM. The result is that the general program focus has shifted to pushing all of its work to be mission critical. EM has also altered its contracting practices and incentives to expedite clean-up through cost-sharing opportunities.

In the time since Mr. Trischman's team completed the "Focusing EM Resources on Cleanup" report, EM has improved its federal systems used to track government-furnished services and information. Furthermore, the Office of Project Management Oversight plans to roll out a system that integrates individual site schedules into one schedule that can be evaluated at HQ and used to determine what the interfaces and impacts will be as decisions are made between sites. This project management culture has also been institutionalized with the development and implementation of a Project Manager Certification Program through which FPDs must become certified in order to manage various levels of projects. Mr. Trischman concluded his portion of the presentation by summarizing the circumstances surrounding the "Focusing EM Resources on Cleanup" final report. EM was not projectized at the time and was undergoing significant cultural changes. EM has since improved with regards to managing and prioritizing its work.

Mr. Frei followed Mr. Trischman's presentation with a discussion about priority lists and earmarking. He began by addressing how EM is dealing with elements of its work scope that are not directly related to clean-up, and explained that there is an overhaul of "non labor" oversight.

In its current evolution, if a HQ or Field office wants to perform program support services using contractors in FY 2007, they must submit a task plan for EM-30, the Change Control Board, and the DASS' review. Proper plans contain the objective, background, proposed deliverables, schedules, sensitivities, and the dollar amounts itemized by task. EM-30 reviews each request as well as the existing tasks from FY 2006 to ensure that there is a sound justification and that the program can afford it. Following the review, EM-30 makes recommendations to EM-2 on the proposed funding for program support services. Mr. Frei indicated that his office plans to continue this process in FY 2008.

Mr. Trischman is responsible for baseline change proposals that come in through the Integrated Planning, Accountability, and Budget System. For things that are not directly related to project baselines, such as the previously discussed non labor resource funding, sites submit "Other Change Requests" (OCRs) which allow EM-30 to maintain configuration control over all funding requests from the Field and HQ. OCRs will also be used to restructure the proposed task plans for FY 2008. Mr. Frei stated that he believes EM-30 is providing sound oversight and is in control of that funding.

He then switched topics to discuss how EM prioritizes the balance of its work and clean-up projects as well as the issue of earmarks.

EM-30 is beginning to organize its FY 2009 Budget process. In order to set priorities, the office often defers to the Field Managers who also relay the input of the local EM SSABs. These processes and priorities have been refined over the years, and tailored to focus on risk reduction.

As documented in the President's FY 2008 Budget Request, EM has outlined priorities which are similar to those described in its FY 2007 request. First and foremost, it is important to ensure the EM has enough funding in its budget for minimum safe and essential services/operations. Secondly, EM must have the capability to disposition all radioactive liquid tank wastes, special nuclear materials, spent nuclear fuel, and high technical-risk items. This is followed by lower priority, solid-waste disposition programs such as TRU waste, LLW, and soil and groundwater remediation. And finally, there are the D&D activities. The list was derived from priorities

identified last May by a corporate board consisting of DASs and Field Managers and has been used throughout the year to develop an integrated priority list and to brief the Secretary and the Office of Management and Budget (OMB).

Mr. Frei indicated that, typically, EM-30 receives hundreds of records from sites in support of their priority list requests; it then rolls the records into a master list used for decision-making and recommendations. EM uses a fairly rigorous process to corporately identify its funding priorities and uses them as the basis to communicate the program's needs. The process greatly aided the formulation of the FY 2008 budget; EM was able to secure more budget targets within the Department and fared well on its pass-back cycle for OMB.

Mr. Frei concluded his presentation with a discussion about earmarks. Every year, EM receives congressionally directed activities within its budget appropriation. As an example, in 2005 and 2006, EM received approximately \$110 million of congressionally directed activities from the House and the Senate. FY 2007 is the exception due to the full-year Continuing Resolution. The Department or agency must determine whether or not the proposed earmark(s) would benefit its mission. In the case of EM, roughly \$70 million-worth of earmarks have tentatively been identified. DOE will submit its spending plan for the Department, including EM, within the week. The EM earmarks focus on clean-up projects and typically cover activities such as the Columbia River work at Hanford; HAZMAT training for federal and contractor employees; and work at entities that provide direct support to the EM sites.

Roundtable Discussion

Mr. Ajello asked Board members Mr. Dabbar and Dr. Ferrigno to lead the roundtable discussion.

Mr. Dabbar thanked Mr. Trischman and Mr. Frei for their presentations, and took specific note of the EM programmatic goals of risk reduction, shortening schedules, and reducing life-cycle costs. Obviously, risk reduction is the most important goal, and Mr. Dabbar commented that both presenters did a good job of laying out the kind of risk mitigation prioritization, including minimum safe and central services, involved in the annual budget formulation. Mr. Dabbar asked, in addition to this, does EM-30 also look at life-cycle costs or scheduling issues as it prioritizes for the annual budget endeavor?

Mr. Frei responded in the affirmative, and stated that although EM does not have the sophisticated modeling capabilities to run tradeoffs, it does use its own judgment based on knowledge of the project and its scope, and applies that judgment to what it will mean for cost and scheduling.

Mr. Dabbar asked if EM had ever used life-cycle costs to secure additional funding requests. Has the program ever made the argument, in addition to risk mitigation goals, that if more money was spent now to reduce mortgage payments on certain sites, that the overall life-cycle costs for certain projects could be reduced?

Mr. Frei responded that typically, EM operating project baselines are developed at an 80 percent confidence level based on independent reviews. However, there is no room in the budget target to fund clean-up projects at an 80 percent confidence level; they are funded at a 50 percent confidence level. So, with regards to the FY 2007, 2008, and 2009 budgets, HQ has asked the Sites to identify how much more money would be required to meet this 80 percent goal. If EM could secure those funding levels for the various projects, not only could the projects be completed, but most likely they would be completed on an accelerated basis and for lower life-cycle costs.

EM has identified that cost in the past and will do so again in the future. However, Mr. Frei noted that there is a resource constraint in the Department, and EM has not been entirely successful in securing much of that funding.

Dr. Ferrigno asked Mr. Frei if there was any consideration, when setting EM's priorities, to use the life-cycle cost of either line budget items or operational activities in order to set the priorities either by complex or by site.

Mr. Frei replied that no, there is not.

However, he added that when projects reach CD-1, they are presented with a range of alternatives, each with its own respective funding profile and ending life-cycle cost. This helps EM choose which alternative to pursue in terms of executing the project. Unfortunately, EM may not always be able to fund the preferred alternative. That is one of the problems confronting the program today; often what is in the baseline across the complex greatly exceeds what exists in the budget reality.

Dr. Ferrigno noted that in an ideal world, one would want to investigate what would have to be done throughout the chain of command in order to provide EM with the freedom and capability to do that; however, he commented that there may be some inertia to overcome.

