

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT ADVISORY BOARD MEETING

**TRANSCRIPT**

United States Department of Energy  
Forrestal Building, Room 1E-245  
Washington, D.C.

Wednesday and Thursday  
November 20-21, 2002

The above-entitled matter came on for hearing, pursuant to notice at 1:00 p.m.

Chairperson:

James Ajello



**BOARD MEMBERS:**

Mr. James A. Ajello (Chairman), Reliant Energy Solutions  
 Dr. Raymond Loehr, University of Texas  
 Mr. John B. Moran, Consultant  
 Mr. John Quarles, Esquire, Morgan, Lewis and Bockius, LLP  
 Ms. Jennifer Salisbury, Western Governors' Association and  
 Western Interstate Energy Board  
 Mr. Thomas Winston, Ohio Environmental Protection Agency

**SPEAKERS (in order of appearance):**

Ms. Jessie Roberson, DOE  
 Ms. Rachel Samuel, DOE  
 Ms. Gloria Sulton, DOE  
 Mr. Joe Nolter, DOE  
 Mr. Paul Golan, DOE  
 Mr. Woody Cunningham, DOE  
 Ms. Christine Gelles, DOE  
 Ms. Patti Bubar, DOE  
 Mr. Dave Geiser, DOE  
 Mr. Reinhard Knerr, DOE  
 Mr. Joel Case, DOE  
 Mr. Richard Begley, Consultant

**SPEAKERS GIVING PUBLIC COMMENT:**

Mr. Jim Bridgman, ANA  
 Mr. Mick Griben, Consultant  
 Ms. Betty Nolan, DOE

**OTHERS PRESENT:**

Mr. Ralph Bruner, CRC  
 Ms. Peggie Burke, CRC  
 Mr. Richard Burrow, DOE  
 Mr. Cliff Carpenter, DOE NETL  
 Mr. Jon Carter, Envirocare  
 Mr. Vincent Ceci, Consultant  
 Ms. Martha Crosland, DOE  
 Mr. Greg Evans, Retec  
 Mr. Doug Frost, DOE  
 Ms. Amy Findlay, DOE  
 Ms. Mary Jenison, DOE  
 Mr. Colin Jones, BNFL Inc.  
 Mr. Stephen Kuney, LANL

**OTHERS PRESENT (cont.):**

Mr. David Levenstein, EPA, OELA-FFEC  
Ms. Michelle Lynar, CRC  
Mr. James Melillo, DOE  
Ms. Beth Moore, DOE  
Mr. William Murphy, SRS  
Ms. Donna Ocampo, BNFL Inc.  
Mr. Michael Pfister, CRC  
Mr. Troy Regis, DOE  
Ms. Kathryn Reis, Wildlife Management Institute  
Dr. Ed Rizkalla, DOE  
Ms. Vicky Soberinsky, DOE  
Mr. Ron Staubly, DOE NETL  
Ms. Kim Stewart, Versar  
Mr. Shawn Terry, Inside Energy  
Ms. Mary Toler, Battelle

## TABLE OF CONTENTS

<b>WEDNESDAY, NOVEMBER 20, 2002.....</b>	<b>1</b>
OPENING REMARKS .....	1
DR. JESSIE ROBERSON.....	3
MS. RACHEL SAMUEL.....	8
MR. JAMES MELILLO.....	12
MS. GLORIA SULTON.....	17
MR. JOE NOLTER.....	21
MR. PAUL GOLAN.....	26
MR. WOODY CUNNINGHAM.....	52
MR. JOE NOLTER.....	58
PUBLIC COMMENT PERIOD.....	82
MR. MICK GRIBEN.....	82
MR. JIM BRIDGMAN .....	84
<b>THURSDAY, NOVEMBER 21, 2002 .....</b>	<b>90</b>
MR. JOE NOLTER.....	90
MS. CHRISTINE GELLES.....	105
MS. PATTI BUBAR.....	116
MR. DAVE GEISER.....	126
MR. REINHARD KNERR.....	135
MR. JOEL CASE.....	141
MR. RICHARD BEGLEY.....	157
ATIC RECOMMENDATIONS.....	160
BOARD BUSINESS.....	169
PUBLIC COMMENT PERIOD.....	173
MS. BETTY NOLAN.....	173
MR. MICK GRIBEN.....	175
MR. JIM BRIDGMAN .....	179



1 WEDNESDAY, NOVEMBER 20, 2002

2  
3 PROCEEDINGS

4  
5 OPENING REMARKS, 1:05 p.m.

6  
7 CHAIRPERSON AJELLO: Good afternoon and welcome. I'm glad to welcome you  
8 here this afternoon. My name is Jim Ajello, I'm the chair of EMAB. I'm delighted to see so  
9 many people in attendance today.

10  
11 A couple of housekeeping items that we'll review first and then we'll get into the agenda  
12 for today, which is available for all of you at the table up front.

13  
14 First, is that of course this is a public meeting and therefore, all of those who want to be  
15 heard will have the availability to be heard a little later in the agenda today and of course, the  
16 meeting is recorded, so we ask you to keep that in mind. All of our meetings are in public and  
17 for the public. This is a new Board, although there have been some members in the past,  
18 represented on the prior Board. So, we're delighted to be here, all of us, as a reconstituted  
19 Board to kick off the mission of EMAB.

20  
21 Because our Board is new in its formation, I'd like to ask each of the members just to  
22 identify themselves and state their name and affiliation. We'll go around the table; then, we'll  
23 start the rest of our agenda. I'll ask Tom to begin first.

24  
25 MR. WINSTON: Thank you. I'm Tom Winston. I'm with the State of Ohio  
26 Environmental Protection Agency. The State has an Office of Federal Facilities Oversight that  
27 operates out of my office and I have represented the State at the National level on federal  
28 facilities issues for the last 10 to 15 years.

29  
30 DR. LOEHR: I'm Ray Loehr from the University of Texas, Austin, Texas. Obviously,  
31 from that particular statement you understand that I'm part teacher and researcher, but my  
32 activities are in the area of site remediation, clean-up of contaminated materials, not necessarily

1 radioactive. I've been involved in a number of government agencies, the most recent was as a  
2 member, and chair, of EPA's Science Advisory Board and a few others of that like.

3  
4 MR. QUARLES: My name is John Quarles. I am a practicing attorney with the law  
5 firm of Morgan, Lewis & Bockius here in Washington. I was the first General Counsel to the  
6 Environmental Protection Agency and later served as the deputy administrator for a total of six  
7 and a half years.

8  
9 I've spent much of the last 20 years dealing with Super Fund issues and issues involving  
10 corrective action under the Resource Conservation and Recovery Act. That's my main  
11 background that would be related to these issues.

12  
13 MS. SALISBURY: My name is Jennifer Salisbury, I'm with the Western Governors  
14 Association. In my previous life I spent seven years as the Cabinet Secretary for the Energy,  
15 Minerals and Natural Resources Department for the State of New Mexico. Part of my  
16 portfolio as Secretary was to coordinate, for the State of New Mexico, all transuranic  
17 shipments to the WIPP facility. I happened to see it opened during my tenure.

18  
19 MR. MORAN: I'm John Moran. I'm retired from the U.S. Department of Labor. I  
20 also have worked for the Department of Energy and EPA where I got to know John [Quarles]  
21 25 years ago. And, I was Director of Occupational Safety Research for NIOSH, which is part  
22 of CDC. In addition, I worked in the private sector. I see myself as a public and occupational  
23 safety and health professional. I am one of two, along with Tom, who were on the previous  
24 Board, on which I co-chaired the Health and Safety Committee and chaired a couple of ad hoc  
25 committees (one of which focused specifically on safety and health issues associated with new  
26 technology development in the Office of Science and Technology).

27  
28 CHAIRMAN AJELLO: Thank you. To my left, Jim Melillo.

29 MR. MELILLO: First off, I am Jim Melillo, Executive Director of EMAB. Let me  
30 welcome you all here today for our first get together of this reconstituted Board. I'm really,  
31 really pleased and thank you all very, very much for being here. This should prove to be very  
32 challenging and interesting as we go.

1  
2 CHAIRMAN AJELLO: Okay. Let's get under way. The biographies of each of the  
3 Board members are available to you, as is the agenda, at the table in the front of the room, if  
4 you care to make that a take away.  
5

6 A few points before we get into the agenda. Today our purposes are numerous. We'd  
7 like to kick off the formation of the activities of this new Board. We're going to clarify the  
8 mission and the course of our activities. Of course, a number of the Board members, not all,  
9 but a number need to be oriented to the activities of the program. So, we'll be spending some  
10 time today and tomorrow receiving briefings so that we may become better oriented so that we  
11 can do our job to advise the Assistant Secretary. We'll hear reports, on various topics. We'll  
12 encourage open and active communication. There will be a place on the agenda for that, for  
13 any and all to be heard.  
14

15 That's really the nature of what we're doing today. In particular, we'll have some  
16 briefings and tomorrow we'll have, as you'll see on the agenda, some working sessions after we  
17 become oriented today. That's the nature of what we're doing.  
18

19 I'm very delighted to have as our first speaker today, Jessie Roberson, who is the  
20 Assistant Secretary for Environmental Management. It is of course the charter of this Board to  
21 advise her on various matters and we're delighted to have Jessie kick us off today on the  
22 business part of the agenda.  
23

24 ASSISTANT SECRETARY JESSIE ROBERSON: Thank you, Jim. Good afternoon  
25 to each and every one of you at the table and in the back. First of all, let me begin by thanking  
26 each of you for your willingness to give of your time and your energy to serve on our  
27 Environmental Management Advisory Board.

28 I know each of you is a recognized leader in your field and the expertise you bring, both  
29 collectively and individually, will be of great benefit to me and to the entire Department.  
30

31 This is the first meeting of the newly reconstituted Environmental Management Advisory  
32 Board. The Department is able to receive counsel from several different advisory Boards,

1 representing a very diverse stakeholder base. I therefore wanted to revise the Environmental  
2 Management Advisory Board's charter to provide a more specialized perspective, one that can  
3 give me advice on EM corporate issues and operate more flexibly to assist me in analyzing  
4 general program management concerns.

5  
6 You've been asked to serve on this Board because of the breadth of your experience in  
7 dealing with the types of management challenges facing me, this program and the Department of  
8 Energy. I look forward to maintaining a close working relationship with each one of you.

9  
10 Our task is difficult. Environmental clean-up work requirements and demands have not  
11 necessarily been taken seriously. As a result, environmental risk and hazards have become  
12 more difficult to remedy. I'm committed to accelerating the Department's clean-up schedule and  
13 eliminating environmental and public risk at the same time.

14  
15 We have to do this, we don't really have any choice. This is our mission and we cannot  
16 do it without addressing the status quo. In 1999 this program had committed to close 41 sites  
17 by 2006. In the first quarter of fiscal year 2002, barely three years later, that commitment had  
18 been reduced to 25 sites for the same time frame.

19  
20 The cost estimate in one year alone, from 2000 to 2001, increased by \$13 billion. We  
21 had to make a change to meet both our regulatory commitments and our obligations to the  
22 states and communities that host these sites.

23  
24 My goals are simple. I say simple and I know you're going to take a deep breath.  
25 Complete site clean-up 35 years sooner than currently scheduled; complete the high risk work  
26 by 2012; accomplish the work while saving at least \$50 billion from the current program  
27 estimate; and to produce positive environmental benefits for the taxpayer -- positive, visual and  
28 measurable environmental benefits for the taxpayer.

29  
30 We've already undertaken the first steps to change our focus from risk management to  
31 risk reduction, to shift our focus from process to product, and to install the kind of urgency  
32 necessary to clean-up the cold war legacy.

1  
2 The groundwork to accomplish these goals has now been laid. The Secretary of  
3 Energy ordered a top-to-bottom management review of this program last year. The findings of  
4 that review have provided us with a strategic road map for reform.

5  
6 As a first step in undertaking an accelerated risk reduction strategy, we executed letters  
7 of intent with the governors and the regulators in the states in which we have sites. As a second  
8 step, we have prepared performance management plans linked to the goals of the letters of  
9 intent. Those performance management plans reflect the conditions as-is at each site. These  
10 plans also incorporate the strategic initiatives required to accelerate risk reduction activities at  
11 each of the sites. We've updated clean-up agreement milestones. We've received support for a  
12 flexible fiscal year '03 budget that provides incentives for accelerating risk reduction activities  
13 and we've repositioned executives while reducing headquarters organizational layers.

14  
15 Lastly, and perhaps most importantly, I've launched ten corporate project reform teams  
16 reporting directly to me to implement the Top-to-Bottom Review findings and recommendations  
17 by providing insight on how to reform our business and decision making processes. I expect all  
18 of these teams to provide their recommendations by the beginning of '04. By the *beginning* of  
19 '04, not the end. I have to keep saying that. These ten teams will herald a new standard of  
20 creativity and performance based results for the EM program. Our goal is not just to establish  
21 performance based contracts, but to establish a performance based organization, with a role  
22 and set of clear responsibilities for all who participate in that program. I do know, however,  
23 that most organizations resist reform. But I have no intention of letting that happen here and that  
24 is why I need your help.

25  
26 Each of you brings a unique and very experienced perspective to your role as an  
27 EMAB member and I need your independent counsel to help me carry out our program goals.

28 For example, to successfully implement a risk reduction strategy, matrixes will need to  
29 be developed and used to measure the environmental benefit achieved for the investment made.  
30 Your recommendations concerning the identity and adequacy would be most helpful. This  
31 product could help us determine which matrix to use and how to prioritize them.  
32

1           With regard to the work of the corporate project reform teams, a means of  
2 institutionalizing recommended reforms will be required to insure a long-term management  
3 change. Anyone who has worked in government is familiar with the built in inertia that often  
4 plagues the most well-intended programs, managers who habitually resist change, stall  
5 implementation and hope the initiatives in question fade so that they can return to business as  
6 usual. My objective is to insure that the reforms we are instituting will not fade away when my  
7 job here is done. Our challenge is to make the changes stick.

8  
9           One final example pertains to the contract performance plans being developed. I  
10 established a Contract Management Review Board. That Board has been organized to evaluate  
11 both the performance and the design of every contract in the environmental management  
12 program to insure that the lessons learned, both good and bad, are captured and help to shape  
13 our contracts and business decisions both now and in the future.

14  
15           This review is being conducted against a criterion stressing accelerated risk reduction  
16 and clean-up of DOE sites. You can help this effort by evaluating the findings of the Review  
17 Board against the best management practices resulting from your experience that can be  
18 employed at our sites and in our contracts. Your recommendations will then be used to revise  
19 and improve our Contract Performance Management plans and practices.

20  
21           These are just a few examples of areas where I need your assistance. I expect as well  
22 as the ones I've identified, there will be subjects that you as individuals and as a Board will want  
23 to bring to my attention. I can assure you I welcome that with open arms. I am driven by the  
24 cause to accelerate environmental clean-up in this complex. I know that you are also driven by  
25 this cause, as you are all here voluntarily. I thank you for your dedication. I am glad we can  
26 now get started and I look forward to working with you.

27  
28           CHAIRMAN AJELLO: Thank you, Jessie. We all very much, I'm sure, appreciate  
29 your comments and setting the stage for what we need to do, a very important job.

30  
31           If the Board members will refer to Tab 2 in the book for a moment, and I'll paraphrase  
32 for those in attendance, the short statements that we have that follow with respect to our

1 mission. I think they will make sense to you now, that you've heard from Jessie about her  
2 objectives.

3  
4 Our job is really to provide the Assistant Secretary for EM with information and advice  
5 on corporate issues. And, as I think was rather plain from Jessie's talk, advising on key  
6 strategies, issuing reports and recommendations and recommending options to the Assistant  
7 Secretary to resolve what are clearly difficult issues on various matters, including but certainly  
8 not limited to: public and worker health and safety contracting practices, disposition of waste,  
9 regulatory environments, EM program performance, risk management and cost/benefit analyses  
10 and technology applications.

11  
12 There is much that we can do in carrying out this mission. I think the challenge of the  
13 Board will be to determine the handful of key issues that we will be focusing on as we hear from  
14 Jessie about the challenges that she faces and we evaluate the mission that the Board has. We  
15 have a lot of work in front of us, to state it mildly.

16  
17 Let's move on to the next agenda item. We will be returning to the mission, for your  
18 information, tomorrow in our working session (after we become better oriented to the program)  
19 to try to refine it and choose our priorities. We will be coming back to these statements  
20 tomorrow as well.

21  
22 In conjunction with our need to be oriented, the next item on the agenda is just that.  
23 Gloria Sulton of the General Counsel's Office, will talk to us now about conflicts of interest and  
24 the conduct of the Board. Is Gloria here? Not as yet. Okay. We're about five minutes early,  
25 so I'll just reverse the order.

26  
27 MS. ROBERSON: I'm sorry. I can talk some more.