Mr. Ajello explained that EMAB members had spoken about this challenge amongst themselves and discussed how they would handle this problem if given a similar set of issues and tradeoffs in their own businesses.

One way to do this is to take very long lead-time projects and estimate their full life-cycle costs, including the cost of money. This separate dimension has a way of showing decision-makers that if a project were to be delayed X number of years, the cost of inflation and the cost of money associated with that project will make the final life-cycle cost so much more expensive. This dimension of analysis helps decision-makers focus on tradeoffs that they wouldn't otherwise see.

Mr. Ajello wondered if this added dimensionality could be a helpful exercise that would encourage people to focus their attention on prioritization and changing the mix of things EM would do in comparison to the system in use today.

Mr. Frei agreed that the added dimensionality would be useful; however, the question is: what kind of tool or analytics could be put in place that would be effective, but not burdensome? And, could it actually be used? That kind of information would be beneficial and help EM's decision-making. It may also achieve better decisions upstairs when securing more funding because EM would then have both a life-cycle argument as well as a risk argument to use.

Mr. Ajello asked, if EMAB had something in mind, an analogue or an approach derived from its own experience, should it put that forward?

Mr. Frei agreed and stated that it would be much appreciated.

Mr. Swindle recalled from the Uranium Enrichment Fund in the D&D account that DOE has continued to collect a pool for future D&D facilities; this relates to the issue of costs expanding over time. The funds from the balance in the account were always at least sizable and capable of performing a higher investment of D&D. Yet, the constraint was OMB and how much it would let go from that amount. Mr. Swindle asked if that situation was still in place.

Mr. Frei brought the Board up to date, and stated that this year, EM notified Congress that it intends to continue making full contributions to the fund through 2010.

With reference to the cost of money, Mr. Frei cited an example where EM did some sensitivity work and found that if the cost of money was increased for a D&D project, the fund's earnings decreased significantly to where the fund went from sufficient to insufficient the more work was accelerated. There is actually a benefit from the fund standpoint to extend D&D.

Mr. Dabbar added that in the commercial nuclear industry, where D&D inflation cost estimates are lower than the fund and the asset growth rate, one may see a lot of shut-down nuclear power plants that are not being torn down, because there is that positive arbitrage. The actual growth rate and the current liability growth rate could always move.

Dr. Ferrigno explained that what drives that is the risk of escalation.

Mr. Frei stated that Mr. Swindle was correct; EM still receives its target from OMB. It gets an allowance from what can be pulled out of the D&D funds and assets to apply to gaseous diffusion plant D&D.

Mr. Swindle asked if that allowance was optimized in such a way that cleanup can be accelerated without having the growth envelop depreciate or devalue the fund.

Mr. Frei stated that he suspects it's not optimum. This is not an area that he has a lot of history in, and he does not know what the basis of the D&D target is. However, he added, the issue of whether it is optimized is certainly something to pursue.

Mr. Swindle agreed and noted that in these budget-constrained times, it was important not to let this concept get lost in the shuffle.

With regard to the current Continuing Resolution, Dr. Ferrigno asked Mr. Frei to provide EMAB with a two-minute primer on where EM is in its funding cycle for 2007-2008 and how that relates to the sites and their funding.

Mr. Frei explained that 2007 is a unique year because DOE did not receive an appropriation. Generally, by this point in time, DOE has a congressional sign-off from the President, EM has issued its funding letters to the sites, OMB has provided quarterly allotments, and the sites know what they have to spend. However, in 2007, the President signed a Continuing Resolution on February 15th, which directs EM to continue operating under its FY 2006 numbers. Mr. Frei noted that EM did receive a plus-up in its Defense account, and an overall bump-up of about \$360 million over the FY 2007 request.

While it works to allocate the FY 2007 money, EM is also engaged in rolling out the FY 2008 budget request, which it hopes to have approved by the end of the Fiscal Year. Furthermore, in two weeks, the sites will brief HQ on their priority and funding requests for FY 2009.

Prior to concluding the roundtable discussion, Mr. Frei suggested that after listening to Dr. Chuan Wu's presentation on the various EM Working Groups later in the afternoon, that EMAB could provide recommendations to the Business Processes Group regarding better models and analysis that can support and improve EM's budget formulation.

Mr. Ajello agreed, and thanked both Mr. Trischman and Mr. Frei for the excellent update.

EMAB, NAPA, and EM Focus Area Working Groups Recommendations and Implementation Strategy Overview

Mr. Ajello introduced Dr. Chuan-Fu Wu, EM Chief Safety Officer, for a presentation on the implementation of the EMAB, NAPA, and EM Working Group Recommendations.

Following EM's Leadership Meeting in October 2006, Assistant Secretary Rispoli appointed Dr. Wu as the Action Manager responsible for coordinating implementation activities for the EMAB, NAPA, and EM Working Group recommendations.

Dr. Wu was chosen for the assignment due to his diverse background and education. He received his doctorate degree in nuclear engineering from MIT as well as a Masters in Business Administration, sponsored by his former employer, M&O contractor Westinghouse. Dr. Wu worked under Westinghouse for two years in Oak Ridge and for 11 in New Mexico before moving to DOE HQ. He has had the opportunity to gain an understanding of how people in the Field work, and how they feel about people at HQ.

His presentation was divided into three topics: the FY 2006 EMAB recommendations, the NAPA recommendations, and the EM Leadership Focus Group. Dr. Wu clarified that a NAPA panel is conducting a study of the EM organization over a period of 18 months. He also explained that the EM Leadership Focus Group actually consists of four separate working groups: Communications, Business Practices, Roles & Responsibilities, and Diversity.

Dr. Wu stated that Mr. Rispoli, Mr. Anderson, and Dr. Triay decided to implement all of EMAB's recommendations from the Board's FY 2006 report. Mr. Fiore has been designated to lead the implementation of the five human capital-related recommendations; the five communications-related recommendations are under joint ownership by newly instated Communications Director Bobby Carr and EM Communications Working Group Leads Mr. Gilbertson and Mr. Spader; and finally, the last recommendation regarding EM small business relations has been picked up by both Mr. Rispoli and Mr. Surash.

The NAPA panel issued its first interim observation paper in September 2006. It identified 12 recommendations, four in each of the three EM areas under review: Organization and Management; Human Capital Management; and Acquisition and Project Management. After careful review, EM-1, EM-2, and EM-3 agreed to implement ten of the 12 recommendations immediately. The remaining two require further evaluation before they can be accepted. They advise EM to establish two new offices, one which would report directly to EM-1 and be responsible for centralizing management, analysis, and policy issuance, and the other which would create a Chief Business Officer. Dr. Wu indicated that EM sees merit in both of these recommendations, but it needs to determine if and how they will be implemented.

The NAPA panel's second interim observation paper was issued in January 2007 and contained 18 recommendations pertaining to the study's three focus areas. The first three recommendations addressed Organization and Management, the second three addressed Human Capital, and the remaining 12 addressed Acquisition and Project Management. EM-1, EM-2, and EM-3 have not made a final decision as of yet, nor have they provided any direction regarding the recent recommendations. However, they have been briefed along with other senior managers and the DASs by the NAPA panel and the panel's Project Manager, Mr. Al Kliman. Dr. Wu expects a decision in the near future; several recommendations may require further evaluation, one of which recommends the reassignment of EM-10 and EM-20 to Dr. Triay's responsibility.

EM expects to receive the third interim paper in June 2007 and the final report in October 2007. However, it is not waiting for those products to start implementing the approved recommendations; even during the preparation of the first interim observation paper, the program had already begun to prepare itself to address and implement the NAPA panel's recommendations.

As he had mentioned earlier, Dr. Wu stated that in October 2006, EM held a leadership meeting. In the October meeting, senior leaders identified four areas to focus on in order to make EM a better, higher-performing organization, and created four groups to carry out this mission. All of the working groups' recommendations will be presented and discussed at the next EM Leadership Meeting on March 13-14, 2007, followed by the EM Field Managers face-to-face quarterly meeting, and the weekly Field Managers' conference calls.

The first working group, led by DAS Gilbertson and Mr. Spader, is focused on communication; it comprises a variety of HQ and Field senior leaders such as DASs and Assistant Managers. Often, these people are not available to fully participate, and so they utilize their staff of Division Directors or Line Project Managers to support the Group's efforts. The EM Communications Working Group is scheduled to meet with EM-1, EM-2, and EM-3 on Thursday, March 8, 2007.

The second working group, led by Mr. Jack Craig, Director of the CBC, and political appointee Mr. Steve Cuevas of EM HQ, focuses on Business Processes. This working group made recommendations in three areas to improve the EM acquisition process, to improve the EM budget process, and to improve the integration of all business functions. The working group keeps EM-1, EM-2, and EM-3 well informed on a daily basis; therefore, it is able to implement its recommendations and actions without waiting for official action-plan approval.

The third working group is focused on Roles, Responsibilities, Accountabilities and Authorities (R2A2), and is led by Ms. Sandra Waisley, Director for the Office of D&D and Facility Engineering, and Ms. Sherry Olinger, Acting Manager for the Office of River Protection. The R2A2 Working Group met with EM-1, EM-2, and EM-3 on their scheduled date, January 31, 2007, and all of their recommendations were accepted.

The last group is the Embracing Diversity Working Group led by the Savannah River Site Assistant Manager, Ms. Yvette Collozo, and the Director of Site Support and Small Projects, Ms. Cynthia Anderson. This Working Group has recommended 11 actions that will develop and implement model recruitment and retention strategies, and will present their recommendations to EM-1, EM-2, and EM-3 on Friday, March 9, 2007.

Dr. Wu concluded his presentation with a summary of EM's tracking strategy to monitor and ensure that all of the recommendations are considered and appropriately implemented. The primary tool in this strategy is a color-coded Excel spreadsheet developed by Dr. Wu that catalogs recommendations by topic area, implementation decision, actions, lead manager, due date, completion date, status, and remarks. The implementation of both the EMAB and NAPA recommendations will be led by a DAS while the Working Groups will be responsible, along with volunteers from HQ and the Field, for taking the lead to monitor and implement recommendations.

Roundtable Discussion

Mr. Ajello thanked Dr. Wu for his presentation and commented that things are considerably more organized with his leadership around the areas of EMAB and NAPA. Mr. Ajello asked if the Working Groups had been broadened to encourage enrollment across the complex.

Dr. Wu replied that EM would like to empower senior leaders to be the change agents both at HQ and out in the Field. Furthermore, each group has been provided with the NAPA and EMAB reports to make them aware of the recommendations. The senior leaders have the freedom to understand what those recommendations are and build on them.

Mr. Ajello suggested that EMAB could be a resource to those working groups and senior leaders if they ever needed any clarification regarding the EMAB recommendations or implementation suggestions.

Dr. Wu responded that the EMAB FY 2006 Report was very clear and easily understandable. However, if there are any questions, he will coordinate with Ms. Lamb.

Mr. Ajello recalled that in his presentation that morning, Mr. Rispoli had enumerated five topics for EMAB in FY 2007, each of which seems to relate to the four EM Working Groups. He suggested that perhaps EMAB could map its work on these topics to the efforts of the four working groups, depending on their expected lifetimes.

Dr. Wu indicated that the Working Groups will be in place until all of the recommendations are implemented, and agreed that both the EMAB and NAPA focus areas lend themselves very well to the EM Working Group topics.

Mr. Ajello asked Dr. Wu if, considering his access to the EMAB, NAPA, and EM Working Groups recommendations, there was anything that the three groups missed in their products.

Dr. Wu replied that in his opinion, the recommendations are very comprehensive and he has not been able to identify any add-ons. However, he is concerned that once recommendations are accepted, it may be difficult to secure the needed resources and leadership to implement them. When EM reaches the implementation phase, it will need to find the availability of people, additional resources, and funding to bring in external expertise.

Mr. Ajello encouraged Dr. Wu to continue pushing the EM projects and recommendations, and commented that the worst thing that could happen would be to let them fall apart because that signals a lack of commitment and hurts credibility. If EM can keep it together, it will be better for it.

Dr. Wu stated that he believes EM-1, EM-2, and EM-3 are excited about implementing the recommendations. He added that he hopes HQ and the Field can accomplish a lot under the current environment because the next leadership may have different ideas.

Mr. Ajello thanked Dr. Wu for his presentation.

Public Comment Period

Mr. Ajello opened the floor to public comments.

Ms. Susan Gawarecki introduced herself as the Executive Director of the Oak Ridge Reservation Local Oversight Committee. She explained that her organization is funded through the Tennessee Oversight Agreement to help communicate the concerns and interests of local Government to DOE and interpret DOE technical and policy matters for the stakeholders.

First of all, Ms. Gawarecki believed that it was a mistake to hold the EMAB meeting in Knoxville. The majority of DOE's local stakeholders are in Oak Ridge.

Ms. Gawarecki also stated that DOE does not have a good grasp on the true cost of its projects. Often, what appears to be a procurement bargain is the result of contractors underbidding on jobs in order to secure them, and then make up the money with change items which breed higher costs, more aggravation, and lower quality work products. Unfortunately, most DOE Managers have never worked for the private sector and don't really understand the business concerns of profitability and overhead. The result is procurements that drag on, RFPs that do not properly address scope, and contracting mechanisms that are completely inappropriate for environmental projects. Ms. Gawarecki believes that some of the issues that drive DOE's safety and quality problems can be traced back to inappropriate procurement practices.