28  
29 CHAIRMAN AJELLO: The mission is already broad enough. We'll come back to  
30 Gloria in a few moments.

31  
32 Importantly, these meetings are conducted pursuant to a federal statute called FACA.

1 For that purpose, Rachel Samuel will talk to us about the Federal Advisory Committee Act in  
2 order to guide us on how to conduct these meetings. Rachel?

3  
4 MS. RACHEL SAMUEL: Hello. I'm going to scoot over in front of the mike  
5 [microphone]. I'm going to speak to you today about your Federal Advisory Committee  
6 Management program here at the Department of Energy and I'd like to share with you today  
7 some information on our roles and responsibilities and give you a brief background on the  
8 Federal Advisory Committee Act, the purpose of DOE advisory committees, concerns and  
9 sensitivities, expectations and if you have any questions, I'll be happy to answer those.

10  
11 I am not using the overheads that go with this. There is a tab in your books where this  
12 information is provided, at Tab 4?

13 CHAIRMAN AJELLO: Tab 4, yes.

14  
15 MS. SAMUEL: You can follow along. I'm currently on the third page. "Roles and  
16 Responsibilities." Our Committee Management Officer is James Solit and he was appointed by  
17 former Secretary Pena in 1997. He is responsible for exercising management and oversight  
18 control over our DOE Advisory Committee Management program and our advisory committees  
19 here at the Department of Energy. This is a responsibility that is required by the Federal  
20 Advisory Committee Act.

21  
22 Your Designated Federal Officer you know is Jim Melillo and Jim Melillo is responsible  
23 for overseeing the EMAB and for approving all of your agendas, attending all the meetings and,  
24 if necessary, he will adjourn the meeting early, if it's in the interest of the public to do so.

25  
26 As Advisory Committee members, I think you know why you're here and Jessie has  
27 certainly provided an overview of the reason why we're all here, but generally, because of your  
28 knowledge and experience. That's the reason why you've been brought to help the Department  
29 of Energy with its decision-making process.

30  
31 Under legal requirements, the Federal Advisory Committee Act under Public Law No.  
32 92-463 was enacted in 1972 and the law has been amended several times. Most recently,

1 back in 1997 but it's still obviously in force now.

2  
3 The General Services Administration has responsibility for managing all federal advisory  
4 committees and they have a Final Rule, which they have recently amended. It's Title 41 CFR  
5 Part 102-3, Federal Advisory Committee Management. That was recently amended, in July of  
6 2001.

7  
8 Here at the Department of Energy, we have a manual for the process and procedures  
9 for managing our DOE advisory committees and that's under DOE M 510.1-1, Advisory  
10 Committee Management, and that's also going to be revised shortly. I'm still working on that.

11  
12 The purpose of DOE advisory committees is to conduct business openly. All meetings,  
13 with few exceptions, are open to the public. All materials prepared for advisory committee  
14 members are available for public inspection. The entire meeting is on the record and minutes  
15 are required by the Federal Advisory Committee Act.

16  
17 This is a solely advisory role. That sole advisory role prohibits committees from  
18 assuming authority or responsibility for DOE functions and it also prohibits you from lobbying  
19 Congress, the Executive Branch or the public.

20  
21 Advisory committees advise on the development, implementation and evaluation of  
22 policies and programs in a defined DOE subject area. We have several advisory committees  
23 here at the Department of Energy. There's the Environmental Management Site-Specific  
24 Advisory Board, which consists of several site groups that Jessie Roberson mentioned.

25  
26 We also have the High Energy Physics Advisory Panel, which is with the Office of  
27 Science, and that's our second oldest advisory committee we have here at the Department of  
28 Energy. They were established back in the 1960s.

29  
30 Recently, we have the Electricity Advisory Board. That committee was formed  
31 basically to deal with the blackouts that were happening in California and with the energy issues  
32 that they have over on the West Coast.

1  
2 With our DOE advisory committees under "Establishment," advisory committees are  
3 established in four ways: either by the President through Executive Order, by statute where the  
4 Congress mandates the establishment, by statute where Congress just authorizes the  
5 establishment, and by agency under general agency authority.  
6

7 At the Department of Energy we currently have 22 federal advisory committees. There  
8 are 7 statutory advisory committees and there are 15 discretionary committees. In your  
9 notebooks I have a page which has a list of all of our advisory committees. On this list you will  
10 find that there are only 20 committees listed.  
11

12 Our two inactive statutory committees I've left off of the list, because they are  
13 committees we've been trying to get off of our rolls for quite a while and we're still working on  
14 that and I expect they will be off of our rolls shortly.  
15

16 Under "Concerns and Sensitivities," conflict of interest, Gloria Sulton will handle that  
17 presentation and if she's not here, there is some information in your notebook on conflict of  
18 interest. There's a sheet on that.  
19

20 [Under] The "Scope and Objectives of the Charter," the scope and objectives are set  
21 by the Department and it is important for you as committee members to know what those  
22 objectives are. The Committee and DOE will jointly determine the concentration of the  
23 advisory committee.  
24

25 "Membership" is to be balanced, fairly balanced, in relation to points of view  
26 represented to the functions to be performed. I think that we've achieved that with this  
27 Committee.  
28

29 Under "Expectations," we want you to understand the objectives, understand the sole  
30 advisory role that you have here with the advisory committee and the course of action and the  
31 mission and objectives. If there's any doubt concerning the course of action or the mission or  
32 the objectives, you should certainly check with the Department of Energy.

1  
2 "Preparation." There should be sufficient time devoted to the preparation before  
3 meetings and to just familiarize yourself with the materials so that you will be better able to  
4 participate.

5  
6 "Frankness." Candid observations are very helpful and it is certainly preferable that you  
7 tell us exactly what you're thinking and then we can address those things and move on from  
8 there.

9  
10 "Success." We certainly expect the Committee to be successful, it has been successful  
11 in the past and I expect that it certainly will be in the future.

12  
13 I'd like to close by quoting a world-renowned doctor, Dr. Seuss. "Will you succeed?  
14 Yes, you will indeed, 98-3/4 percent guaranteed." Are there any questions?

15  
16 CHAIRMAN AJELLO: Thank you very much. I'd like to ask the Board if they have  
17 any questions on this important matter. Because, obviously, everything we do will be pursuant  
18 to these rules and we want to make sure that we have all of those rules clarified and with  
19 Rachel's presence, to ask her any questions that we might have.

20  
21 (No response.)

22  
23 CHAIRMAN AJELLO: No questions? Very clear. Very well-done.

24  
25 MS. SAMUEL: Thank you.

26  
27 CHAIRMAN AJELLO: Thank you very much. Ms. Sulton is held up for a few  
28 moments and so we'll be waiting on her and coming back to that agenda item.

29  
30 There's one other part of the meeting that I'll mention or one other process today. As  
31 key members of the program staff can be in attendance today, I want to make sure the public  
32 and the Board is aware of their attendance.

1  
2 We have a few members of Jessie's team with us today, which I'll mention now. I'd like  
3 them to just identify themselves as I call their name. We have both Amy Finley and Vicky  
4 Soberinsky. Both of them are Special Advisors to the Assistant Secretary. Amy and Vicky,  
5 thank you very much.  
6

7 William Murphy is the Manager of the Fort Smith Paducah Field Office. He just  
8 stepped out, so the next person who steps in will be William Murphy.  
9

10 There will be others that come and go in the course of the meeting and I'll make sure  
11 that we do our best to identify them, because there is always an opportunity to chat and to  
12 express informal points of view as well.  
13

14 As I said, we will be returning in a moment to Gloria, who should be here in about 10 or  
15 15 minutes. The next agenda item is Jim Melillo, who will talk to us about the administrative  
16 process of the Environmental Management Advisory Board. For that purpose, I'd like the  
17 Board members to turn to Tab 5 in their booklets.  
18

19 In that tab Jim will review some detailed information. I'll call this the administering part  
20 of the administrative part, to advise you on various processes for travel and related items that  
21 Jim will review. Tab 5. Jim?  
22

23 MR. JAMES MELILLO: Thanks, Jim. Actually, I'm going to keep this pretty short so  
24 that we can get on with the meeting.  
25

26 CHAIRMAN AJELLO: You have 12 minutes.  
27

28 MR. MELILLO: I won't even need 12 minutes. Actually, I will need less than that for  
29 the material that's in there at this point. First off, I can guarantee you that whatever travel  
30 problems you have will stop. That's the most important thing to know about this guide. I don't  
31 need to read it to you, you can read it for yourselves. It will basically lay out some of the  
32 requirements of at least the forms.

1  
2           There's a little travel guide that's in here for DOE Advisory Board members. We've got  
3 more than one person that works with us on this. Deborah Evans (and you have the telephone  
4 number in there) and other members of my staff can automatically take care of things that come  
5 up on this.

6  
7           That was the main thing I wanted to mention to you at this point. If you've got questions  
8 on it, please feel free to ask any member of the staff that's here today and we can answer it for  
9 you, or call in, whichever.

10  
11           Since I'm referring to the staff, if I may, Jim, I just want to identify the staff in the room  
12 at this point. Mary Kimbrough, a recent addition to our little family. Michelle Lynar. Peggie  
13 Burke. Mike Pfister. And another Senior Advisor, is Greg Evans behind me. You know their  
14 faces now. Anyway, unless you have questions, I'm going to relinquish my time back to the  
15 Chair.

16  
17           CHAIRMAN AJELLO: Jim, is it fair to say that you can field all of the questions from  
18 the Board and then direct them to the various places in the Department?

19  
20           MR. MELILLO: Yes.

21  
22           CHAIRMAN AJELLO: But you would rather receive communications?

23  
24           MR. MELILLO: As a matter of fact I will add one more thing. If something is not  
25 going right, in terms of your travel, whatever it happens to be, if there's a problem with getting  
26 paid or anything of that nature, I personally want to know that and I'm the one that you would  
27 call at that point. Let me worry about it at that stage and I'll take care of it and also make sure  
28 that it gets corrected. That's probably the most important thing I can say.

29  
30           CHAIRMAN AJELLO: Thank you, Jim. I believe we can turn to the next agenda  
31 item, or is it appropriate to wait for Gloria?

1 MR. WINSTON: Jim, not to kill time, but I do have a question. I could have asked it  
2 during Rachel's presentation, because it's sort of related to that, it's a question of membership.  
3

4 One of the things I was going to suggest - and partly, (I was a member of the past  
5 Board, along with John) and this is a much smaller Board, leaner and maybe meaner - one of  
6 the things we may want to look at once we prioritize the issues we're going to look at (we'll  
7 want to probably work with the Department on taking a look at) membership to find out do we  
8 have, given the issues we choose to explore and assist the Department on, do we have the right  
9 mix of expertise.  
10

11 I'm not certainly looking at a Board the size of 25 or 30 people, but I think we may  
12 want to revisit that in the context of what we decide is the key priority areas we want to work  
13 on.  
14

15 CHAIRMAN AJELLO: I think it's an excellent point. The Board is the size that it is  
16 right, now, in order to get started. Frankly, what we wanted to do clearly, and I think Jessie  
17 would support this, is to get underway with a diverse set of opinions represented by the people  
18 here, immerse ourselves pretty quickly into the business of the Board and the program, and then  
19 find those areas where we need additional input.  
20

21 As a consequence, I do expect some expansion. I certainly would say that that is going  
22 to occur. I think, and all of you will have an opinion on this at some point, the degree of  
23 expansion and the types of other inputs are really the questions that we need to be asking  
24 ourselves.  
25

26 I don't think it's a question necessarily of whether we should expand it, I think the  
27 question is to what degree and how many, while keeping a tight group that feels productive and  
28 each contributes a great deal.  
29

30 That's certainly my viewpoint on that. If you or others have a perspective on that and  
31 wish to address that. John?

32 MR. QUARLES: I'll just mention briefly my perspective or reservations about any

1 significant numbers of additions. I've served on a lot of Boards, some in the government, some  
2 outside of the government. I think that the productivity and effectiveness is often inversely  
3 related to the size.

4  
5 There may be some additions that should be made, but I think we should start off with a  
6 bit of a presumption that the case needs to be made as to why the addition is really called for,  
7 and why it's not adequate to just bring in people to participate in the proceedings. We're open  
8 to the public and other people can be brought in to provide issue-specific views.

9  
10 CHAIRMAN AJELLO: Other thoughts from the Board?

11  
12 MR. PFISTER: Mr. Chairman, I'd just like to remind the members to try and speak  
13 into the microphone, because this is a recorded session.

14  
15 CHAIRMAN AJELLO: Thank you, Mike. Any other thoughts on the composition of  
16 the Board or the size of the Board? We have a few additional minutes.

17  
18 (No response.)

19  
20 CHAIRMAN AJELLO: Great. I think that is one of the things that we will be  
21 addressing in our working session tomorrow as we become more active on the [membership]  
22 topic.

23  
24 The challenge with the program, if I might say, is it is so far and wide, both  
25 geographically and in terms of size, in terms of technology, in terms of commercial interests, that  
26 there are many different points of view. So, the challenge here will be to get a working size  
27 Board, as John suggests, but not have it so large that it's unproductive.

28  
29 I think he made another good point, which is to say the Board meetings are open. So,  
30 we'll be hearing a lot of points of view, not only from this table, but from the public. We just  
31 want to encourage that. I think everybody associated with this effort feels very strongly that we  
32 need additional points of view that may or may not be expressed by the Board. The Board is

1 not the only group that has an opinion about the program. I just want to take this opportunity  
2 again to remind you that this is important.

3  
4 Yes, Tom?

5  
6 MR. WINSTON: One other suggestion I would make, because the Board has – that  
7 is, this is a new Board with an old name, and I think it would be good to get information out  
8 through the normal channels, whether it's the general newsletters or updating the website with  
9 current information. Because, sometimes when there's a lack of information people assume  
10 negative things. This is clearly a positive effort.

11  
12 CHAIRMAN AJELLO: I think that's a very good point and I'm sure we can undertake  
13 to do that. I'm sure that we can work with the staff to get that done.

14  
15 DR. LOEHR: Just to continue the dialogue, since we have a minute here, and since this  
16 is, as everybody is pointing out, the first meeting and in fact the first hour of the first meeting.

17  
18 I am assuming that if this Board, however it seems to be constituted, wishes to have  
19 input from a particular part of the public or the private sector, that we do not have to wait solely  
20 upon them to appear in the audience, but that we might be able to encourage through the  
21 Department or through somebody else to say we really like to hear from this kind of a point of  
22 view to be able to make sure that we listen to that and it's brought to our attention. But that's an  
23 assumption and I just assume that it's okay.

24  
25 CHAIRMAN AJELLO: I completely agree. In other words, the floor is always open,  
26 in a sense. Even though we'll have formal meetings, I would expect as well in between those  
27 meetings we'll be hearing from anyone interested in the program who has a point of view.

28  
29 I'd like to mention there are two more members of the DOE team that are in attendance  
30 today. Martha Crosland, Director of the Office of Intergovernmental and Public Accountability  
31 with EM is here. Martha is there in the second row, I'm sure you know her. Rich Burrows,  
32 Deputy Director of the Secretary of Energy Advisory Board. He is way in the back. Thanks

1 very much for attending.

2  
3 In the meantime, Gloria has arrived and we'll return to that agenda item regarding  
4 conflicts of interest, which is also another important orientation point.

5  
6 Gloria Sulter from the General Counsel's Office.

7  
8 MS. GLORIA SULTON: It's actually Gloria Sulton, S-u-l-t-o-n, but I'll forgive you.

9  
10 CHAIRMAN AJELLO: Thank you very much. I'm a rookie.

11  
12 MS. SULTON: It's a rather unusual name. I'm in the Office of General Counsel in the  
13 section that deals with general law and more specifically, with the standards of ethical conduct  
14 for federal employees.

15  
16 I wanted to just take a few moments to explain to you some of the policies of the  
17 Department regarding conflicts of interest. Basically, as a member of the Advisory Committee,  
18 you should not participate in matters which would have a direct and predictable effect on your  
19 personal financial interest, whether it be via employment or whether it be through an organization  
20 of which you are an officer or hold a chair position on a committee. These would be considered  
21 also in your financial interest, they are imputed to you.

22  
23 If you believe that there may be such a conflict in your participation on particular matters  
24 that are before the Committee, then I would suggest you talk to your DFO first and the DFO  
25 can then bring to our attention any matters that we ought to address. There is in your notebook,  
26 I believe Peggie put in here --

27  
28 CHAIRMAN AJELLO: It's at Tab 3 for the Board members.

29  
30 MS. SULTON: Yes, Ethics and Conflicts of Interest Guidance for Department of  
31 Energy Advisory Committee Members. On the second page of that, there are four bullets  
32 there, Advisory Committee members shall also adhere to the following general conflict of

1 interest requirements.