Ms. Gawarecki stated that communications with stakeholders could be improved, not just by how websites look, but through better navigability and an increase in posted information. Her organization has provided feedback to Oak Ridge on their websites and what they felt was needed to support stakeholder interests; however, unfortunately, nothing changed. EM should consider standardizing a set of recommendations for material that might be considered sensitive or official-use only so that contractors don't have to make that decision. This would eliminate discrepancies between what BWXT Y-12 might consider sensitive versus what Bechtel Jacobs Company considers sensitive. Ms. Gawarecki expressed frustration over impediments such as these that make it difficult for stakeholders to ensure that the work is getting done.

Overall, Ms. Gawarecki's impression of Mr. Gilbertson's presentation on EM Communications was that the practice of communication is being bureaucratized, and it was unclear to her how it will be improved. However, she did notice that one of the recommendations included in Dr. Wu's presentation pertained to timely responses to local government and stakeholder communications, and added that those responses must also include communication when the issue is resolved or justification when the decision does not satisfy the stakeholder concerns. Both positive and negative feedback are necessary, and there is no need to lose sight of the fact that it is the issues that drive communication, not the process.

Ms. Gawarecki's final concern was that DOE is not funding its Compliance Agreement in Oak Ridge. The Federal Facilities Agreement between DOE, the State of Tennessee, and EPA is a formal agreement, and DOE needs to request sufficient funding in order to honor it. Project planning is negotiated annually on a mutually agreed upon three-year schedule. However, DOE seems to be inclined to renegotiate the schedule rather than comply with its legal obligations to fund the projects. When the Accelerated Cleanup Plan was accepted, the State and local stakeholders agreed to a number of compromises with the assurance that the work would have largely level funding until the natural tailing off of the clean-up, but this promise is not being kept. Ms. Gawarecki stated that this is a huge concern locally, and the community would like to keep it in the forefront.

Mr. Luther Gibson, a retired BWXT Y-12 employee and NNSA contractor, served on and chaired the Oak Ridge EM SSAB from 1995-2005, and is currently the Vice Chair of the Citizen Advisory Panel, a technical committee of Ms. Gawarecki's organization. Mr. Gibson previously served as a consultant to EMAB's Alternatives to Incineration Committee.

Mr. Gibson emphasized that Oak Ridge is a complex site with multiple ongoing missions. As an example, he cited work in the East Tennessee Technology Corps. which could not be segregated and has since experienced a slip in scope and schedules beyond what was originally accounted for. He stated that these situations will have to be dealt with at some point, and that the global

funding is somewhat disappointing and confusing. All of the local work is embedded within major DOE programs, so there is some consolation that the clean-up will have to be completed in order to accommodate the expansion of DOE's programmatic missions.

Lastly, Mr. Gibson discussed the cost of the TOSCA incinerator and recalled that its operations have been extended through 2009. Mr. Gibson stated that the TOSCA incinerator has a very important mission tied to the clean-up of sites besides Oak Ridge, and perhaps it needs to operate beyond 2009. It is a unique facility, and he suggested that its purpose could be broadened to include Homeland Security missions. The Oak Ridge community is not opposed to hosting those types of activities. Furthermore, there are no commercial facilities in Oak Ridge that can treat waste from the complex, and the cost of incinerating is just that.

Mr. Winston expressed appreciation for the comments from both Ms. Gawarecki and Mr. Gibson. Having served on EMAB for a number of years, he has witnessed many creative ideas and effective partnerships that have been adopted through local involvement. Often stakeholders feel that they are on the outside looking in, but effective stakeholder involvement comes through partnership.

He noted that, as the Board learned in its tour of ORO the previous day, some of the earliest engagement with long-term stewardship, planning, and long-term permits has occurred at Oak Ridge.

Mr. Winston concluded his comments by publicly thanking the individuals and stakeholders that comprise the external part of the aforementioned partnership at Oak Ridge, because they have been a vibrant and active force.

Ms. Anderson added that it is important for DOE to continue supporting the different working groups at each site in addition to the local governments and EM SSABs. Continued funding of different stakeholder groups will benefit both DOE and the outcome of the EM mission.

Adjournment

Mr. Ajello asked for additional comments or further business, whereupon no response was had. He then adjourned the meeting at 5:00 p.m., to be reconvened at 9:00 a.m. on March 7, 2007 at the same location.

March 7, 2007

Opening Remarks

Dr. Ferrigno, the EMAB Vice Chair, reconvened the meeting at 9:04 a.m. and noted that Mr. Ajello had to attend to other business, and would not be present for the day's proceedings.

Oak Ridge SSAB Presentation

Dr. Ferrigno introduced Mr. Lance Mezga, Chair of the Oak Ridge EM SSAB (ORSSAB). Mr. Mezga thanked the Board for the opportunity to speak. The ORSSAB was formed in 1996. It consists of 20 members, nominated through an independent screening process. Members are representatives of Oak Ridge and its surrounding communities; it is truly a citizens' advisory board. In addition, the ORSSAB includes non-voting high school students and DOE, EPA, and TDEC liaisons.

The ORSSAB is organized into an Executive Committee, a number of standing committees, and an ad hoc group. Standing committees generally develop the substance of the ORSSAB's recommendations and include the Finance Committee, the Environmental Management Committee, the Stewardship Committee, and the Public Outreach Committee.

Since the Board's inception, there have been more than 150 recommendations, ranging from broad policy issues to more specific recommendations regarding clean-up actions at the Oak Ridge Reservation. Most recently, the Board has dealt with the need to conduct independent verification of clean-up at ETTP. In formulating this recommendation, the ORSSAB was briefed by the contractors who performed the same independent verification work at Rocky Flats, and held discussions with other EM SSABs. The ORSSAB's recommendation was formulated after a fairly in-depth technical review and cost analysis.

The ORSSAB has also reviewed the revised strategy for D&D of the K-25 building, which was driven by a fall-through-the-floor incident that caused DOE to stop action and reconsider its approach to clean-up. The ORSSAB was skeptical of the cost estimates and schedules that were issued, and its skepticism was justified. DOE has since made revisions to its approach with the help of the ORSSAB.

The ORSSAB has also been involved in some of the more far-reaching policy issues, such as support for the Class III modification to the Hazardous Waste Facility permit at WIPP. This involvement relates to the Oak Ridge site's disposition of its remote-handled TRU waste. Furthermore, it has been involved with the clean-up and closure of the remaining contaminated facilities that were not part of the original transfer to EM. Those are labeled under the IFDP title, which represents a significant amount of work that remains to be done in Oak Ridge.

Under the topic of stewardship, the ORSSAB has identified issues associated with deed restriction language and the availability of information to future land purchasers regarding contamination. Furthermore, it expects to vote on a recommendation asking the Assistant Secretary of Energy to reaffirm secretarial policies that provide stewardship to ongoing mission sites.

The ORSSAB is very proud of its Stewardship Education Resource Kit, which is being used by high school educators. Approximately 60 copies have been sent to various high schools and other interested parties. In June 2007, ORSSAB members will participate in an EPA conference in Jacksonville, Florida, where they have proposed a training workshop on creating a Stewardship Education Resource Kit for communities. Members have also trained educators to use the Resource Kit, and have been active in public outreach, especially to younger generations.