2 Basically, they go to using your position on the Committee in order to advance your  
3 own private interests or those of your employer or other persons with whom you are  
4 associated.

5  
6 Again, there may be instances in which a certain discussion might come close to the line  
7 and you need to talk to us and perhaps consult with the other Committee members about  
8 whether this may be something you should recuse yourself from participating in.

9  
10 It gets a little bit schizophrenic when you are serving as representative members as  
11 opposed to employees (special government employees), because you are being brought in for  
12 the point of view that you bring from your various associations outside the Department. But at  
13 the same time, we have to be cognizant of the integrity of any recommendations that you might  
14 give to the Department to ensure that we don't learn after the recommendations come in, that  
15 one of you had just purchased a company that is being recommended, or has the best product,  
16 or is doing some new technology, which we ought to look into.

17  
18 Those are the kinds of things that we don't want to be surprised by. Most of them we  
19 think can be taken care of in a way that will allow us to have the benefit of your wise counsel,  
20 while at the same time knowing where the 'bodies are buried' so that in the weighing of your  
21 comments on a particular issue, all of the members are aware. [For example,] if you're on the  
22 Board of ABC Corporation and ABC Corporation happens to be one of ten companies that  
23 could do a particular kind of job that perhaps the Department is interested in looking into, then  
24 the fact that you put that on the public record then, any comments that you make relating to that  
25 will be a part of that public record and the Committee may wish to determine whether they want  
26 you to vote or not vote on the ultimate recommendation to include that firm in the list of firms  
27 who could provide the service.

28  
29 Those are the kinds of considerations I think you should keep in mind as you go about  
30 your business. There is one piece I'm going to have circulated to you, it's on gifts. What's the  
31 old saying? Be careful of people bearing gifts. Often they come with a heavy price tag.

1           These are the rules from the Standards of Conduct for Federal Employees. They might  
2 offer you a little guidance in terms of, be careful of those bearing gifts who might want some  
3 special favor from you, [i.e.] want information. Be careful of what you talk about outside your  
4 meetings.

5  
6           Those are the general things, which you've probably heard before, from me or others in  
7 my office. Some of it is just common sense. I'll be happy to take any questions, if you have  
8 any.

9  
10           CHAIRMAN AJELLO: Any questions for Gloria?

11  
12           (No response.)

13  
14           CHAIRMAN AJELLO: Gloria, I had one or two questions. You mentioned in the  
15 opening comments "consult with your DFO." I'm not --

16  
17           MS. SULTON: Designated Federal Officer.

18           CHAIRMAN AJELLO: Good. Great.

19  
20           MS. SULTON: I'm just learning some of these acronyms.

21  
22           CHAIRMAN AJELLO: I have another. With respect to a concern that any of the  
23 Board members may have that they could possibly have a conflict of interest, is there a  
24 procedure? Is it appropriate to call you and ask you for your advice?

25  
26           MS. SULTON: Absolutely. We have our number at the very bottom of the sheet,  
27 202-586-1522. You can ask for me or you can ask for the 'Day-O' and the secretary will  
28 refer you to whoever is answering calls that day. There's someone always on telephone duty to  
29 take calls. We will be happy to.

30  
31           CHAIRMAN AJELLO: I have another question and that is to say, when you were  
32 referring to private interests that we might have which could impact the way we conduct

1 business in this forum, was that relating to the entire Department of Energy or only the EM  
2 program?

3  
4 MS. SULTON: [Just] The particular matters that you would be working on as a  
5 member of the Advisory Committee.

6  
7 CHAIRMAN AJELLO: Okay. I think that's an important clarification.

8  
9 MS. SULTON: Yes. Sort of particular matters as opposed to any matter around. It's  
10 a participation sort of restriction. Any other questions?

11  
12 (No response.)

13  
14 MS. SULTON: Thank you kindly. I appreciate it.

15  
16 CHAIRMAN AJELLO: Thank you, Gloria, very much.

17 All right. One additional DOE person that I'd like to introduce is Betty Nolan from the  
18 Office of Congressional and Intergovernmental Affairs. I know Betty from many, many years  
19 ago.

20  
21 MS. NOLAN: Not that long ago.

22  
23 CHAIRMAN AJELLO: Not that long ago. Welcome. We're actually running a little  
24 bit ahead of schedule. Is Paul here? I guess he stepped out.

25  
26 MS. ROBERSON: We rarely run ahead of schedule. This is a good sign.

27  
28 CHAIRMAN AJELLO: Right. We do have two of the three members present who  
29 are part of the next briefing. Joining us are Woody Cunningham, a consultant to the program, as  
30 well as Joe Nolter, a consultant to the program. We are now, for the Board members' benefit,  
31 at Tab 6. The topic for this next briefing is the Environmental Management Overview.

1           This is also part of the important orientation that we promised today. Clearly, there has  
2 been a significant amount of work, as Jessie alluded to at the outset, with respect to evaluating  
3 the progress and the performance of this program over time.  
4

5           In response to a series of studies, in particular the so-called 'Top-to-Bottom Review'  
6 which was done last year, the team was tasked to perform a programmatic review of the entire  
7 EM program and its management functions.  
8

9           Today our panelists are here to brief us on a number of items. They will summarize the  
10 Top-to-Bottom Review, the six key focus areas and the EM corporate project summary.  
11 Actually, we'll start on Tab 6, that is a copy of the Top-to-Bottom Review which was provided  
12 to the Board in advance of the meeting. Tab 7 of course are the key focus areas. Then in 8,  
13 we'll move into the EM corporate project summary.  
14

15           I'd like to start by asking Joe Nolter and Woody Cunningham to introduce themselves  
16 and give us a few words about their backgrounds.  
17

18           MR. JOE NOLTER: My name is Joe Nolter. I provide consulting services in project  
19 management and other areas to the Office of Environmental Management. My background is  
20 project management in many fields, primarily in the Department of Defense, that's where I got  
21 started, and then I moved into the Department of Energy about ten years ago, providing  
22 support. Thank you.  
23

24           CHAIRMAN AJELLO: Woody?  
25

26           MR. CUNNINGHAM: I'm Woody Cunningham and except for the beard, I qualify as  
27 a true gray beard. My background has been with the Department and various predecessor  
28 agencies for many years. I started off in the Atomic Energy Commission developing fuels for  
29 the fast flux test reactor, which is now on our list for decommissioning.  
30

31           I later went through the various agencies, at one point Director of the Waste  
32 Management Production Division, later as Assistant Secretary for Nuclear Energy, and finally,

1 before coming over to assist Jessie in this operation, I was Director of the Technical Staff at the  
2 Defense Nuclear Facilities Safety Board.

3  
4 Joe and I both have been very heavily involved, not only in the Top-to-Bottom Review,  
5 but also in the efforts to begin to get this review implemented. We'll be talking to you some  
6 about those things. First, Joe is going to tell you a brief summary of the findings of the review  
7 itself.

8  
9 CHAIRMAN AJELLO: And just before we start, I'll mention that Paul Golan will join  
10 us soon. Paul is the Chief Operating Officer of the EM program and as such, has day-to-day  
11 responsibility for many of the activities you're about to hear about.

12  
13 MR. NOLTER: Our charter was -- you get the sense that, "Let's go out and do the  
14 Top-to-Bottom Review," but what was the focus? And, what was the charter that we  
15 received? It was, "Conduct a programmatic review, --" I'll just read the first part here "-- of the  
16 current EM program and its management systems, with the intended goal of quickly and  
17 markedly improving performance."

18  
19 This was not an academic effort. Let's go look at one aspect. It was, "What do we  
20 have to do to improve performance? And, that EM was operated on three core principles, safe  
21 and effective clean-up, we need to conduct and complete our work quickly and run it like a  
22 business. We, as a team, really took that. The Assistant Secretary said we want to run it like a  
23 business. So, we said okay, let's go look at this thing from that perspective.

24  
25 We found a couple of items that really float to the surface very quickly. The very first  
26 one is in the discussions (we should have passed out a segment, it may be a bit clearer and  
27 crisper), but in our discussions as we traveled around the complex, "What do you do? How do  
28 you do it? and Are you successful?"

29  
30 There are a couple of rather superficial matrixes that are used. One was in the  
31 Washington area. Government. I think we all know that if the government is not satisfied with  
32 what you do, you may or may not know the specifics, but you just turned the dial down on your

1 budget and the budget just keeps getting smaller and smaller until you respond and then maybe  
2 it comes back up.

3  
4 But if you looked at the Department of Energy budget, specifically the EM allocation, it  
5 was steady and increasing. So one might say, if you work in the Office of Environmental  
6 Management, from a Congressional perspective we must be doing the right thing, because we're  
7 getting more and more money every year.

8  
9 The other one is if we look at our milestones, those externally defined achievements.  
10 We were achieving more than 90 percent of those milestones. There's a little chart here that  
11 sort of bundles it, but we were achieving most of our milestones. So from a Congressional point  
12 of view, we're getting more money and we're getting the milestones done and our contractors  
13 were earning more than 90 percent of the fees. The contractors are happy, they're getting fees;  
14 the regulators are happy, and the Congress is happy. We must be doing a good job.

15  
16 But we took very seriously the charter we had, which is, "Are we running this like a  
17 business?" and we found a couple of things very quickly.

18  
19 In 1999 the Office of Environmental Management said we would close 41 sites by  
20 2006. A very clear matrix. The job is done in 41 sites.

21  
22 In 2002, a few years later, well, we made a commitment that we would close only 25  
23 sites. When we looked at what was going on with finishing the job (there was a chart that's in  
24 the Top-to-Bottom Review report), this chart lists the Office of Environmental Management  
25 sites here. The open diamond indicates the closure date that was in the 1999 plan and the solid  
26 diamond is the closure date that's in the 2002 plan. There were some accelerations. Those are  
27 indicated by the red, but the green says closure dates are moving to the right. Without even  
28 focusing on which sites and how many dates, you can see there's a dominant shift to the right.

29  
30 We apparently, by our superficial matrix, were doing the job. But, when we looked at  
31 when is it done, when are you going to get done, everything was moving to the right. Not  
32 everything, most of the things.

1  
2 We also looked at how much is this lifecycle cost. [We looked at] what is happening to  
3 that and in one year, what I have projected here, is in 2001 the lifecycle cost to do EM clean-  
4 up work is the solid blue line; in 2002, the lifecycle projection is indicated by the dotted line.  
5

6 If you subtract the two and plot it, you wind up with this little red curve down, which is  
7 growth. In one year, lifecycle costs grew by \$14.7 billion. Well, okay. Things are happening  
8 out there, but one of the assessments that we made was the organization (that the Assistant  
9 Secretary assumed when she showed up) wasn't even asking those questions: "What is  
10 happening to lifecycle costs?" and, "How long is it going to take us to get the job done?"  
11

12 It's not that we didn't know the answers, we weren't even asking the questions. At  
13 least, what we saw was the program was focused on the year-to-year budget, [e.g.] do we  
14 have enough money to get through next year? It was all focused on the year-to-year approach  
15 as opposed to looking at the overall project, the overall program.  
16

17 We saw that EM clean-up schedules were slipping, costs were going up and we were  
18 making minimal progress at reducing real risk. We were moving it around, we were managing  
19 it, but we weren't eliminating it. Woody Cunningham is going to talk about that a bit later, when  
20 I finish.  
21

22 As we went into the EM Top-to-Bottom Review, there were some calls to action. I  
23 won't -- you have this slide, I won't read through all of those, but essentially those were the  
24 bundles of work where we thought the Office of Environmental Management needed to focus  
25 some attention on.  
26

27 As we go through today's agenda and tomorrow, I think you will find a fairly good  
28 mapping of those areas and calls to action into the projects. The projects for the most part  
29 were developed to get a team that was dedicated to go looking at those areas and finding out  
30 what has to be done.  
31

32 One of the items we focused on in our recommendations was first (before we went off

1 and did that), develop a common vision for accelerated risk reduction between EM, the stake  
2 holders, communities, regulators and elected officials. As we all know, there are many  
3 viewpoints that need to be represented and that's one of the challenges. We have all of these  
4 technical issues, but the first thing we've got to do is go out and get some consensus on what  
5 should we really do.

6  
7 There was a series of workshops that were planned that started out with the Top-to-  
8 Bottom Review. It really started out with giving the Top-to-Bottom Review briefing to  
9 organizations and asking, "Do you agree?" If we look at this slippage to the right, closure dates  
10 are moving to the right and costs are going up. So first, "So, we agree that this is  
11 unsatisfactory?" or, "From your perspective, is this just fine? Is this the way you want it?" It  
12 was trying to get some agreement that something needed to be changed.

13  
14 We review past risk reduction progress, develop a vision, sequence activities, integrate  
15 the activities and basically come up with an integrated plan that says okay, we're going to go  
16 after this with new vigor. I think the things we'll talk about in the next two days, the activities  
17 that have initiated by the Assistant Secretary really are marching to that drum beat. A faster  
18 drum beat. And, it's a focused drum beat.

19  
20 We also were to work with the appropriate members of Congress to implement an  
21 expanded clean-up account, and then, begin some internal reforms within the Office of  
22 Environmental Management that said, how is it that we can have a program like this and we're  
23 not asking the question when is it finished and how much will it cost. We're not asking those  
24 questions.

25  
26 I think in the next -- as I said, in the next day and a half, we'll be talking about the  
27 specific mechanical items that have been implemented to address those issues. I think you all  
28 have a copy of this package. That's all I have, subject to any questions that you may have.

29  
30 MR. CUNNINGHAM: Paul, do you want to talk now?

31  
32 MR. GOLAN: Thank you, Dr. Cunningham.

1  
2 MR. CUNNINGHAM: You're welcome.

3 CHAIRMAN AJELLO: This is Paul Golan, Chief Operating Officer of the EM  
4 program.

5  
6 MR. PAUL GOLAN: Thank you. Actually, Joe's and my presentations, while we  
7 didn't coordinate it in advance, I think we're attuned enough right now were we're kind of  
8 thinking each other's thoughts.

9  
10 I'm going to talk about what we have done in the last 12 months. You're going to have  
11 to excuse that this is not going to be in very good focus.

12  
13 I want to talk about some of the corporate processes that are being put in place or have  
14 been put in place to actually operate Environmental Management as a project. I'm going to go  
15 through my agenda today.

16  
17 The first thing we're going to talk about is what is a project. Tom here has seen this, so  
18 if you fall asleep on me, I won't --

19  
20 CHAIRMAN AJELLO: Incidentally, the slides are in your book there at the inside tab.

21  
22 MR. GOLAN: Follow along with me, because you're going to get a headache  
23 following along on this [projected slides on the screen]. Is EM a project? And, after we talk  
24 about what a project is, why you should insist -- if EM is not being operated or run like a  
25 project -- why everybody in this room should insist on running this as a project? And, again,  
26 [what are the] actions we are taking as a corporation to run this organization as a project.

27  
28 So what is a project? A project has specific objectives to be completed within certain  
29 specifications. In other words, we know what we want. It has a defined start and end date so  
30 it just doesn't go on forever. (That's a program.) It has funding limitations. And, this being part  
31 of any good system, we know - and I think everybody knows - that we don't have an infinite  
32 amount of funding to do the work that is in front of us. The last thing, it consumes both human

1 and non-human resources. So, to get from here to where we need to be, we're going to eat up  
2 money. We're going to require money and we're going to need people; and, we're going to  
3 need other kinds of resources to get our job done.  
4

5 I'm borrowing this definition from Kerstner's Project Management, which Joe Nolter  
6 tells me is as close to the Bible on project management as there is. We go into Kerstner and  
7 say well, what are the benefits, why would we want to manage Environmental Management as a  
8 project?  
9

10 Well, the first thing and I think foremost is that you can achieve objectives that are  
11 accepted by the customer. Remember, I said we had certain specifications we wanted to  
12 operate this to and deliver to. Well, operating this as a project allows you to achieve the  
13 objectives that the customer has articulated.  
14

15 What I mean by "customer" is we have a large -- Environmental Management has a  
16 large -- set of customers. One would be the regulators. One would be the taxpayers. A third  
17 would be the stakeholders, the communities that we're in today. There are other sets of  
18 customers; but, when I say "customers," broadly, we have to look to more than just a single set  
19 of folks.  
20

21 And if we control this as a project, we have a better chance to achieve our objectives  
22 within the cost that we projected and with the schedule that we said we were going to get done.  
23 Remember, Joe said in a year's period of time a third of our projects slipped by over a year  
24 and in a year's time, for every dollar the government invested in us, we created a two dollar  
25 liability.  
26

27 You know, you think about that and it's really quite stunning. For every dollar that was  
28 given to us by Congress, a two dollar liability was created. I would offer that this would  
29 probably be the only company in the 1990s to have gone bankrupt with that kind of work  
30 process. A dollar invested and then a two-dollar liability.  
31

32 We could measure progress and accomplishment against the plan. For every year I can

1 come to you -- every quarter, I can come to you -- and say, last year we said we were going to  
2 do 'this,' the ruler hasn't changed, the yard stick hasn't changed, and I can report progress  
3 against something that we agreed to up front. That's not going to change.  
4

5 We've identified functional responsibilities to ensure all activities are accounted for.  
6 That means, as somebody once said, the best surprise is no surprise. Did we leave something  
7 out? Well, if you're managing this as a project, there's less chance that things are going to be left  
8 out, because when you've designed a project, you put that all in to begin with.  
9

10 It allows you to take early actions, so that when you identify problems, they get solved  
11 at the lowest possible level with the lowest possible impact, rather than years down the line  
12 when some of our projects cost hundreds of millions of dollars to fix, as we're seeing today.  
13

14 Again, lastly (and one of our customers is the taxpayer) we can use our resources  
15 efficiently and effectively. That means that we can measure the return on the investment that the  
16 taxpayers make to us. We can measure the return on the investment and we can report either  
17 that return on investment has increased or decreased since the last time we reported.  
18

19 We're trying to manage this as a project. We're trying to put together the Environmental  
20 Management systems to manage this as a project so we can be more predictable; so that, we  
21 can deliver to our customers what we said we were going to deliver.  
22

23 There's a number of things that we've put in place, that we're putting in place right now  
24 that I'm going to talk about over the next half hour or so. From the Performance Management  
25 Plans to the Integrated Project Management teams that are going to help us to manage this as a  
26 project, and have the project controls in place so that this is transparent to anybody. It's not  
27 just a secret system.  
28

29 Where Joe left off with the Top-to-Bottom Review is where I'm starting. One of the  
30 first things that we went off and did after the Top-to-Bottom report was issued was we had to  
31 say well, how do you translate the calls to action and the need to accelerate clean-up work to  
32 something that's more meaningful, other than a level zero. We need to do more things. We

1 need to do them quicker and we need to do them more cost effectively.  
2

3 So we put Performance Management in place at all our sites. The Performance  
4 Management Plan is a strategic document that articulates our approach towards accelerated risk  
5 reduction at our sites. It didn't mean that sites didn't have strategies before to do risk reduction.  
6 What we asked the sites to do was put together (with a new set of eyes) what it would take to  
7 accelerate that risk reduction. And from across the Board, if you look at what we've done just  
8 with the Performance Management Plan, Environmental Management was not supposed to end  
9 until 2070. Right now, the last plan ends in 2035. We're trying to accelerate that into the 2030  
10 time period or even sooner than that.  
11

12 Just with the first generation of a different approach to clean-up, we've managed to take  
13 about 35 years off the total project schedule of Environmental Management. Most sites have  
14 developed Performance Management Plans, not all of them, but about 95 percent of our sites  
15 have Performance Management Plans in place.  
16

17 I have a line here that says we don't have all the answers yet. I'll say to this group that  
18 we haven't even asked all the right questions yet. Not only don't we have all the answers on  
19 how to get there, but right now we don't think we've even asked all the right questions. That's  
20 one of the things we're looking for this group to help us on: are we asking the right questions,  
21 and are we seeking out the right answers.  
22

23 CHAIRMAN AJELLO: Paul?

24 MR. GOLAN: Yes?

25 CHAIRMAN AJELLO: Speaking of questions, we have one.  
26  
27

28 MR. QUARLES: Yes. Can you just give us a couple of sentences on what sorts of  
29 changes there have been, as far as the manner in which you've accelerated risk reduction?  
30  
31

32 MR. GOLAN: Sure I can. Again, it depends on going site-by-site. Every site has

1 taken different approaches towards how it is accelerating its work, how it sequences the work.  
2 I'll give you an example. Let's say Hanford. They had planned to take cesium and strontium  
3 capsules and put them through the vit [vitrification] plant processing system and make glass out  
4 of them. Right now, we don't think that's necessary to make the cesium and strontium for the  
5 final disposition going through the vitrification process. So, one of the things we're looking at is  
6 taking that out of the wet storage and putting them in the final disposition form without the  
7 vitrification process.

8  
9 MR. QUARLES: That would be a change in the method.

10  
11 MR. GOLAN: A change in method.

12  
13 MS. ROBERSON: Can I add something, Paul? Because it's actually more important  
14 than that. This was going to happen in the mid '20s, 2020. When we went through the  
15 evaluation process for the Performance Management Plan, it became clear that from an  
16 environmental perspective, this was a situation that should have been priority one, two or three  
17 on our agenda, rather than waiting until 2025 and that clearly a more responsive reaction was  
18 necessary.

19  
20 MR. GOLAN: And Jessie brings up the second point. In terms of there are things that  
21 we saw, [that can have] different processing paths. Another one was bringing urgency to the  
22 situation. The question is, "Well, why are we waiting until 2020 when we should be doing it  
23 today?" A lot of this was re-sequencing the work that we had planned already. To do the  
24 higher risk stuff earlier; and, that has several advantages.

25  
26 First of all, from just a flat out risk perspective, when you can take risk out of the  
27 system sooner, that means the probability times the consequence (since you're taking the risk  
28 down) you're going to have less chance of having something happen later on. You're creating a  
29 safer environment sooner.

30  
31 The second important part of this, is a lot of our nuclear facilities eat up a lot of capital  
32 just keeping the lights on, the ventilation systems operating and the security systems on.

1 Typically, at our best projects, 75 cents out of every dollar we spend at these places basically  
2 fund that infrastructure that keeps things safe and secure.

3  
4 If we don't need a facility because we don't have material in the facility anymore, then  
5 we can take the safety systems out, we can take the security requirements out, we can take the  
6 operating capital out of that and instead of applying it to mortgage and hotel costs, you can  
7 apply it towards risk reduction activities. You're now accelerating the work and taking capital,  
8 instead of putting it into non-risk reduction work, you can invest it in risk reduction work. You  
9 now can accelerate the work.

10  
11 A lot of this had to do with [looking at] why can't we do it sooner and really focus on  
12 the high risk stuff first rather than deferring the high risk stuff. Go ahead.

13  
14 MS. ROBERSON: You know, I guess I say this with a little bit of risk, and Woody  
15 and Joe will correct me, I would say that our focus on the important things to do, to a large  
16 extent, was misplaced. It wasn't that work was not being done, but the right kind of work that  
17 really impacted the environmental profile [at] our sites wasn't being viewed as a priority.

18  
19 DR. LOEHR: Paul, I can appreciate that all you folks have been swamped by this by  
20 many, many months, if not over the years. But, I need to go back to the beginning to have it all  
21 in context. You have projects at a site and you have overall projects. But, a project has a  
22 series of goals and I need to make sure I perfectly well understand what the overall goal is.

23  
24 From the Assistant Secretary, I have three goals. I want to make sure that I've got the  
25 right ones. Complete the high-end risks by 2012; provide visible, positive and measurable and  
26 accelerated risk reduction; and save \$50 billion. Are those the overall goals of which you're  
27 now going through and beginning to tell us how to accomplish them more or less at specific sites  
28 or specific locations? Am I missing any other overall goals?

29  
30 MR. GOLAN: No. What I would say is that it maps precisely what we're trying to do  
31 here. Get the high risk stuff done first. Get visible, meaningful clean-up on the ground working.  
32 And, in the process, take about \$50 billion out of the total project cost. A lot of what we're

1 talking about here is manifestations on how to make that vision turn into reality.

2  
3 DR. LOEHR: That's fine. That's the context that I want to make sure that I'm using,  
4 because if we're going to be coming back – or, I'm going to be coming back with commentary  
5 on whether those goals are achieved, as was pointed out by the Assistant Secretary, were the  
6 appropriate matrixes being used. I need to reverberate continually against the overall objective,  
7 as well as some specific objectives.

8  
9 MR. GOLAN: That's exactly right.

10  
11 DR. LOEHR: Thank you.

12  
13 MR. GOLAN: A couple of things that Joe didn't mention in terms of the situation in the  
14 '90s, one of the things that we saw a year ago was that we still had most of the spent fuel stored  
15 within a quarter mile of the Columbia River. We continued to increase the generation, the  
16 volume of high level waste year in and year out, even though the last reactor had been shut  
17 down more than a decade ago and we still had plutonium and uranium, special nuclear material,  
18 strewn all across the country. And, this was even in the 9/11 world – it just didn't make a lot of  
19 sense.

20  
21 Any time you open up a material access area at any one of our sites, when you have  
22 Category 1 or Category 2 nuclear material, it's a \$40 million entry ticket just to establish the  
23 infrastructure to have that kind of material at that site. We have those at four of our sites right  
24 now. Last I checked, Environmental Management didn't have any production mission.

25  
26 I'm going to go through some of the things, in terms of how we're articulating our goals  
27 and how we are trying to report on those goals as we get through here. The first thing, was to  
28 translate the vision that the Assistant Secretary, the Under Secretary and indeed the Secretary  
29 had into how do you make that work from a level zero --headquarters to level zero, one and  
30 two at the sites?

31  
32 The Performance Management Plans are the strategic documents, again, that try to say

1 from a site perspective, strategically, here is how it can align with the goals the Secretary, the  
2 Assistant Secretary and the Administration have. Again, we've put those in place.

3  
4 You can't manage your sites with strategy documents, at least not very well. What sites  
5 need to do is translate the management plans, the Performance Management Plans into work  
6 breakdown structure and into Project Management Plans were they can actually plan the work,  
7 manage the work, allocate resources and make decisions.

8  
9 We're in the process right now of translating the Performance Management Plans into  
10 Project Plans. For some of our big sites, that's going to take several years. It doesn't mean we  
11 stop and just wait until the Project Management Plan gets put in place. It means we have to  
12 look at what we're doing this year while we're putting together our long-range plan to make sure  
13 we're investing our capital, our dollars, into the work activities that have the highest risk and into  
14 those investments will return the highest risk reduction back to us.

15  
16 I'm going to mention this bullet. I'm going to mention this at just about every one of the  
17 slides I go through, the Performance Management Plans are configure controlled documents  
18 back at headquarters. So, the site strategies can't change next week, next quarter, next year.  
19 It's a configuration controlled document. That doesn't mean that they'll never change, but the  
20 Assistant Secretary has to agree to the change in the strategies before those changes become  
21 implemented and executed at the site level. That's another one of the corporate systems we're  
22 trying to put in place, configuration control.

23  
24 You talked about how is it that we're going to measure our performance. One of the  
25 things the government is very good at is generating lots of data. I can imagine the amount of  
26 data that's going to be generated just out of this meeting. Can you imagine, we have a \$7 billion  
27 a year program, all the data that we collect for the various things and you can't manage a project  
28 effectively if you have a phone book worth of data being generated every day.

29  
30 We've focused on a critical dozen performance matrixes that are focused on risk and  
31 I'm going to show you those on the next slide. This is not part of your handout, but let me just  
32 explain what this is.

1  
2 On the Y axis here is what we consider the source terms, the risk terms for the  
3 Environmental Management Program. They start with plutonium, metal and oxide. It goes  
4 through enriched uranium, material access areas or security areas around the special nuclear  
5 material, down to plutonium and uranium residues, transuranic waste, depleted uranium, spent  
6 nuclear fuel, high level liquid waste, other waste -- and it goes down through release areas and  
7 contaminated facilities.

8 The first thing we're doing in quantifying lifecycle [cost] by site, how much of what we  
9 have at every one of these sites. The interesting thing about this, and let me just tell you, is that  
10 you would think it would be pretty easy to have a definition of what completion is for plutonium,  
11 metal and oxide. Well, when we first asked, there are six different -- when we first asked the  
12 sites, there were six different definitions people were using. Again, we only have nuclear  
13 material at four of our sites.

14  
15 There were six different definitions that we had used to measure progress on stabilizing  
16 and packaging plutonium, metal and oxide. Six different definitions in a single program. So  
17 we've defined it to a single definition right now, number of DOE Standard 3013 containers  
18 packaged.

19  
20 We know that when the plutonium, metal or oxide enters a 3013 package, it's one step  
21 away from final disposition. The only thing left is to put it in an overpack and send it to the  
22 receiver site.

23  
24 One of the things that we're trying to do with this is have standardized reporting  
25 methodology criteria across the entire complex. Simple things, such as low level waste, some  
26 sites were reporting by the ton, some sites were reporting by cubic yard, some sites by cubic  
27 meter and some sites cubic feet. There were four different ways of reporting that same metric.  
28 So, the reporting metric standard is cubic meters of waste disposed. Not ready to go, but  
29 disposed. Because, we have a receiver site open for those and so we're going to measure when  
30 that actually gets done.

31  
32 What we're in the process of doing right now is collecting the information on what each

1 site has in terms of these quantities of source term. Then the sites, through the Performance  
2 Management Plan, are going to basically have to say over the next three, five or ten years  
3 (however long it's going to take to complete disposition of this material) say, I have a thousand  
4 cans of 3013 material that I'm going to have to get off of Rocky Flats. I'm going to do 200 this  
5 year, 200 next year, 200 until I get to 1,000 and then I'm done.

6  
7 We're not only going to configuration control the total lifecycle, but by year, what the  
8 sites are going to commit to have completed. Then, we're going to report against this next year.  
9 If we have this meeting and we get our data in, we're going to say in 2003 we had planned this  
10 either by site, or across [the] Environmental Management Project, and this is how much we got  
11 done. And we're going to report in terms of variance, either positive variance (we got more  
12 done than we planned) or negative variance (we didn't do as much as we said we would do).

13  
14 MR. QUARLES: Is that hooked into the GPRA reporting process?

15  
16 MR. GOLAN: It is. It is, but it's really the next level down, in terms of the key things  
17 that we could manage here. It puts a little bit of finer tune on that. We look at this as not only a  
18 management tool on how we're performing against, but also a scoping tool. Joe said in fiscal  
19 year 2000 to 2001, \$14 billion worth of cost came up. Well, was there new scope associated  
20 with that? We don't know, so we're using this chart, we call it the Gold Chart, because that's  
21 the color the borders are going to be, we're going to use this as a scoping tool to insure that  
22 we're controlling the configuration of what's inside of this program and what's not inside of this  
23 program.

24  
25 Hopefully, when we -- next year when we come here and [look at] lifecycle, if we said  
26 we had 5,000 cans of plutonium that we had to stabilize, I should have to report back to the  
27 Assistant Secretary if that number went up or if it went down and why.

28  
29 DR. LOEHR: Paul, can you give us a sense of ground truth on some of these matrices?  
30 That is to say, it's easy to do things inside the Beltway, it's difficult to do them outside in the real  
31 field world. Can we assume that there's been a back and forth with the people who have to do  
32 this, to move it and so forth?

1  
2 MR. GOLAN: Yes, we've been in discussions with the field for about two months on  
3 this, working on definitions, working on precisely what we want. There's been a lot of give and  
4 take. If you really look at this, one of the statements when I talk to the field managers (and I  
5 usually to talk to them every Wednesday at 3:00) is that if a field manager can't tell me their  
6 quantities, what they're supposed to do lifecycle and what they're supposed to do this year,  
7 they're probably not focusing on the right things.

8  
9 I'll tell you, this is going to be new to some field managers. But again, if they're focusing  
10 on this, they're focusing on the source term, they're focusing on [the] thing that really is the  
11 hazard that we're trying to eliminate for Environmental Management, they will be focusing on the  
12 right thing.

13  
14 We're actually getting our first submittal of this data back from the field on Friday that  
15 conforms to what is it, lifecycle, by fiscal year. What is it the sites are going to commit to do  
16 consistent with the Performance Management Plan between now and the time the sites say  
17 they're done. When we get that data in, that will be revision zero, configuration controlled, and  
18 we're going to have to work it from there.

19  
20 MR. WINSTON: Paul?

21  
22 MR. GOLAN: Sure.

23  
24 MR. WINSTON: How confident are you that you've identified I guess the broad  
25 scope of the riskiest -- either activities, or the highest risks that are facing the Department?  
26 That's a pretty hefty list there. The reason I'm asking is that a number of years ago the  
27 Department had to report a risk report to Congress, which went through at the project level a  
28 whole evaluation of what was risk.

29  
30 You've done it more in aggregate, which probably makes a lot more sense, in terms of  
31 managing an overall program. But my basic question is, is this list going to be refined over time  
32 as new information comes in? Or, are you pretty confident that this really is the key direction

1 that you need to take in terms of risk reduction?

2  
3 MR. GOLAN: Woody will talk about it. I would say that if we don't have it about 95  
4 percent right now, then I would be surprised. What I would say is that hopefully, this is going to  
5 get the lion's share of stuff and we're going to figure out if we overestimated or underestimated  
6 as we go forward.

7  
8 Let me just tell you that when we talk about high level waste and say, "Okay, well, is all  
9 high level waste created equal?" Let's say you have two tanks. One is a double shell tank and  
10 one is a single shell tank. Is there a risk gradient between those two? Of course there is. So as  
11 you start pulling the detail here and say which high level waste tank am I going to go after first,  
12 you just can't say they're all created equally and I'm going to use this tool to manage the project.