The ORSSAB is very proud to have been awarded the 2006 Citizens Excellence in Community Involvement Award by EPA.

Looking toward the future, there are three key areas of ORSSAB interest. One is the completion of the EM mission; finishing the work that remains to be done in Oak Ridge as part of the clean-up process. The second area is stewardship; once the job is done, per the definition of the mission objective, there are still a number of stewardship issues that will remain. The third area is budget, and its influence and impact on other areas.

Groundwater and surface water continues to be an issue; parts of the Oak Ridge Reservation still lack a final groundwater record of decision. The ORSSAB is concerned about the need to

continue monitoring the groundwater and surface water systems to verify the conclusions reached in the Remediation Effectiveness Reports.

Waste management also continues to be an issue. The Board wants to ensure that Oak Ridge's newly generated wastes have paths to disposal as EM ultimately completes its clean-up mission. There are in excess of 150 contaminated buildings on the Oak Ridge Reservation that were not part of the original EM mission and limit DOE's ability to revitalize the campuses and facilities of other ongoing programs. The ORSSAB is also monitoring the completion of ETP closure activities and watching for schedule slippage and cost performance.

The ORSSAB has scheduled a briefing to identify the Balance of Reservation work that was not completed under the original baseline; specifically, what in the IFDP's baseline will ensure that the end-state which has been envisioned since the beginning of the process is kept in mind?

Roundtable Discussion

Mr. Winston thanked Mr. Mezga for his presentation and congratulated him on the ORSSAB's richly deserved award. He also asked for an assessment of the stakeholder community, in terms of how united it is in its vision and mission.

Mr. Mezga responded that there has been a tremendous amount of progress. For the ORSSAB itself, there is less debate and disagreement about most of the technical issues that have been presented. In terms of the community itself, there seems to be more consistency; it is also issue-driven and issue-dependent.

Mr. Mezga asked Mr. Gibson, former Chair of the ORSSAB to also comment.

Mr. Gibson noted that there was a lot of activism early in the program. Activities still persist today to a certain degree, including the promotion of demonstrations at Y-12. There is also the lingering concern about worker illnesses and health effects, which tends to peak quite a bit of interest and participation.

Mr. Winston noted that the program is more mature and has made a number of enhancements that have helped to diffuse tensions with its stakeholders.

Mr. Mezga agreed that the Department has taken steps to address some of its issues.

Mr. Winston noted that the states of Ohio and Kentucky would like to collaborate on the gaseous diffusion plant clean-up, D&D, and lessons-learned. He believes there will be a high-level meeting with DOE to promote better understanding of the strategic steps required for successful D&D clean-up. Tennessee would clearly be an asset in that effort.

Mr. Mezga stated that the ORSSAB would be interested in participating.

Mr. Swindle asked about the responsiveness of DOE both locally and on a national level to the recommendations of the ORSSAB.

Ms. Salisbury noted that EMAB's Communication Team has been exploring how timely, substantive, and adequate the responses are from DOE to the EM SSAB recommendations.

Mr. Mezga responded that the ORSSAB's relationship with DOE is very good. There may not always be agreement, but all of the issues can be discussed fully and openly, and it has access to

all levels in the management chain so that issues can be escalated as appropriate. Typically, there will be a series of follow-up meetings to review each recommendation. The ORSSAB requires that every recommendation sent to DOE be closed out by DOE.

The full ORSSAB, and each standing committee, meet once a month, and the ORSSAB generally approves recommendations at every meeting. Responses from the local DOE are always prompt. The ORSSAB has also established a process to track its recommendations and holds DOE accountable for its responses.

Ms. Salisbury noted that Oak Ridge may serve as a template for good communication and responsiveness.

Mr. Swindle asked about the effectiveness of the Board's input in the budget process.

Mr. Mezga noted that one of the recommendations from the last SSAB Chairs' meeting went to Mr. Rispoli regarding this topic. DAS Frei has issued a Memorandum which outlines in detail how the EM SSABs can participate in the budget process.

Mr. Winston stated EMAB's concern about the fractured nature of the long-term legacy program; Oak Ridge is the poster child of how divvying up long-term responsibility is now being put back together at the Headquarters level.

Mr. Mezga noted that this concern is addressed in the intent of the Board's next recommendation, which is to have the Assistant Secretary of Energy reaffirm his commitment to long-term stewardship for ongoing mission sites. It is still unclear how the pieces will come back together. The Board will provide input to ensure that SC and NNSA understand what their roles will be in the future, and that the budget transfers occur as part of that process, in order to secure appropriate funding for those activities.

Because the ORSSAB's Charter specifies engagement in EM activities only, the interface issues with SC and NNSA are not clear and will need to be worked out in the future.

Dr. Ferrigno thanked Mr. Mezga for his presentation.

Board Business

Approval of the August 23-24, 2006 Minutes

Dr. Ferrigno asked for a motion to approve the minutes from the EMAB August 2006 public meeting.

Mr. Swindle so motioned.

Ms. Anderson seconded.

Mr. Estes asked for a minor correction to the minutes which was accepted by Mr. Swindle and seconded by Ms. Anderson.

The August 2006 minutes were approved via voice vote.

Date for the Next EMAB Meeting

Dr. Ferrigno asked the Board members to provide potential dates for EMAB's second meeting of FY 2007.

After some discussion, the members agreed upon the tentative date of September 10-12, 2007. A secondary date was also agreed upon for the week of September 24th, in the event that the Board's first choice was unavailable.

The preferred location is Santa Fe, New Mexico; the meeting should include site tours of the WIPP facilities and Los Alamos National Laboratory.

Organizational Efficiency Subcommittee

Dr. Ferrigno noted that EMAB had received a presentation the day before, concerning the status of the NAPA recommendations. The EMAB meeting is a public forum, however, the NAPA interim observation papers are not for public dissemination at this time. Consequently, EMAB cannot disclose the NAPA information until the panel's final report is issued.

Ms. Salisbury strongly suggested that, because EMAB is an advisory board to the Assistant Secretary, its staff should report directly to EM-1 or EM-2, rather than to the DASs.

Mr. Winston tempered Ms. Salisbury's advice by noting that EMAB should look to ensure a good connection and access to EM-1, but its staff does not necessarily have to report directly to the front office.

Ms. Salisbury amplified that her concern is that EMAB's importance and influence not be lessened. Mr. Ajello should be able to call the Assistant Secretary directly and receive adequate responses.

Dr. Ferrigno replied that he did not know of any situation where Mr. Ajello had been detained by staff or had to go through protocol in order to reach the Assistant Secretary.

Ms. Salisbury clarified that she was not making a formal recommendation, per se, only raising a concern.

Mr. Swindle noted that in terms of responsiveness to EMAB, Mr. Rispoli is number one. Currently, he sees no evidence that attests to a lack of access.

Ms. Salisbury clarified that her goal was to ensure that EMAB maintains high visibility.