13  
14 You have to say okay, let's get down to the next level. We have one that's single shell  
15 known leaker, we have a double shell here. We have mostly salt, we have mostly supernate  
16 and then we have to use that next level of information to start prioritizing resources on which is  
17 the next one that we go after and why.

18  
19 MR. WINSTON: That's very good, because that situational assessment really will tell  
20 you a much different answer compared to just a rough copy.

21  
22 MR. GOLAN: Sure. But I will go back and say you'll know that if we have planned in  
23 fiscal year '03 and we say we're going to stabilize and package 500 cans of plutonium and we  
24 know that that's what we need to do next year, I should come and I should be held accountable  
25 to all our stakeholders and say we either hit 500 or we didn't and here is why. Here's why we  
26 did more. Here's how we were able to do more.

27  
28 Year in and year out accountability against a lifecycle that really we're trying to hold  
29 constant here; that is not going to be subject to, well, we got through this fiscal year. Let's  
30 reshuffle the deck and say everything was fine again at the beginning of the year.

31  
32 The important thing here is that you talk about lifecycle. The problems don't go away

1 on September 30, they carry over. Joe talked about when the fiscal year ended and we didn't  
2 get all the work done, we started fresh the next year and we started being on cost, on schedule  
3 and on track.

4  
5 Measured against the lifecycle baseline instead of starting fresh at the end of every fiscal  
6 year here has significantly more accountability to this project than it ever had before.

7  
8 MS. SALISBURY: Paul, I'd like to ask a question. I think you mentioned that the  
9 Performance Management Plans for some sites were going to take many years to complete.  
10 Maybe I misunderstood you.

11  
12 MR. GOLAN: No, the Project Management Plans.

13  
14 MS. SALISBURY: Oh, Project Management.

15  
16 MR. GOLAN: The Performance Management Plans are the strategic documents which  
17 lay out here is where we're going to go and here is how we're going to get there. The Project  
18 Management Plans basically for the coming year should be down to somewhere between level 8  
19 and level 12 of the work breakdown structure. We're going to talk about what that means a  
20 little bit later, down to where you give a work package to an hourly employee and say go do  
21 this and it's the work instructions to stabilize this material, dispose of this waste or take apart this  
22 glove box.

23  
24 That's going to take several years to develop, especially at a lot of our big sites. The  
25 other thing is, it's one of these things where you roll forward. You never want to have more  
26 than about -- I don't know, a lot of people say five (some people say five, plus or minus, years)  
27 -- of very detailed planning. Because, as new information becomes available, you don't want to  
28 have invested all this money in planning and say I've got a great new idea, let's throw all this  
29 planning away, because instead of doing Process A, I do Process B.

30 Planning our work is expensive. If you do it right, it's expensive, because you're talking  
31 about the work instructions here. That's what I'm talking about when I talk about the Project  
32 Management Plan, those things that direct the hourly workers to do the tasks needed down to

1 level 12 to execute on the vision.

2  
3 MS. SALISBURY: I'm just curious how you're integrating all of that. Because, what I  
4 see is slippage on completing the task as agreed to and a whole lot of extra coordination that's  
5 required by state, et cetera.

6  
7 MR. GOLAN: Sure. I think you're going to find out that once we start putting  
8 everything on the table here, the weapons complex wasn't built site by site, it involved an awful  
9 lot of integration between all of our sites. It wouldn't have been as successful as it was if it didn't  
10 have that integration. That same integration that it took to build it, it's going to take to take it  
11 apart. In fact, more so because the program is not a 'black' program as it was through the  
12 '50s, '60s and '70s.

13  
14 That's going to change the role of headquarters here. I'll say through the '90s here,  
15 although we tried to integrate, we didn't do a very good job at it. We come back and say what  
16 is the job at headquarters. It's not only to provide status on what's going on across the  
17 complex, but it's to provide independent status to the Assistant Secretary. It's to look for the  
18 problems that either the field has identified or they can't identify because they're too close, and  
19 then solve [the] problems.

20  
21 A lot of those problems that need to be solved involve, "I have a need here" and, "I  
22 have a requirement here," and how do I put those two together. "I have a need to get waste off  
23 of the site" or, "I have a receiver site" how do I make that happen. You're right, it is going to  
24 force a lot more accountability for headquarters than we've seen recently.

25  
26 MR. MORAN: Is your risk rating criteria documented?

27  
28 MR. GOLAN: In terms of how this works? Do I have a Monte Carlo or some other  
29 [simulation analysis] -- the answer is no. What this is, and we didn't just generate this, we've  
30 used it at some of our other closure sites. It says what are the real risk elements that are driving  
31 either an authorization basis requirement, which is a nuclear license, which is driving an  
32 environmental license, which is driving a security cost here.

1  
2 This is more qualitative than it is quantitative. I'll just tell you if you look back here,  
3 there's not much backing this up, in terms of is this a higher risk than that. But again, as we're  
4 allocating the individual dollars to the different projects here, that's when you start saying is that  
5 okay. As we start going between these two, where is it I make that investment decision and  
6 what is the process I use. This is more qualitative than that.

7  
8 Just to get folks up to speed, Joe talked about the reform account, the clean-up reform  
9 account. I think once we get a budget passed there's about \$1,100,000,000 that's in the clean-  
10 up reform account for accelerated clean-up in fiscal year '03. Going forward in fiscal year '04,  
11 that's going to be part of our overall submittal the Department is going to make to Congress.  
12 We're not going to have a separate account called clean-up reform account. We're just going  
13 to ask for the money we think is necessary to complete our work here.

14  
15 We're in the process right now, and I can't say anything more than what this bullet says  
16 here, of realigning and restructuring our budget structure so it aligns with accelerated risk  
17 reduction. We have special nuclear materials as a risk. We have special nuclear materials as a  
18 reporting element in terms of a critical performance metrics and we want to have a budget  
19 structure that's consistent with that so that when we talk budget, we talk about critical  
20 performance measures and we talk about objectives, we're talking about the same thing.

21  
22 In other words, we don't report this way for budget and this way for let's say a critical  
23 performance measure to the Assistant Secretary. We're working right now with OMB and the  
24 Hill on what that may look like. Again, right now we're in the discussion process for the fiscal  
25 year '04 budget. This is an element that's going to be configuration controlled.

26  
27 Let me talk a little bit about safety and what safety is and what it's not. What safety is  
28 right now is an entrance requirement for the contractors and the federal staff to work at our  
29 sites. It's as simple as that. If contractors or federal employees can't demonstrate they can  
30 work safely, they don't have a license to operate at our sites. It's not something we're going to  
31 incentivize positively anymore. It's not something that they're going to get bonuses for doing.  
32 It's an entry requirement.

1  
2 One of the notions we had in the '90s was that we couldn't work because it wasn't safe.  
3 We actually juxtaposed ourselves and said we can either do work or be safe, but we couldn't  
4 do the same thing at the same time. It led to gridlock and things just didn't happen.  
5

6 The truth of the matter is unless we do work, we can't be safe. This material is not  
7 getting any more stable sitting there, the buildings are not getting more fortified, they're not  
8 getting less contaminated. The tanks aren't gaining any more integrity here. Unless we do work  
9 we're not going to be safe. The only way we're going to get to do work is to be safe, though.  
10

11 That's why I'm saying it's a going in condition. It's an entry requirement at our sites, be  
12 safe or you're not going to be there. It's part of our public license, too. If we can't demonstrate  
13 that we're safe here, let's face it, the only thing that gives us license to operate here is that the  
14 public accepts that the Department of Energy knows what it's doing here. At least that's what  
15 we like to think.  
16

17 If we can't demonstrate to the public that we can operate our sites safely, then they're  
18 going to shut us down too. It's not going to be through a regulatory action, but it's going to be a  
19 lot more powerful than that.  
20

21 MR. MORAN: How do you demonstrate that you are in fact working safe? Is it with  
22 the reporting metrics that we're familiar with from the past? Illness, injury, incidents?  
23

24 MR. GOLAN: That's a good question, in terms of how do you know that you're safe.  
25 There's a couple ways you can look at this and say well, you look at the accident, the injury or  
26 the reportable case rate, you could look at all the things that either happened or didn't happen  
27 and that gives you one level of saying well, we operated safely.

28 But what we're trying to do is look at what those leading indicators are that say we  
29 haven't hurt anybody yet, we haven't contaminated anybody yet, we haven't had a spill yet, but  
30 right now there's enough of these precursor activities where if we don't do something different,  
31 we're going to have an injury, we're going to have a fatality, we're going to have a spill.  
32

1           What I'll say is that while we have metrics that everybody accepts today, those metrics  
2 probably are not going to be good enough on themselves to manage the program going forward  
3 here.

4  
5           MR. MORAN: That's one of the issues we got into with the previous Board right  
6 towards the end of our activities. The focus on development of leading indicators that would  
7 help give you some clue as to hazards that were arising so you could head them off.

8  
9           MR. GOLAN: Yes.

10  
11           MR. MORAN: A couple other issues that are relevant to this. One of the things that  
12 we recommended before, and was underway and I'm not sure where it is, so let me ask the  
13 question, was a requirement for pre-bid qualifications by contract. Is that part of this issue?  
14

15           A second one is you have fully integrated the Integrated Safety And Management  
16 System across the Department and EM as well, but out on the individual sites not all contractors  
17 are required to have an Integrated Safety Management System. Is that criteria changing as you  
18 are changing this?

19  
20           MR. GOLAN: I think if Bob Card were down here, safety has to come. It was  
21 thought of as a requirement in the past, as a cumbersome thing to do business. We're trying to  
22 change that so it becomes a positive business attribute.

23  
24           In other words, whether or not we require the contractor to have an integrated safety  
25 system, they'd have it in place because it meant something to their bottom line. Because if they  
26 had it in place and they were safer, they could earn more fee because they could get more work  
27 done because they didn't have to shut down every time something happened.

28  
29           I don't know if I communicated that very well. But, safety has to go from a  
30 requirement, from something that's pushed into the system to one that's pulled by the contractors  
31 where they want to do it and they recognize that it's a good business practice.  
32

1 MR. MORAN: Yes, but your contractors that are bidding on RFPs need to  
2 understand what requirements they need to implement with regard to safety management.  
3 That's something that has to be included in the RFP.  
4

5 Similarly, something that emerged, gosh, a year and a half ago now, was the EM-1  
6 Safety and Health Policy with regard to new technology applications. Is that still in force and is  
7 that part of the contract reform package and acquisition package?  
8

9 MR. GOLAN: You know, you're going a little bit beyond what I was prepared to talk  
10 about today. What I would just say is that what we're trying to do is articulate our safety  
11 expectations up front through the Request for Bid process and institutionalizing that into the  
12 contract.  
13

14 What we're trying to change culturally is that it's not really a requirement that should be  
15 done drudgingly or grudgingly, but actually have industry recognize that it's a good business  
16 practice to do.  
17

18 We're trying to articulate our expectations through the contract; have the contract  
19 articulate those expectations. Manage the contract, and then when we see a safety issue it  
20 becomes a performance issue through the contract, not through the contractor. Again, I can't  
21 comment on whether – or where, the new technology safety order is. I just don't know where  
22 that is.  
23

24 MR. MORAN: That's really a very significant advancement. I hope it hasn't been lost  
25 in the translation.  
26

27 The other final comment I would have or question I have (maybe we can get into it  
28 more the more we get into it), but you're talking really two things embodied within all of these  
29 documents and that is risk to workers who are engaged in the clean-up or the removal, et cetera  
30 and public risk. Have those been put together in thinking about your risk criteria?  
31

32 MR. GOLAN: I think they have and I think if we go back (and again this may be for

1 discussion the next time we talk about it) there are options to, let's say, treat residue. What  
2 we're trying to make sure gets institutionalized in the decision process is you send a worker in to  
3 do that, that worker is exposed to a risk. By doing that process, they're going to get that risk.  
4

5 Well, if the worker doesn't do that process, it's going to mean something doesn't get  
6 done. When we quantify the risk to the environment, to the public risk of what doesn't get  
7 done, let's say source termination versus what risk the worker would have got if they worked  
8 there and then start understanding what the trade off is to do that work. But again, that's  
9 something I would say is more of an agenda topic for the next meeting.  
10

11 MR. MORAN: Thank you.

12 MR. GOLAN: A couple things. Measuring progress, [and] variances in the critical  
13 path. I think I talked about variance already. Variance measures departure from the plan. It's  
14 measured in terms of positive, it's good, negative, it's bad.  
15

16 When former Assistant Secretary Al Alm came to Rocky Flats one time, we were  
17 talking several hundred performance metrics and we convinced Al that really the critical  
18 performance metrics he needs to monitor is cost variance or schedule variance against the plan.  
19 And if it's positive, he should say things are going well here and if it's not positive, he should be  
20 asking why it isn't.  
21

22 As we turn this here and say is 100 good enough, I did 100 cans this year. In the past  
23 we would say you guys did work, that's wonderful. Any work that you did was wonderful. But  
24 we were really supposed to do 1,000, so we really have a negative 90 percent schedule  
25 variance and it really isn't a good story here.  
26

27 What variance does is put quantities and it puts them in context. We're going to report  
28 this project and then we're going to report variance against what we said we were going to do.  
29

30 Earn value, again, I did 100 cans here. Is that good or bad? I don't know. If those  
31 100 cans had low earn value, what we don't want to do is skew people's view and say was that  
32 something good or bad. So, we're going to measure things against earned value. The work that

1 has higher risk, that has higher dollar value we're going to report on an earned value  
2 methodology that takes these variances and allows us to make apples to apples comparisons.  
3

4 For instance, if we dispose of 1,000 meters of transuranic waste and a 1,000 meters of  
5 low level waste, there is a difference in the earned value that we would like to communicate.  
6 The transuranic waste is significantly more difficult to dispose of than low level waste. If we just  
7 said we disposed [up] to 1,000 of each and we were supposed to dispose of 1,000 of each, it's  
8 hard to distinguish which one was more meaningful. The earned value concept allows you to do  
9 that and make apples to apples comparison against what is it we're trying to do here.  
10

11 The last thing I'll bring up here is critical path. Critical path is basically the shortest  
12 distance to get from here to the end of the project. Those activities where you slip a day, by  
13 definition, your project will slip a day. If you slip a month, your project will slip a month. So  
14 what we're trying to do is develop critical paths for every one of our projects so that we know,  
15 we can use this as a tool to say, I have an extra \$1 million at a site, where does it go? If it's not  
16 going to the critical path high risk activities, then we're probably not making a good investment  
17 at those sites here.  
18

19 In the process right now, we have what Joe would effectively call cartoon sketches of  
20 what critical paths are at our sites. But right now, until we develop that critical path, we're not  
21 going to know whether or not we're making any progress in terms of being able to close our  
22 sites, because unless we make progress on the critical path, we might not be making any  
23 progress at all.  
24

25 MR. WINSTON: Paul, obviously I come to the table as a regulator. One of the things  
26 that's interesting with this, and on a site-specific basis, we've been approached historically to  
27 sort of trade off, as new information comes in and we realize that there was something that was  
28 riskier out there, that was more important to us to be addressed. We were able to  
29 accommodate that.  
30

31 MR. GOLAN: Sure.  
32

1 MR. WINSTON: But at this point, how well do you feel your risk reduction activities  
2 are aligned with your regulatory drivers and your regulatory milestones that you've committed  
3 to?

4  
5 MR. GOLAN: I would say it depends on where you go across the complex here.  
6 There are some where I would say there's very good alignment, with the regulatory agreement  
7 focusing on the right set of milestones. There are others that I would say between us, the  
8 regulators may not be regulating the right things; that there are other things in terms of public risk  
9 that the regulators may want to focus on other than some of the things that they're doing today.  
10 Again, that's something more I can talk to you in private on.

11  
12 MR. WINSTON: I'm just trying to look for opportunities to explore. One of the other  
13 issues of course is that in some areas you're self-regulated and so you've got your own drivers  
14 there, internal drivers. You've got some external drivers. Some times your external drivers may  
15 not be over areas that are your riskiest and yet your regulators are expecting to see positive  
16 performance there.

17  
18 In the past, we have at least (at least the sites I've been on) -- there are times that there  
19 were some things that we've identified that we don't have authority over but, it clearly is in our  
20 state's interest to move forward on those. And, in a sense, have some of the things that we do  
21 control take a back seat.

22  
23 MR. GOLAN: Sure.

24  
25 MR. WINSTON: I think it is very site-specific, but obviously if there's not good  
26 alignment between those two systems, that's going to be a difficult situation for the Department.

27  
28 MR. GOLAN: Sure. I'll just say I'm not aware of a single activity that we do that's not  
29 regulated by an external agency, from the Defense Board down to the Environmental Protection  
30 Agency. I'm not aware of any.