Mr. Swindle noted that the issue is the accessibility, and essentially, for lack of better words, command and control of the supporting resources that are required to execute the program.

Dr. Ferrigno concluded this discussion by stating that the issue is likely to be a topic at the spring 2008 Board meeting, where the Board will discuss the work of the subcommittees and the results of the NAPA studies.

Small Business, Acquisition, and Project Management

Mr. Swindle noted that the Board continues to have discussions with DAS Surash at EM HQ. He observed that EM has all of the responsibility but lacks the complete authority to execute its

mission. This comes up repeatedly in terms of mining resources to be able to adhere to and follow through on its schedule. In contrast, from a contractor point of view, there are three things that must always be balanced: scope, schedule, and cost. EM can manage the scope, but it is at the mercy of others for schedules that are outside of its chain of command. There is no doubt that many organizations in DOE are matrixed, and that matrix has both line and indirect support. That is how most businesses operate.

EM lacks dedicated resources in several critical areas in terms of recognizing a single point of accountability and responsibility. It seems to be a common theme that when schedules are expected to be adhered to by everyone else, there is not necessarily full accountability on these matrix functions.

Dr. Ferrigno added that there is a procurement function at the Secretary level that is oversight. Any actions that are taken by EM, and run by DAS Surash, need to have oversight. The oversight from the Secretary's staff needs concurrence, and GC represents the legal and contractual matters. That is not uncommon to any organization. The question is whether or not this is efficient.

Mr. Swindle agreed with Dr. Ferrigno's assessment and added that before the next EMAB meeting, it would be helpful to have a more robust dialogue with EM-50 to fully understand what Mr. Surash and Mr. Rispoli see as impediments. It is squarely about the reduction of risk and technical uncertainty. It is not just a technical problem of treating waste; it is all of those parameters that have to be in balance, and that's what's missing.

Dr. Ferrigno added that in the early phase of a project, one can not purposely, but in reality, destine a project to be successful or destine it to crash. That first five percent is not the contractor; it is the team, and the acquisition. It is the basis of the contract: good definition, good reporting, realistic presentations, and delivery that is understood.

Mr. Estes added that ideally an organization would have its own organic resources to cover all the aspects of the acquisition process and execute them. However, given that resources are limited and the concept of matrix management has come about, there still needs to be ownership of those functions as part of a team. People need to be designated. They need to wear a ball cap with "EM" on it, to have some buy-in. When something just goes into GC, and they work on it as schedules permit, the drive is missing. It is essential to have whatever functions are required identified, and people that go with those functions identified as part of that team. There is no reason that contractual functions would have to go to the Secretary level for approval. There are authorities that can be delegated to qualified people, and actions that can be handled within EM.

Dr. Ferrigno commented that when his organization sets up a project with a matrix organization, it typically takes the engineers, business managers, procurement staff, construction staff, and everybody who has a piece of the project, and puts them together into a physical location. That is the project. If EMAB were to truly treat acquisition as a project, maybe one of its recommendations would be to physically locate counsel and the matrix of procurement, together with the acquisition group, and put them in one location and make them accountable as a project.

Mr. Estes added that the National Research Council committee he serves on deals with project management and one of its recommendations was for project teams to be co-located.

Mr. Dabbar noted that he had experience with organizations much larger than EM and DOE, where different committees stretched across multiple divisions within those large entities. The need to draw on people with a variety of backgrounds from throughout a company is a skill that many organizations require. Structure can be part of the solution for organizations facing similar

circumstances, but it does not have to be the only solution. Culture matters more than physical positioning.

Dr. Ferrigno stated that, the reality is that there are millions of dollars in procurements and acquisitions, and DOE is roughly 90 percent dependent on its contractors; therefore, a strategy should be considered for project co-location, both functionally, and physically.

Mr. Estes agreed with Mr. Dabbar, and stated that one of the tools in changing culture is co-location, or at least a different approach than the one being currently used.

Mr. Dabbar noted that the issue of co-location does not really matter if there is a great deal of communication and an alignment of interests.

Ms. Salisbury agreed, and provided the example of her experience as a General Counsel. It does not really matter where the person sits, as long as it is a priority for the office to do the work that needs to be done.

Dr. Ferrigno has heard both arguments. In some cases, if the person is not physically present, they may inadvertently get drawn into other things. Something about physical location makes staff accountable.

Mr. Estes noted that in a HQ operation, there is very strong culture. Generally, that culture consists of everybody having their own little bailiwick, which is difficult to break. There needs to be some kind of forceful function in order to bring change.

Dr. Ferrigno summarized the discussion and indicated that the Board will review and consider developing a recommendation regarding the benefits of projectizing and acquisition support, which would include all matrix organizations in addition to line organizations.

Ms. Anderson added that if this issue could be solved, it would relieve a great deal of frustration within the community regarding the uncertainty and the duration of contract acquisition.

Dr. Ferrigno added that DOE leadership may need to set the tone. Improvement in this area is especially critical in terms of DOE's competition with the energy, oil and gas, power, and minerals resources businesses in the United States for A-team people. If DOE does not set the correct tone, it will not attract the desired personnel.

Dr. Ferrigno opened additional discussion under the Project Management, Small Business, and Acquisition area, regarding amplified small business metrics. Metrics should include an analysis of the number and distribution of small business procurements to ensure that DOE's strong numbers are not lodged within two large contracts at Portsmouth and Paducah. Furthermore, how have small businesses performed? All fundamental execution questions should be factored into a lessons-learned exercise because this aggressive small-business profile is a fairly new enterprise for DOE.

Dr. Ferrigno then asked for other issues for the Board to address.

Ms. Anderson thought the Board may want to address community satisfaction with small business performance.

Dr. Ferrigno responded that Mr. Surash has stated that he wants to involve the local community in small business practices. This is a DOE agenda item. He also stated that he expects the conclusion to be that small businesses are maturing in performance and capability.

Prioritization and Sustainable Policies and Procedures

Dr. Ferrigno moved on to the issues of prioritization and sustainable policies and procedures.

Mr. Dabbar began the discussion on prioritization. The EM budget is relatively fixed, and the program needs a tool that it can use to review the analysis surrounding its prioritization; this tool should factor in consideration for both risk reduction and life-cycle costs. In support of this endeavor, EMAB needs to engage in a dialogue with the Office of Strategic Planning and Analysis regarding what the Office is currently doing, and what it may think could be helpful to its decision-making process.

Dr. Ferrigno recognized that there are a number of issues that impact which projects are prioritized and in what timeframe, including life-cycle costs and regulatory compliance issues that are strict, Record-of-Decision driven.

Mr. Winston added that under Executive Order 12088, the President has an obligation to set forth a compliant budget. Congress can do what it wants in terms of appropriation, but for decades now it has been the Department's responsibility. However, a compliant budget requires a lot of negotiation; clearly, it is a very flexible, dynamic process. Many of the EM milestones were set prior to an understanding of the technical realities, so, they change from year to year. However, regulators expect DOE to submit compliant budgets, and Congress has been supportive of a compliance-based budget. Clearly, there is a goal to look at life-cycle costs as an add-on for prioritization. Early investment pays significant returns in terms of less security and other standing-still costs.

Political considerations are also built into the budget process. There are concerns across a workforce which have to do with political realities and the realities of having a program whose personnel fluctuate year to year. There is a lot of balancing that has to go on. The regulator community is very conscious of cost containment and efficiency, but expects DOE to ask for sufficient funding to meet its compliance commitments.

Mr. Dabbar affirmed that compliance needs to be at the top of the list of priorities. The question is: does accelerating D&D for a particular site reduce compliance costs or reduce mortgage payments, and is that a good thing to do? There may be absolutely no changes that are required to a particular plan, but it does not appear that the analysis is being done.

Mr. Winston clarified that for D&D, the driver is not regulatory compliance; it is the huge financial liability for the federal government, and dealing with that in a cost-effective way.

Dr. Ferrigno asked Mr. Dabbar to take the lead in the areas of prioritization, life-cycle costs, and undiscounted costs.

Mr. Winston alerted the Board to a presentation at the National Governors' Association meeting that included a summary of the report to Congress on the liabilities of the Department. He volunteered to make the summary available to the Board.

Dr. Ferrigno then moved on to the issue of sustainable policies and procedures, and asked Ms. Salisbury to organize her thoughts for the next Board meeting.

Ms. Salisbury agreed.

Dr. Ferrigno noted that the Board will need a strategy on how to review the NAPA report which is coming out in October 2007. EMAB may need to convene a special Board meeting in January to review the NAPA Report. After the NAPA Report is released, Dr. Ferrigno will propose that the Organizational Efficiency Subcommittee be expanded.

Concerning the culture of project management and the identity of a co-located project team, Mr. Estes has the action.

Concerning small business metrics, Dr. Ferrigno has the action.

Concerning life-cycle prioritization, Mr. Dabbar has the action.

Concerning sustainable policies and procedures, Ms. Salisbury has the action.

Employee Recruitment and Retention

Dr. Ferrigno then moved on to a short discussion of employee recruitment and retention.

Mr. Barnes noted that EM has some noteworthy intern and recruitment programs underway. He suggested that the Board receive feedback from those efforts and be kept apprised of the retention and existing workforce issues.

Dr. Ferrigno spoke of the initial success of the EM Career Intern Program and some of the human capital strategies. His concern is the 94 percent eligibility of the EM senior staff to retire or move on within three years, because that presents a danger of losing EM's institutional knowledge and project management capability. A strategy needs to be articulated in the Human Capital Plan over the next three years to address the following: where are the project managers and the lead senior personnel going to be, and how can EM address the shortage? Solutions may include putting people on detail from other agencies like the DOD, putting people on detail from the private sector, or doing a workforce transition of some sort and bringing personnel from other industries on as full-time employees.

Mr. Dabbar commended the EMCIP, but noted that the aforementioned 94 percent statistic is startling, and it generally takes people about a decade to become leaders. That does not come close to addressing the issues being raised here; there is a need for a proactive program to recruit experienced people.

Communications

Dr. Ferrigno moved on to the topic of communications.

Ms. Salisbury noted that the Assistant Secretary has accepted all the recommendations of the EMAB Communications Team. The next step is to monitor their meaningful implementation. She also added that DAS Gilbertson had suggested a conference call between himself and the EMAB Communications Team, following his Group's briefing with EM-1 and the EM Leadership Meeting.

Ms. Salisbury asked Ms. Lamb to set up a conference call with Mr. Gilbertson and Ms. Nielson.

There is also a need to encourage the Assistant Secretary to utilize creative communication tools; Mr. Ajello and Dr. Ferrigno should collaborate with Mr. Rispoli on this point.

Mr. Winston added that EM must continue to focus on the key elements of communication, which include the relationship between the Assistant Secretary and his operation, and the organization's expectations.

Technical Uncertainty and Risk Reduction

Dr. Ferrigno noted that Mr. Swindle had the lead on the topic of assessing EM's technical uncertainty and risk reduction capabilities.

Mr. Swindle stated that one of the Board's action items is to document the overall status of EM's risk management capabilities. The goal will be to put in context not only the program's technical risks and uncertainties, but also financial, performance, political, legal, and regulatory unknowns to ensure that these considerations are factored in throughout project planning, and not just in the project reviews.

Mr. Dabbar will help incorporate the financial dimension of this endeavor.

Discretionary Budgeting

Dr. Ferrigno moved on to the topic of discretionary budgeting.

Mr. Dabbar noted that the Board has reviewed this topic from the vantage of the 2003 "Focusing EM Resources on Cleanup" final report. The next step will be to take that information and those concepts forward to the program's current form.

Dr. Ferrigno explained that the Board's approach to all of its recommendations will be to organize them around EMAB's FY 2007 topics: Small Business, Acquisition, and Project Management; Recruitment and Retention; Communications; Technical Uncertainty and Risk Reduction; and Discretionary Budgeting.

New Business

Dr. Ferrigno noted that Mr. Ajello would like to obtain a copy of the Lessons Learned Panel Report from the WM Symposium that Mr. Boyd referred to, and make it available to the Board.

Ms. Terri Lamb agreed to provide the report.

Mr. Barnes raised the issue of environmental auditing and suggested that it should be included in the agenda for EMAB's next meeting.

Dr. Ferrigno asked Mr. Barnes to work with Ms. Karen Guevara, Director for the Office of Compliance, on this issue prior to the September Board meeting, and Mr. Barnes agreed.

Public Comment Period

Mr. Luther Gibson reintroduced himself. On the void-retention issue, he suggested that in addition to policy change, the Board should look at stabilizing the contractor workforce. Changes in integration contracts create a very unstable situation where people are forced to transition or find other jobs. It may be that one of the critical reasons the Integrated Surface Disposition

Project has stayed on track, is that the workforce has been able to remain in Oak Ridge and perform its work without the concern of being reconstructed in the future.

Ms. Amy Fitzgerald identified herself as the Government and Public Affairs Coordinator for the City of Oak Ridge. She spoke of the value of previous “Environmental Fairs” that were held in Oak Ridge that helped with recruitment. It may be valuable to build similar activities back into EM Contracts; DOE has moved away from that outreach mechanism and educational component. It was very popular for student field trips, and reached children a decade before they embarked on their careers.

She also suggested that the Board would benefit from discussions with local officials, and encouraged the Board to connect with city managers and mayors in municipalities around EM sites prior to visiting them for its public meetings. She noted that the Board missed a lot of the community experience by meeting in Knoxville rather than in Oak Ridge and invited the Board to visit Oak Ridge in the future.

Finally, Ms. Fitzgerald stressed the importance of communication between the site, intergovernmental groups, the local Oversight Committee, and the EM SSAB.