31  
32 MR. MORAN: There is one.

1  
2 MR. GOLAN: What is that?

3  
4 MR. MORAN: You are self-regulating with respect to Occupational Safety and  
5 Health, That's a major one that has a lot of impact.

6  
7 MR. GOLAN: You're right on that. I'll go back to source term here. Some of the  
8 regulators where I came from wanted to regulate some of the nuclear material activities and  
9 that's prohibited by the Atomic Energy Commission Acts and things like that.

10  
11 We were able to accommodate regulators in Colorado and they say well, we can't give  
12 you a plutonium milestone, but we can give you a milestone that says they wanted plutonium out  
13 of one of our facilities. Well, we couldn't give them that, because we weren't -- it wasn't  
14 allowed.

15  
16 But we can say we're going to begin deactivation of that facility on this day, which  
17 means all the S&M [surveillance and maintenance] had to get taken out for that day for us to  
18 start deactivation. There are ways we can be smart about saying I can't get that plutonium  
19 milestone or the uranium milestone, but I can get another milestone which is kind of like it, it  
20 does the same thing and it's not regulating the nuclear material work, but it's still forcing us to  
21 drive forward on risk reduction.

22  
23 Configuration control. Jessie has established a Configuration Control Board. Roger  
24 Butler is the chair; he's the Chief Financial Officer. We make recommendations to Jessie.  
25 We've just placed a number of the metrics that I've talked to you about, the different areas,  
26 under configuration control.

27  
28 I'll just say this again, it's staggering, a \$14 billion cost increase, we didn't know really  
29 what caused it. We can go back and figure it out, but it's not like we knew dollar-for-dollar as  
30 that was coming in what was causing it.

31  
32 I'll just say key elements of this program are under configuration control and we intend

1 to have this fully up and operational by the end of next quarter. Right now we've basically said  
2 we have revision zero in place. We're still working out some of the kinks and things like that, so  
3 I'm figuring it's going to take us a quarter before we really get our hands around this thing and  
4 separate out everything.

5  
6 Contract Management Advisory Council. The federal work force really doesn't do any  
7 work at our sites. There's a couple labs where they're actually doing work, but generally we  
8 rely on the contractors to do our work. We have to view the contracts as the key way for us to  
9 execute our vision here. We, as an organization, are not very good at managing contracts. We  
10 don't use the leverage that's in the contract to drive performance.

11  
12 Last year we paid over 90 percent of the fee. Did we get really 90 percent of the  
13 work, we wanted to get done, done? I'll just leave that as a rhetorical question here.

14  
15 Jessie chartered us back in June. We're up and running. It was the first key finding of  
16 the Top-to-Bottom Review. We view contracts not only as the execution of the contract at the  
17 site through the performance measures (through execution of the terms and conditions), but it's  
18 really the whole acquisition process that starts with CD-0 that says I want to do something here  
19 (i.e., establish a mission need) and only ends when that mission is done. Really, the awarding of  
20 the contract is the half way part of that process, not the end of that process.

21  
22 I'll just go through the integrated project teams and I think I'm over my time limit in  
23 about two minutes here. Out of the Top-to-Bottom Review, again there were a number of calls  
24 to action. How is it that you continue to do your business today and change the organization,  
25 change your approach to work here?

26  
27 Well, we have our organization in place that does the day in and day out business that  
28 needs to get done. Separately, Jessie has chartered eight Project Management Teams. Again,  
29 this is right out of the letter that Jessie sent to the project managers and it's basically an  
30 increased focus by corporate solutions.

31  
32 I'm going to skip to the last one here. Opportunities to develop the next generation of

1 DOE managers. I think everybody has read the federal statistics. Half the federal work force is  
2 going to be able to retire here in the next five years. We look across the Department here and  
3 say do we have the person in line, do we have five candidates for the next job that's going to be  
4 open, whether it's at Savannah River, Idaho or Ohio?

5  
6 The answer is that we're kind of left unprepared right now in having, I would say, a  
7 cadre of folks, a capable cadre of folks to take over as the Department continues to go  
8 forward. Part of the reason Jessie is putting these project teams together -- chartering them  
9 with Project Management -- [is] to really generate, develop the next generation of folks who can  
10 take over and become Deputy Assistant Secretaries and managers at our DOE sites.

11  
12 This is not only something that we're trying to get near term solutions to our problems,  
13 but also get some longer term solutions. Some permanent solutions here to issues that we see;  
14 problems that are just not going to go away. We're going to need management as long as we  
15 source out there.

16  
17 Each team has a project manager. We've asked the teams to manage this as a project.  
18 They had to go CD-0 approval all the way up to CD-4, from mission need to project  
19 completion, approved by the Assistant Secretary. Each project manager is supported by a  
20 team and it's a corporate team. We have folks from NNSA. We have folks from EH. We  
21 have folks from the Air Force [and the] Environmental Protection Agency on some of our  
22 teams. We're trying to get a cross corporation set of folks who are on these teams.

23  
24 Jessie just approved the CD-0, which is the mission need, which basically says here's a  
25 summary statement of what I'm trying to do, the challenge, the issues, here's a potential set of  
26 solutions and an outline of major deliverables. So the CD-0 has just been approved. Right  
27 now the project managers are putting together the CD-1 documents, which is the project plan  
28 on how they're going to deliver.

29  
30 I talked about eight project teams. Here's a list of them. It's basically -- I think there  
31 were 12 calls to action out of the Top-to-Bottom Review. These are the eight that we're  
32 focusing on right now. That doesn't mean that some can't come up later, but these are the eight

1 that we're focusing on right now.

2  
3 Every one of these has a project manager, a project team and a senior project advisor  
4 as a mentor, to help the project managers through their thought process.

5  
6 Again, I think I've talked through most of this here. We're in the process of developing  
7 the CD-1s, that's in the process now over the next couple of months, depending on the scope of  
8 some of these projects. Some of them are going to require a little bit more time to develop all  
9 the logic and things like that. Some of them are a little bit more straight forward, we can start  
10 with the CD-1's and 2's today.

11  
12 All of these have end points. All of them will end. This is not something we're just  
13 generating. Every one of these things has sunsets which are defined by the project end points  
14 and end dates and when the projects are done, they're done.

15  
16 That doesn't mean a year from now we may not see a new set of project managers that  
17 need to develop new sets of projects that need to get worked. But right now, we're focusing on  
18 eight. They have end points. When they get done, their solutions get turned over back to the  
19 mainstream so that it becomes part of the fabric of the organization.

20  
21 That's where we are right now from [the] Top-to-Bottom Review, which was published  
22 in February. It was published nine months ago. These are the steps we have taken to  
23 implement and execute that vision that the Secretary, the Under Secretary, the Assistant  
24 Secretary has, to turn that vision into systems into the institution that we can operate this  
25 organization by.

26  
27 CHAIRMAN AJELLO: Paul, I have a question regarding the \$14 billion figure. I  
28 know this is a very large program, but that's a staggering number. I guess what I'm curious  
29 about, just roughly how much of that \$14 billion increase was associated with the loss of what  
30 I'll call time value of money (i.e., if it takes longer to get something done, it's going to cost you  
31 more money in dollars of the day, clearly, because inflation erodes today's dollars)?  
32

1 MR. GOLAN: Sure.

2  
3 CHAIRMAN AJELLO: That's one way, I suppose, it could cost more. And roughly  
4 how much of that was changes in the scope of the program? Is it sort of a 50/50 answer? It's a  
5 staggering amount of money and I'm sort of looking for the root causes of that.

6  
7 MR. GOLAN: Joe is the statistician on this.

8  
9 MR. NOLTER: Your characterization that it was a staggering amount of money is even  
10 more shocking when you realize those were in constant dollars.

11  
12 CHAIRMAN AJELLO: Constant dollars?

13  
14 MR. NOLTER: Constant dollars.

15  
16 CHAIRMAN AJELLO: No inflation.

17  
18 MR. NOLTER: As we said, the questions weren't being asked so where did that  
19 increased cost come from, was it new scope; we finally opened up the tank and realized that  
20 there was all sorts of material in here that we didn't know.

21  
22 Was it new requirements? The previous plan said we could clean-up to this level and  
23 since that time, there's been a new requirement levied. So, therefore we have to clean-up to a  
24 cleaner level, that's going to cost more.

25  
26 Or was it through just poor mechanics? Gee, we had a cost estimate earlier, now that  
27 we're looking at it closer because we're getting closer to the job, we realize we really do need  
28 trucks and we do need operators and boy, they weren't in the cost estimate to begin with.

29  
30 We don't know. We don't know whether it was increased scope, increased  
31 requirements or just not attention to detail in the first estimate, because the lifecycle perspective  
32 was not being looked at. It was just each year at a time.

1  
2 MR. GOLAN: But I will quantify this in terms of new scope that EM got or new  
3 requirements from security was less than \$2 billion out of the \$14 billion. Well over probably  
4 85 percent had to do with re-priced work scope to do the same set of work.  
5

6 CHAIRMAN AJELLO: So the next question is, what risk are we at from this point  
7 forward in maybe not as large an increase? In other words, how comfortable are you with the  
8 cost estimates going forward relative to a year ago when we found the additional \$14 billion, for  
9 whatever reason?  
10

11 MR. GOLAN: When we put together the first generation of the Performance  
12 Management Plan, a funny thing happened. As we started to accelerate the work and we  
13 started to take out the infrastructure, overhead and support costs at a faster rate, the cost  
14 actually started going down.  
15

16 So I would say, barring any major decisions or things that we can't foresee, like if  
17 WIPP would not be able to accept waste, that would be something that is not an anticipated  
18 event right now. I would say unless something of that nature comes around, we've probably  
19 seen our high water mark in terms of the cost estimate to finish the clean-up and closure work of  
20 the EM program.  
21

22 CHAIRMAN AJELLO: Thanks. I think Woody, you're next.  
23

24 MR. WOODY CUNNINGHAM: Yes. I wanted to talk a little bit about the whole  
25 concept of accelerated risk reduction. You know, one of our major findings in the report was  
26 that EM, in effect, was managing waste. They were not reducing waste risk at all. There are a  
27 lot of things Paul referred, to the fact that we actually have more high level waste now than we  
28 had five or ten years ago. There has not been much emphasis on those operating facilities to  
29 reduce the amount of waste which they produce.  
30

31 Looking at all these things, you say well, okay, what do you mean by managing risk?  
32 Was that okay? Well, a few years ago when I was at the Safety Board, we did an evaluation of

1 safety at DOE. If you want to just put it on a comparative basis, generally speaking safety at  
2 DOE is better than that of industrial concerns. So, it's the "why do we worry about safety?"  
3 kind of situation.

4  
5 On the other hand, one thing we're finding in the EM program which is beginning to  
6 raise a great deal of concern on our part as we move into more and more clean-up and more  
7 and more D&D, you begin to get away from the safety associated with handling radioactive  
8 materials, which we know a great deal about, and moving into the industrial based safety.

9  
10 We're beginning to see some precursors of that. For example, at Rocky Flats right now  
11 one of the major concerns has to do with potential electrical related accidents. Those are the  
12 kinds of things that we can expect to see quite a bit of in the future, because as you go into these  
13 buildings, you don't have good wiring diagrams. You start cutting into electrical lines and you  
14 find that well, you thought the electrical line was dead, but it really wasn't.

15  
16 We've had several near misses associated with incidents like that, so these are areas  
17 that we're beginning to be concerned about.

18  
19 But overall, up until this point, I think we could say that DOE has done a fairly good job  
20 of managing the waste and taking care of it as it comes along. We haven't had any major spills,  
21 we haven't had any terrible radioactive related accidents, this kind of thing.

22  
23 So you say, okay. That's okay for managing the risk, but what do we mean by not  
24 reducing the risk? That's where we get into the subjects that Paul was talking about earlier  
25 where we find we have more high level waste to worry about today. [If] You go, for example,  
26 down to Savannah River, you'll find that there has been an incentive on producing the glass logs  
27 down there. So, we find we're producing glass logs at a rate of about 200 per year, but we're  
28 actually increasing the amount of high level waste. We're not reducing the amount of high level  
29 waste.

30  
31 I'm going to talk just for a minute about when we were thinking about accelerated risk  
32 reduction. What is it we were talking about. As you all know, there are a lot of very

1 sophisticated systems for evaluating risk and prioritizing risk and this sort of thing. But you also  
2 know that when one talks about a lot of these sophisticated systems, if you aren't careful in what  
3 you're doing, you can actually jiggle those things around to either get results you want or you  
4 jiggle them around in a way that you aren't really sure or confident of the results you get.

5  
6 The basis we started with and you'll find it in the Top-to-Bottom Report, is we in effect  
7 were saying that you've got to start with engineering judgment, what makes sense. What I want  
8 to just show you very briefly is what we concluded from using engineering judgment as to the  
9 approach we should be taking. In answer to one of the earlier questions, yes, we're concerned  
10 about risk to the worker. We're concerned about risk to the public. And, we're concerned  
11 about risk to the project, all of those. But let me just show you our conclusions here.

12  
13 What I'm going to be showing you here are what we consider to be the highest risk  
14 categories. These are roughly in order. You could argue about well, is item number three really  
15 more riskier than item number four, but generally speaking you'll get an idea of what we're  
16 talking about.

17 The first thing we're saying is that in order to deal with risk reduction, the first item is to  
18 stabilize the material. If you've got a liquid, make it a solid. If you've got a gas, at least make it  
19 a liquid. In other words, move to the more stable materials as rapidly as you can.

20  
21 MR. PFISTER: Woody, can you put the mike on your tie? There's a little clamp.

22  
23 MR. CUNNINGHAM: If we start with the categories we're talking about here, what  
24 we're saying is first of all it's important to stabilize the materials. If you look at, for example, the  
25 question of risk to the public, risk to the public is probably more from liquids and potential  
26 contamination of groundwater than anything else.

27  
28 This is the reason, for example, that we ended up with a very high priority on the K-  
29 Basins at Hanford, because there you're roughly 100 yards away from the Columbia River.  
30 You have an old storage basin which doesn't have a very good record of integrity and you have  
31 very badly damaged spent nuclear fuel. It's quite clear that that should be somewhere relatively  
32 high on your list.

1  
2 Starting here, we're saying that the highest risk category is high curie, long-lived isotope  
3 liquid waste. Again, if you go around the site, you'll find quite a lot of interesting answers on  
4 this. You'll have people tell you well, gee, you know that could be way down on our list,  
5 because we haven't really had any leaks in our tanks and there's nothing really to worry about  
6 here.

7  
8 But again, we're saying from a simple engineering judgment perspective, you really need  
9 to stabilize that material, because it's potentially the highest risk material that we are working  
10 with.

11  
12 Special nuclear materials. Paul has talked some about that. Here we're dealing with  
13 plutonium and highly enriched uranium. It's scattered all around the complex. It not only is a  
14 high cost to the EM program in the sense of having to provide extra security and controls over  
15 the material, but it is also a risky material in the sense that these are materials that have no  
16 programmatic use in the EM program. A lot of them have no programmatic use even in the  
17 whole DOE program.

18  
19 They are a very high risk from a safeguards and security standpoint. When you throw in  
20 the extra concerns related to homeland security, you can see that rather than having these  
21 scattered around the complex with individual security systems for each of them, it's much better  
22 to consolidate them in one or two locations where you can provide adequate security, adequate  
23 protection for them.

24  
25 Paul also mentioned the 3013 cans. The 3013 cans are standardized containers which  
26 are designed to safely store this material for at least 50 years. That's part of the stabilization  
27 effort, because a lot of these materials, materials like plutonium chlorides, plutonium oxides  
28 really are not in very stable form and other than the fact that they're heavily protected, could be  
29 readily disbursed around as well. That's number two on the list.

30  
31 Then the liquid transuranic waste for the same reason as the high level waste (it's a  
32 liquid), it potentially can leak into the ground. It can potentially get into the groundwater, this

1 sort of thing.

2  
3 Then we have some material at Idaho, which is a sodium-bearing waste, which may or  
4 may not have RCRA constituents. But, other than that, it probably will end up being classified  
5 as transuranic waste. Again, the objective is to get it in solid form, assuming the composition is  
6 suitable. It will then be transported directly to the WIPP facility.

7  
8 I talked some about the defective spent nuclear fuel in the water basins. That again is a  
9 potential hazard, not nearly so much as the liquid high level waste, but nevertheless, that has the  
10 potential for contaminating groundwater as well.

11  
12 Moving on down the list, spent nuclear fuel in leaky or poor water chemistry basis. The  
13 objective here is to move it into dry storage. We do have in the complex at least two very good  
14 water basins which are maintained with high integrity and have very good water chemistry. One  
15 of those is at Idaho and one is at Savannah River. What that tells you is that even though the  
16 objective is still to get out of water basins, in terms of priority, you can probably move it down  
17 lower on the priority list (just simply because of the fact that you do have a high integrity system,  
18 which is not putting it into the urgent category).

19  
20 Next we have high transuranic content. And here, the number we have here for what  
21 do we mean by high is above 500 nano-curies per gram. The standard arbitrary definition of  
22 what can go into WIPP now is greater than 100 nano-curies; but again, that number is arbitrary  
23 too.

24  
25 The other category, TRU waste stored on the surface. This can impact several factors.  
26 But again, it gets more in the category of homeland security as well, because again, it's generally  
27 material which is -- a lot of the material is flammable, a lot of the material could be readily  
28 disbursed if it were either hit by saboteurs or this type of action. One could take this material,  
29 create a fire and disburse probably not a serious amount of plutonium around, but enough  
30 plutonium around to either panic the public or create a great deal of concern among the public.  
31 We really need to take that transuranic material which is stored on the surface and get that  
32 down to WIPP on a regular scheduled basis.

1  
2           The remote handled transuranic waste, again, for right now, we don't have WIPP  
3 permitted to accept that material, which is causing a serious backlog in terms of the clean-up  
4 program and moving materials down. But, we're making progress on that and I would expect  
5 that fairly soon we'll be able to handle the remote handled transuranic waste at WIPP and could  
6 begin to move those materials there.

7  
8           Finally on the list is the D&D of highly contaminated facilities. This would fall in the  
9 category of being more a risk to the worker than a risk to the public (which is the reason it is  
10 where it is on the list). But again, that's something that we really need to make progress on,  
11 because you can't reduce your footprint to the size of many of these DOE sites unless you  
12 actually proceed with the D&D operations.

13  
14           I would also mention that here is where you, someone, was asking earlier about the  
15 implementation of the safety systems and this sort of thing. This is where you need to think of  
16 safety at the highest levels. As an example of what I'm talking about here, at Rocky Flats, it  
17 was initially intended to take all of the contaminated glove boxes, chop them up into small  
18 pieces, put them in boxes and then ship them wherever the disposal site was, most likely WIPP.

19  
20           The thinking at the time was that this would be a lower risk to the worker than what  
21 they are actually doing now, which is decontaminating the glove box and shipping it in a very  
22 large container without reducing it in size at all. What they have found is that in fact the risk to  
23 the worker is less by doing the decontamination and not chopping up the boxes than it was to  
24 do the reverse, chop up the boxes and not decontaminate.

25  
26           It's things like that and thinking like that we need before the work is done. Because, as  
27 we've said many times, the safest operation for the worker is to not have to do the job. By  
28 thinking in terms of how do we avoid chopping these boxes up, you begin to think in a more  
29 safer way of approaching the problem.

30  
31           Anyway, this is kind of a rough idea of where we're coming from and what we are  
32 thinking when we talk about accelerated risk reduction. We're saying that in effect, we've got to

1 really move to begin to clean-up the facilities and dispose of these materials in a permanent way.

2  
3 But even if we have to, for example, wait several years or a number of years before we  
4 can finally dispose of the materials, the first step is to properly stabilize them so that they are  
5 very small or low risk rather than leaving them in the condition where they are now until some  
6 final solution is developed. That's all I wanted to say about the risks.

7  
8 CHAIRMAN AJELLO: Thank you, Woody. We're just running a little bit behind  
9 schedule now, but I think we should call for a break, a brief break. We should reconvene at 20  
10 minutes of 4:00, 15 minutes from now. We'll have two more briefings and then the public  
11 comment period.

12  
13 (A brief recess was taken.)

14  
15 CHAIRMAN AJELLO: Let's begin if we can again. We're at that point on the agenda  
16 where we're talking about -- we're continuing to talk about the EM overview. In this particular  
17 section, Joe Nolter and Woody Cunningham will also talk, but the topics here are the six focus  
18 areas, if I have that correct. Joe, are you going to kick off?

19  
20 MR. JOE NOLTER: I will. I will start from the paper, which is in your notebook  
21 under Tab 7, where I think the six key focus areas are listed. To some extent, I would just like  
22 to go through some of those and defer maybe the discussion.

23  
24 The first item, Significantly Improve Management Of Performance-Based Contracts.  
25 That has such a significant place in the future vision that there is a dedicated project structured  
26 for that titled "Getting More Performance from Performance-Based Contracting," and that will  
27 be [discussed in more detail] tomorrow. Unless there is a unique question about that, we can  
28 just defer that to tomorrow.

29  
30 Moving EM To An Accelerated Risk-Based Clean-Up Strategy, Paul Golan I think  
31 addressed that and that was in the Performance Management Plan. I don't know how you  
32 perceive that or have categorized that, but in the beginning, as I was talking about Performance

1 Management Plans (sometimes being shortened to PMPs) it took me a while until my mind  
2 really focused on that it's a Performance Management Plan and not a Project Management Plan;  
3 that there was an agreement on what the performance should be as those discussions occurred  
4 between the headquarters, and the site staff, and the regulators, and the field organizations.  
5

6 It was looked at from what had been highlighted in the Top-to-Bottom Review of the  
7 past performance in that closure dates were slipping to the right. It was costing more money.  
8 We weren't quite sure why and the inability to really grab onto it with respect to the metrics that  
9 Paul talked about. I think that is one that clearly had the Assistant Secretary's personal  
10 attention, sometimes referred to as close personal attention, in developing those Performance  
11 Management Plans.  
12

13 MR. CUNNINGHAM: If I might just add a comment on that area where I think the  
14 Board might be very helpful in providing advice here, that is, that we felt in reviewing existing  
15 contracts and the way the contracts were laid out and moving into this new objective, if you will,  
16 of making some real progress in reducing the risk, that somehow or other we were not driving  
17 the contractors to put forth their best people and their best ideas.  
18

19 We still haven't really achieved that yet, even though we're working and pushing in that  
20 direction. Most of the things we come up with are not so new or so innovative as to not have  
21 capabilities out there among the contractors to do this and to come up with new ideas, new  
22 approaches. But, we still are not seeing the contractors really coming forward with new or  
23 innovative ideas on how you tackle this problem to get it done.  
24

25 MS. SALISBURY: Why is that, do you think?  
26

27 MR. CUNNINGHAM: That's part of what I'm asking you.  
28

29 MS. SALISBURY: Oh. You must have some notions about it.  
30

31 MR. CUNNINGHAM: Well, we have some ideas, of course. We have some ideas  
32 that the contractors are obviously driven in some respects by what the incentives are in the

1 current contracts.

2 For example, I talked earlier about the fact that at Savannah River the priority there is  
3 on producing 200 glass logs per year. The priority is not cleaning out and closing a high level  
4 waste tank. And why is that? It's because WGI is being paid an incentive to produce those  
5 200 logs per year. Obviously, part of it is how DOE structures the contracts, what they place  
6 the incentives on.

7  
8 But the other part of it is that the contractors again basically are satisfied because as Joe  
9 says, they're getting 95 percent of their fee. So why should they do anything different? Why  
10 should they go get some of their better people and bring them in on the contract? There are  
11 these kind of things that are happening.

12  
13 MR. QUARLES: It sounds like there's weakness at the front end and at the back end;  
14 is that right? In other words, part of it is how do you write the contract, how do you structure  
15 the performance incentives and another part of it is how effectively do you monitor the actual  
16 performance.

17  
18 MR. CUNNINGHAM: Again, one of the key things, and Joe has talked some about  
19 this, is we felt and still feel (for that matter) that DOE oversight is inadequate. We need a lot of  
20 reform and restructure there. And a lot of that comes about historically as well, because under  
21 the old M&O contractor concept, individual DOE people could at their whim ask the  
22 contractor to do something different or modify what was being done or, change what was being  
23 done. The contractor in effect, was sort of rolling over and saying okay, as long as you pay my  
24 bill, I'll do whatever it is you tell me to do, rather than pushing back and saying look, our  
25 mission, our goal here is to do the following things and if we keep mucking around like this we  
26 aren't going to be able to do it.

27  
28 But it was all permitted within the frame work and the structure of the way we were  
29 operating. It's as much DOE's fault as it is the contractor's fault. Nevertheless, we're not  
30 getting the message across that we really want to change. We really want the contractor to  
31 come forward with good ideas, good approaches, good innovations so that we can get this  
32 clean-up and closure mission done.

1 MR. WINSTON: I think you really have to say it's all DOE's fault, because the  
2 contractors are going to respond in a natural market place manner.

3  
4 MR. CUNNINGHAM: Well, you may be right. But, at least that's a good place to  
5 start.

6  
7 MR. WINSTON: I was just going to add that the other problem is that when changes  
8 are identified, they haven't historically been approved. In fact, it's really been difficult  
9 sometimes. That's the whole system. So, the safest way to proceed was the status quo or the  
10 course that you were on, because it was never easy.

11  
12 Some of that was the layering of the bureaucracy within DOE, some of the time you  
13 would have to go back to stakeholders or regulators and there was a lot of inertia just built into  
14 the system as well. I think part of this getting the message out, and I think one of the things that  
15 Jessie has tried to do, is get everything aligned and have a consistent message in terms of  
16 accelerating clean-up. Accelerating clean-up has certainly been mentioned before by DOE.  
17 This isn't the first time it's been mentioned. I think what she has tried to do is align everything so  
18 that it can improve the chances of success. But in the past, even though there would be  
19 sometimes a good talk about acceleration, there was a lot of hurdles in the system and a lot of  
20 barriers that were saying just the opposite thing.

21  
22 MR. NOLTER: I think there may be -- as we try to fit it in our minds each one of the  
23 topics that comes up today, the area of contracting, -- we try to fit it in our minds with a couple  
24 of bullets underneath it, I think that may be the danger with respect to the contracting area,  
25 because in the Top-to-Bottom Review, there was an awful lot of page space devoted to that. I  
26 think that's because as we looked at it, we found issues as you went from one end of the time  
27 line, which was the team gathering up to put the solicitation out and identifying the scope of  
28 work, all the way to the other end of the time line, which the contract has been awarded and it's  
29 now time to administer the contract.

30  
31 But there were issues that surfaced in every phase. We had just drifted into a mind-set  
32 with respect to contracting that quite frankly, a cost reimbursement contract with an award fee

1 that is very subjective just supported it [the mind-set] and continued to support it and feed it as  
2 we moved off the mark.

3  
4 CHAIRMAN AJELLO: Were there other successful business models, programs,  
5 projects outside the government, elsewhere in the government, that were evaluated to determine  
6 what flaws this program had and what good things other programs might have had, to adopt  
7 analogies to a more successful model? Have we looked outside, essentially?

8  
9 MR. CUNNINGHAM: To a limited extent. We tried to talk to each of the  
10 contractors about successful projects they had elsewhere and what made those projects  
11 successful and why it was so hard to take that same approach in the government. We did get a  
12 lot of interesting comments and feedback there.

13  
14 MR. MORAN: There was also a major effort here within DOE as a whole on contract  
15 reform about four years ago. We had a number of open meetings with a lot of information and  
16 testimony and examples provided. That generated a lot of the new approaches that are now in  
17 place, that they're beginning to deal with problems associated with those.

18  
19 MR. CUNNINGHAM: But there are some things that I think are encouraging in the  
20 sense that the first contract that we will see coming out of the new regime, if you will, will be the  
21 contract at Mound, which should be awarded in December. I think you'll see a lot of significant  
22 changes in that contract compared to what we've had in the past. That's all part of the process  
23 again of trying to get to the situation where you are really taking advantage of the contractor's  
24 capability. Simply, you're not taking advantage, at least potentially, of their capabilities now.

25  
26 MR. NOLTER: A discussion of the Mound contract will be part of what we talk about  
27 tomorrow.

28 CHAIRMAN AJELLO: Good. This is a rich area that I think we'll allow more  
29 discussion and a great deal more thought.

30  
31 MR. QUARLES: I'll just add one more comment in the EPA context. It's interesting  
32 because you've got a dual program on the Super Fund. Half of it -- I'll say half, but it's really

1 now more like 30 percent of it, -- is government managed. The remainder, 70 percent, are  
2 being performed by the so-called PCPs, the private sector people who are responsible at  
3 individual sites.

4  
5 There is a universal consensus that the PCP managed clean-ups are far more cost-  
6 effective than the government managed clean-ups. I don't think that EPA has done a whole lot  
7 to try and really reach out to why is it that these private companies are able to manage their  
8 clean-ups more effectively. But that is a body of expertise that exists in large numbers of your  
9 major corporations, particularly those that have been involved in industries like chemistry and  
10 steel and so forth, where those people have become quite expert at managing remediation  
11 contracts.

12  
13 MR. NOLTER: If we look at number three on the list, Restructuring EM's Internal  
14 Process To Focus On The Accomplishments Of Measurable Clean-Up And Closure, that's a  
15 real challenge. Because, in the issues that Paul talked about earlier, when he was talking about  
16 turning this into a project and managing it like a project, those are I guess words that are easy to  
17 say. But, then building the infrastructure of individuals that now speak that language and operate  
18 that way is really where the challenge was.

19  
20 I would like to just make a couple of remarks about EM's initiatives to structure [this]  
21 project. Not to take away from the discussions of specific projects, which will occur  
22 tomorrow, but just to lay some ground work.

23  
24 After the Top-to-Bottom Review came out and the Assistant Secretary was mulling in  
25 her mind exactly how to act on this, the approach of well, if it's really important, we need a  
26 dedicated team of individuals to go examine each one of these things, go out and operate not 50  
27 percent of the time where they're doing their routine job, but a dedicated effort to go out and  
28 find out what should we do in each of these areas.

29  
30 Identifying individuals who would lead teams was one of the first challenges. Rather  
31 than taking the approach of just looking through the list that says, "Well, gee, it's now your turn.  
32 It's your turn, Mr. Cunningham, you've been around here long enough, you go do this." There

1 was sort of a mind-set that said, "Wait a minute, the right individual is here, we just don't know  
2 where that individual is yet."

3  
4 What I passed out to you right there, it was an advertisement that went to every site in  
5 the EM complex. It said we're looking for project managers. I don't care what your grade is. I  
6 don't care what your job is. These are the issues that we're concerned about and I'd like you to  
7 let me know if you're interested in leading one of these projects. If you are, write up what you  
8 think the problem is and send it to me.

9  
10 We tried to streamline that process, so it was done with e-mail. We weren't into, "Send  
11 me 35 pages of what you think the problem is," so the entire organization was canvassed. We  
12 had about 80 -- I guess there were almost 100 volunteers. That selection process was then  
13 conducted by the Assistant Secretary. She had a team that advised her, but she personally  
14 selected each project manager.

15  
16 There were a couple of noteworthy items on that process. When you talk to the project  
17 managers tomorrow, you'll find out that they sort of run the spectrum of age and experience and  
18 what they really all projected, I think, to the Assistant Secretary was a level of commitment and  
19 energy and quite frankly, the finest blend of ambition that sent the right signals. That's how the  
20 project managers were selected.

21  
22 What I've also passed out is this grid that has some data areas on it. That grid goes --  
23 across the top are the individual projects. Down the left-hand side are the sites that are in the  
24 EM complex. We have the names, but the names are sort of a distraction. What I've done is  
25 I've shaded in those boxes to indicate which sites have EM employees who are on these project  
26 teams. The project teams are not made up of headquarters individuals, they're made up of  
27 [personnel from headquarters and the sites] -- The selection process [for members of each  
28 project management team] was similar to the project managers; who are the individuals who:  
29 know the most about spent nuclear fuels, know the most about what EM is trying to do, know  
30 the most about what the challenges are - and then they were selected by the project manager to  
31 be on that team.  
32

1           You can see as you go across there the teams, the project teams are made up of  
2 individuals from the entire complex and the project manager is not necessarily from  
3 headquarters. In fact, in many of them the project manager is from the field. It was a genuine  
4 attempt to go find the right individuals. That was the search process.

5  
6           The second element was Paul was addressing issues about Project Management. An  
7 objective of the project teams is to get the work done. Whatever this project focus area is or  
8 project area is, get that work done and get it done as a project.

9  
10           There were some secondary objectives that Paul alluded to when he talked about  
11 identifying the next level of leaders for the Office of Environmental Management. Where do the  
12 office directors come from? Where do the site managers come from?

13  
14           Talking the project manager lingo is clearly where the leadership wants to go and the  
15 teams are to structure their projects and conduct their projects in accordance with the  
16 Department of Energy order on Project Management. I'm holding up a version that really has  
17 been superceded; but, the point is the Department of Energy has put out guidance on how do  
18 you run a project, what do you really do as project management.

19  
20           Not surprisingly, it's not much different from the Department of Defense's approach.  
21 It's not much different from Bechtel's approach. It's not much different from the Project  
22 Management Institute's approach. The basic principles of project management are project  
23 management.