Mr. Winston responded by noting that the Board may want to consider a stakeholder tour, as well as a site tour. Looking forward to Los Alamos, New Mexico, there are many tribal issues and considerations that are typical of the Western sites that the Board has not discussed.

Ms. Susan Gawarecki reintroduced herself and expressed concerns that DOE tends to rely on the EM SSAB as its primary means of public participation. Typically, reporting back to the local governments is not straightforward through the EM SSAB process. This has been a major concern in Oak Ridge. Her organization does not get the same recognition as the EM SSAB because it is not chartered under the Federal Advisory Committee Act; however, half of the members of the ORSSAB’s Stewardship Committee are members of the Local Oversight Committee’s Citizens’ Advisory Panel.

Ms. Gawarecki asked, how can interested stakeholders keep up with EMAB's work?

Ms. Lamb provided the EMAB Web address: <http://web.em.doe.gov/emab>.

Dr. Ferrigno noted that EMAB’s work is public.

Ms. Anderson added that interaction between the EM SSABs and local governments is a good idea. Every community has unique needs.

Roundtable Discussion

Dr. Ferrigno asked for additional comments.

Ms. Anderson stated that she would explore the use of Environmental Fairs and Contractor Outreach, to reach younger audiences.

Concluding Remarks and Adjournment

Dr. Ferrigno thanked the EM HQ and ORO staff for their support and contributions to EMAB's public meeting.

Mr. Swindle motioned to adjourn.

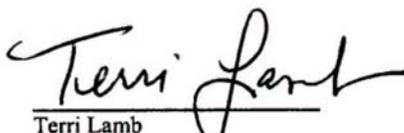
Mr. Winston seconded.

The meeting was adjourned at 11:51 a.m. ET.

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


James A. Ajello
Chairman
Environmental Management Advisory Board


Dennis Ferrigno
Vice Chairman
Environmental Management Advisory Board


Terri Lamb
Executive Director
Environmental Management Advisory Board

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

APPENDIX A

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
U.S. DEPARTMENT OF ENERGY
Meeting Agenda
March 6–7, 2007
Knoxville, TN**

Tuesday, March 6th

- 9:00 a.m.** **Public Meeting Opens**
Welcome Remarks
❖ **James Ajello, *EMAB Chair***
❖ **Gerald Boyd, *Manager, Oak Ridge Office***
- 9:15 a.m.** **Opening Remarks**
❖ **James A. Rispoli, *Assistant Secretary for Environmental Management (via phone)***
- 10:00 a.m.** **Small Business, Acquisition, and Project Management Update**
❖ **Jack Surash, *Deputy Assistant Secretary for Acquisition & Project Management (via phone)***
- 10:30 a.m.** **Roundtable Discussion**
❖ **Dennis Ferrigno, (Discussion Leader) Brian Estes, Dave Swindle, *Board Members***
- 10:45 a.m.** **Break**
- 11:00 a.m.** **Oak Ridge Office Presentation**
❖ **Gerald Boyd, *Manager, Oak Ridge Office***
- 11:30 a.m.** **Public Comment Period**
- 12:00 p.m.** **Lunch Break**
- 1:00 p.m.** **Employee Recruitment and Retention Presentation**
❖ **Jim Fiore, *Deputy Assistant Secretary for Human Capital and Business Services***
- 1:30 p.m.** **Roundtable Discussion**
❖ **Jim Ajello (Discussion Leader) James Barnes, *Board Member***
- 1:45 p.m.** **EM Communications Working Group Overview**
❖ **Mark Gilbertson, *Working Group Chair and Deputy Assistant Secretary for Engineering and Technology***

- 2:00 p.m. Roundtable Discussion**
 ❖ Jennifer Salisbury (*Discussion Leader*) James Barnes, Lorraine Anderson, Tom Winston, *Board Members*
- 2:15 p.m. Technical Uncertainty and Risk Reduction Presentation**
 ❖ Mark Gilbertson, *Deputy Assistant Secretary for Engineering and Technology*
- 2:45 p.m. Roundtable Discussion**
 ❖ Dave Swindle (*Discussion Leader*) Tom Winston, Brian Estes, *Board Members*
- 3:00 p.m. Break**
- 3:15 p.m. Discretionary Budgeting Discussion**
 ❖ “Project Closeout and Transition” for the Focusing EM Program Resources on Cleanup Project Team: Steve Trischman, Office of Strategic Planning & Analysis (*via phone*)
 ❖ Priority Lists and Earmarks: Mark Frei, *Deputy Assistant Secretary for Program Planning and Budget (via phone)*
- 3:45 p.m. Roundtable Discussion**
 ❖ Paul Dabbar (*Discussion Leader*) Dennis Ferrigno, Dave Swindle, *Board Members*
- 4:00 p.m. EMAB, NAPA, and EM Focus Area Working Groups Recommendations and Implementation Strategy Overview**
 ❖ Chuan-Fu Wu, *Chief Safety Officer for EM*
- 4:30 p.m. Roundtable Discussion**
 Jim Ajello, *EMAB Chair (Discussion Leader)*
- 4:45 p.m. Public Comment Period**
- 5:00 p.m. Adjournment**

Wednesday, March 7, 2007

- 9:00 a.m. Public Meeting Open**
 ❖ Dennis Ferrigno, *EMAB Vice Chair*
- 9:05 a.m. Oak Ridge Site Specific Advisory Board Presentation**
 ❖ Lance Mezga, *Chair, Oak Ridge Site Specific Advisory Board*
- 9:35 a.m. Board Business**
 □ Approval of August 23-24, 2006, Meeting Minutes

- **Action Items: Organizational Efficiency Subcommittee and Discussion of Assistant Secretary Rispoli's 2007 Topics list**
 - **Organizational Efficiency Subcommittee (*Ferrigno*)**
 - **Small Business, Acquisition, and Project Management (*Ferrigno*)**
 - **Employee Recruitment and Retention (*Barnes*)**
 - **Communications Group (*Salisbury*)**
 - **Technical Uncertainty and Risk Reduction (*Swindle*)**
 - **Discretionary Budgeting (*Dabbar*)**
- **New Business**
- **Roundtable Discussion**
- **Set Date for Next Meeting**

11:30 a.m. Public Comment Period

12:00 p.m. Adjournment

APPENDIX B

Department of Energy Charter for the Environmental Management Advisory Board

1. Committee's Official Designation:

Environmental Management Advisory Board (Board).

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

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

The Board will perform the following duties:

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

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

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

4. Official to Whom this Board Reports:

This Board will report to the Assistant Secretary for EM.

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

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

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

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

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

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

8. Estimated Number and Frequency of Board Meetings:

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

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

Not applicable.

10. Members:

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

11. Organization and Subcommittees:

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

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

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

12. Chairperson:

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

Date: JAN 24, 2006

/s/

James N. Solit
Advisory Committee Management Officer

Date Filed: JAN 24, 2006