24  
25           So these teams and this group which is scattered about the complex --, the secondary  
26 objective is so that when these projects are done in a year, we will have about 120 people that  
27 have been through projects and have seen project management. Not from the blind adherence  
28 point of view that says the book says you're supposed to do this, why are you doing it, I don't  
29 know, but the book says I have to have one of those for critical decision one, so we have one.  
30 But, more from a thought process, is there a value added to it, if there is, then we ought to do a  
31 conceptual design and we ought to force ourselves to go into requirements.

1           At the end of this process, in addition to getting these projects accomplished and the  
2 work done and clarity to EM's mission accomplishment, there is a group of people who now  
3 have a little better sense of what project management means, because they've been through it  
4 and they've been through it up close and personal rather than through a course of find out how  
5 to manage a project.

6  
7           They work directly for the Assistant Secretary. She is the decision authority and they  
8 are the project managers. They are detached from their formal duties and they work full time on  
9 the project and report directly to her.

10  
11           CHAIRMAN AJELLO: I have a question about that reporting. There are a lot of  
12 people, a lot of projects, Jessie must be extremely busy ordinarily.

13  
14           MR. NOLTER: Yes.

15  
16           CHAIRMAN AJELLO: It's curious that they can -- in one sense, I guess it's great that  
17 they can report to her and she can see what's going on. But, in the back of my mind I'm  
18 thinking gee, how can she get all that done without support. Is there additional support that she  
19 has to do that?

20  
21           MR. NOLTER: Well, I think as we are -- if you want to call it training up the project  
22 teams to run the projects, then there's also training up the staff that provides that review when a  
23 package comes in; that, provides some distilled assessment to the Assistant Secretary. You're  
24 right, she's not doing all of that.

25  
26           So it really is an across the Board raising of the proficiency level and the understanding.  
27 Again, not by blind adherence to what the book says, but by saying what should we be doing,  
28 what is the objective and what is the right thing to do.

29  
30           MR. CUNNINGHAM: I do want to emphasize this is not a stamping operation.  
31 When these guys are ready for a decision, they come in, they sit down, they have 30 minutes to  
32 an hour with the Assistant Secretary. She personally goes over it, she gives them feedback and

1 they go out of the room with a clear understanding of what it is she expects of them and she has  
2 a clear understanding of what it is they are doing. It's not one of these things where you have  
3 the bureaucratic process of the stamp sending these things around in a circular process and it  
4 never gets to the Assistant Secretary.

5  
6 MR. WINSTON: This list of 12 [projects], now there's actually a list of eight that have  
7 been chartered; is that correct?

8  
9 MR. CUNNINGHAM: Yes.

10  
11 MR. WINSTON: Some of them changed a little bit. I know the long-term stewardship  
12 one really, even though Dave Geiser is head of that, that really has a focus on risk-based end  
13 stage and clearly long-term storage is a component of that. Maybe you can describe that  
14 process, and will all 12 of these be addressed?

15  
16 MR. CUNNINGHAM: The simple answer is yes. In terms of what's happening here,  
17 there's some things that really are not appropriate for a project, if you will. That is, the one  
18 that's even on this list here, Effective Human Capital Strategy, that's really the Assistant  
19 Secretary's job and she basically will do that without a project team.

20  
21 But the thing you mentioned on long-term stewardship, the idea there is that if you look  
22 at what's involved here, there are certain aspects of long-term stewardship which are really in  
23 the long-term and will not be part of the EM mission. In other words, EM is not a land  
24 management organization. It's not an organization which is going to have permanent EM people  
25 located at each site or anything like this.

26  
27 But what it does have a responsibility for, is that before that land is turned over to any  
28 other "land management organization," there has to be an exit strategy in place that says EM has  
29 done its job. It has done it well. It's either cleaned up (you can walk away and forget about it),  
30 or it has to have continuing long-term monitoring and this is what the continuing long-term  
31 monitoring requirements are and these kinds of things so that you have an exit strategy that  
32 makes sense to the people who are there, the people who are concerned about DOE's liability

1 and all this sort of thing. So, the focus here is not on land management or land ownership, the  
2 focus in the "new project," if you will. It is what is the exit strategy, what does it take to be able  
3 to stand up and say this site has been cleaned up.  
4

5 DR. LOEHR: Can we get a little definition of that? I notice the third one which we've  
6 got on here says accomplishment of measurable clean-up and closure. How do you define  
7 "clean-up and closure" in this program?  
8

9 MR. CUNNINGHAM: In terms of clean-up and closure, I would categorize the sites  
10 we're dealing with in three categories. One is a site for which there is no future EM mission use  
11 or future DOE mission use. Those are the sites that you would like to clean-up to the point  
12 where you either are able to turn over the land for unrestricted use or you're able to say well, it's  
13 only suitable for recreational use or it's only suitable for this, but basically, the DOE mission is  
14 finished, we're cleaning it up to the point where it's acceptable to the people in the area for other  
15 purposes. That's one category.  
16

17 Another category are those that will have a continuing DOE mission and these are  
18 places say like Oak Ridge, where you have both a defense mission and a science mission there.  
19 Those facilities will continue to operate. On the other hand, there are large areas there which  
20 are clearly contaminated with legacy waste. That needs to be cleaned up, removed and maybe  
21 some of that land can be turned over for other purposes. But even if it isn't, what you have  
22 done is you have cleaned up all of the so-called legacy waste and left the future handling of  
23 waste that is generated to the operating units of DOE. That, by the way, is another strong  
24 incentive. The operating unit begins worrying about how much waste they are producing,  
25 because they're now forced to take care of it. That's the second category.  
26

27 The third category are those areas like Hanford which first of all, the clean-up is so  
28 massive that it's going to be a very long -- the clean-up mission itself is going to be a very long-  
29 term mission. Then in addition to that, there are areas at Hanford that probably can never be  
30 released for any kind of public use and that judgment has to be made as part of the exit strategy,  
31 et cetera.  
32

1 But basically what I'm saying is there will be some areas there, even though it's a closure  
2 site, that will always be under the direct control, if you will, of DOE. Those are the three  
3 categories.

4  
5 DR. LOEHR: That's fine. I'm trying to put the words together and I'm trying to learn  
6 quickly here and the terms "risk reduction" and "accelerated risk reduction," that can mean  
7 different things to different people [e.g.,] risk to whom and what and the environment and so  
8 forth.

9  
10 The clean-up and closure, you've identified it to a certain extent by saying unrestricted  
11 use, there's probably no risk to somebody. Then you've identified the last one, Hanford, that  
12 somebody has got to pay attention to for a long time. But there is a measure of risk in those  
13 decisions and I'm just trying to get my mind around the extent to which risk decision- making  
14 pathways and so forth are part of the entire accelerated risk reduction pattern.

15  
16 For instance, when I heard you talk about these highest risks, there's absolutely not  
17 doubt they are highest risk. But to me, they turn out to be source control, which I think is right,  
18 I think that's the first thing you should always do. But then there are subsequent things still left  
19 behind, even when those of the highest risk are taken into account and you've identified through  
20 clean-up and closure how some of those are going to be handled.

21  
22 MR. CUNNINGHAM: Basically what I was saying there is you put it in two phases, if  
23 you will. The first and most important phase is to stabilize the material. Then the second  
24 process is disposal. What I was trying to say to you, while we are working hard to establish  
25 disposal criteria and locations, if you will, we don't have others in place.

26  
27 For example, there are things that clearly -- if you take the glass logs, for example,  
28 clearly will go to Yucca Mountain. The fact that we don't have Yucca Mountain in a condition  
29 to accept those today doesn't mean we shouldn't go ahead and make the glass logs. It's that  
30 kind of situation I think we're dealing with.

31  
32 MR. QUARLES: Let me just pursue the aspect of closure, because you did describe

1 that in terms of ready to walk away and let it be used. But, do you really mean that? Because I  
2 would assume that nearly all of the sites that have significant radioactive contamination are going  
3 to continue to have significant contamination even after you finish the closure.  
4

5 If it's in the groundwater, will it not stay in the groundwater? If it's in soils, will it not  
6 stay in the soils? Would you really contemplate bringing those sites to a point were they could  
7 be transferred into the private sector, put on the open market, sold free of any restriction on  
8 use? Or, would they continue to be subject to some significant degree of use restriction?  
9

10 DR. LOEHR: Well, there's some areas that you clearly can clean-up to the point where  
11 you can turn it over for industrial use. There are probably --  
12

13 MR. QUARLES: Could it be turned over for residential use?  
14

15 DR. LOEHR: -- not very many areas that DOE would be willing to turn over for  
16 residential use. Even so, if you look at Rocky Flats, for example, there are agreements there in  
17 terms of how deep do you have to remove radioactivity from the soil. There are agreements  
18 there that will be perfectly acceptable for recreational use. In those cases, in effect the plan is to  
19 turn that over to the Park Service or the Department of Natural Resources for those  
20 recreational uses. But as far as I recall, I don't remember any of the areas at Rocky Flats being  
21 proposed for residential use.  
22

23 MR. WINSTON: There are some areas that now are being transferred to the  
24 Miamisburg Mound Community Improvement Corporation for industrial redevelopment and  
25 some without any institutional controls. It's destined for industrial redevelopment, but there are  
26 no institutional controls in place on that because of the fact that there is no significant  
27 contamination. There are other parts of the Mound site that will need to have continued  
28 institutional controls associated with it.  
29

30 MR. MORAN: The same thing exists in part of Oak Ridge. The East Tennessee  
31 Development Park is the major sector there; the same process is underway.  
32

1 MR. QUARLES: If it's possible at this point to project what the outcome will be and  
2 have political acceptance of that outcome, then that frees the program up tremendously in terms  
3 of being able to go ahead and do the job, because there can be clarity.  
4

5 I know on the Super Fund side and the RCRA side, that's been a huge problem; that is,  
6 there is a recognition scientifically that groundwater contamination is going to stay essentially  
7 permanently or at least for several hundred years at many of these sites, that there will have to  
8 be restrictions that would preclude anyone from trying to make use of that groundwater. There  
9 will also be other contamination that will stay on. The Agency hasn't been able to bring itself to  
10 say that's okay. So, for the past 15 years, there's been a heavy level of constipation in the  
11 whole program that they just can't deal with this issue because the answer that is politically  
12 acceptable, is not technically workable. And, the answer that is technically workable is not  
13 politically acceptable. It's a dilemma, so they just go ahead and study the area more and more  
14 and more and don't move it forward. Maybe you're free of that issue.  
15

16 MR. CUNNINGHAM: No, there are a couple of things there I started to say. It's  
17 ironic in a couple of the situations. One is not only the closure of most of the small sites, DOE is  
18 really having more difficulty because of volatile organic compounds and PCBs than they are  
19 radioactive materials.  
20

21 But in addition to that, as Tom just mentioned with regard to Mound, you run into  
22 situations where the community is very anxious to get their hands on some of these buildings or  
23 facilities for economic development and that in effect hampers the clean-up process. You have  
24 industrial people working in a building there while you're trying to come in and knock and  
25 decontaminate the facilities. If you're not careful, you can get into trouble because of early  
26 community acceptance, if you will.  
27

28 MR. WINSTON: It is a different dynamic than most Super Fund sites that I'm familiar  
29 with. Part of that, is that for a site like Mound, for example, you're in a transition window. It's  
30 an operating facility where it has a pretty significant human capital that the local community  
31 wants to preserve and there's other people stepping up to the plate with sort of assist and  
32 sometimes they have local controls and jurisdictions that actually can solve some of those

1 institutional control issues.

2  
3 I think it is true because of that intensive interest that it's a double-edged sword,  
4 because it does help you resolve some of those thornier long-term problems, but at the same  
5 time it's very difficult to time these activities so that they transition safely. But that's not at every  
6 DOE site. That's somewhat unique. But I think DOE has tried to look at each site and evaluate  
7 that process very specifically to the hand they've been dealt, if you will, and make a decision.  
8 So, it's really not a one-size-fits all.

9 MR. NOLTER: Number four, Scope And Programs Not Aligned Or Supporting  
10 Accelerated Risk Reduction. Again, that's an area that has a dedicated project team that will be  
11 here tomorrow.

12  
13 “Focusing EM Resources On Clean-Up.” That goes very closely with the vision that  
14 Paul Golan described about Project Management and operating as a project by identifying the  
15 end state. What is the end state of the project and then as each of these work elements are  
16 looked at, you start looking at what do they contribute to that end state. That is, as you might  
17 expect, a controversial subject area.

18  
19 “Implementing An Effective Capital Strategy.” Implementing a Human Capital strategy  
20 that extends beyond the next year -- just a small sliver of that is this selection process that  
21 occurred for project managers and the project teams that occurred by the Assistant Secretary -  
22 - but she has broader visions and broader initiatives that she may share with you at some other  
23 time.

24  
25 CHAIRMAN AJELLO: This is just, I gather, to help the development of the people in  
26 the program to become better at what they do, essentially and part of the process of choosing  
27 project teams to circulate people around the system is to get that done. Is that where this is  
28 headed, that particular one?

29  
30 MR. NOLTER: That's part of it. In other words, providing the tools. But I would  
31 quote from the Top-to-Bottom Review, additionally it must also be made clear that increased  
32 career prospects and personal growth opportunities are available to individuals who succeed in

1 this environment. As opposed to, you're locked into this escalator career path that just moves  
2 on up through the different levels. There has to be some acknowledgement that if you're maybe  
3 a project manager, one of the eight project managers and you step out into a very challenging  
4 area and you succeed, then there's maybe something for you other than just back in the box and  
5 progress with everyone else up through the longevity chain. Her vision and her personal views  
6 on that I think she ought to share with you.

7           Regarding "Restructuring Science And Technology Program To Focus On Critical Path  
8 And Other Highest Priorities And Most Urgent Risks," I think Woody wants to say a few things  
9 about that.

10  
11           MR. CUNNINGHAM: Yes, I'll talk about that for a couple of minutes. What we've  
12 found -- EM actually had a fairly large science and technology program; basically, what we  
13 found was that it was unfocused, it contained programs ranging all the way from some Senator's  
14 or some Representative's pet project through I guess you'd say a marketing program of going  
15 out and trying to convince the sites that they needed some technology program. In other words,  
16 it wasn't driven by the program saying we've got to have some help here, it was driven by the  
17 people who had the technology program and wanted to sell it in the complex.

18  
19           Basically what we said here is that the technology programs should be directly related to  
20 project needs so that we could proceed with the clean-up program. That process I think has  
21 begun to change, it's not complete yet, but essentially what we're talking about here is really an  
22 applied technology program, not some kind of research and development program. Because,  
23 most of the things this program needs are not way out, 50 years from now, science projects.  
24 What this program needs is what can be utilized, say in the next five to ten years, because that's  
25 when the programs are really needed. There are many applications where things like this come  
26 about.

27  
28           For example, I was talking earlier about the process of decontaminating the glove boxes  
29 at Rocky Flats. That's a good example of a technology which existed. The people simply didn't  
30 know about it or hadn't tried it and essentially, it's not much more than using an acetic acid  
31 based liquid to go in with a hand bottle and squirt on the wall of the dry box and wipe it off.  
32

1           There are things like that which can make a tremendous difference in both the risk to the  
2 worker and aid in terms of the final disposal process, which can really speed up the clean-up  
3 and disposal process. Those are the kinds of things that we're saying the technology program  
4 ought to be changed into an applied technology program where you're applying the best  
5 technology you've got and by doing that, you can save time, reduce cost and move on with real  
6 improvements in the program as a whole.

7  
8           CHAIRMAN AJELLO: If these are the focus areas and these are the key projects,  
9 has the program looked at its technologies to shed activities that don't relate to these lists and  
10 refocus that which do relate to this list?

11  
12           MR. CUNNINGHAM: Yes. You can see that dramatically in the headquarters  
13 program. The headquarters program was reduced -- I've forgotten the exact dollars, we can  
14 get it for you -- but it was reduced something like \$200 million or \$300 million a year to \$50  
15 million. That's already been done.

16  
17           MS. SALISBURY: Woody, you mentioned an area that the Board could possibly be  
18 helpful to EM under the accelerated risk clean-up strategy, I guess that's where that was. Have  
19 you thought of any other areas where you think the Board could be helpful in these focus areas?

20  
21           MR. CUNNINGHAM: In the focus areas itself, yes, particularly -- Well, we talked a  
22 little bit about the performance-based contracts. One of the things that I think is difficult to  
23 happen in a government organization like EM is a real understanding of what motivates and  
24 drives industrial contracting.

25  
26           We're saying we want you guys to really get your best people, bring them here and  
27 perform. We're saying maybe part of the reason is that we don't really understand what it takes  
28 to make you bring your best people here. That's a little bit of what we were talking about  
29 earlier.

30  
31           The other part, moving into an accelerated risk-based clean-up strategy, we have  
32 initiated this. But again, maybe we're not moving in the most expeditious way. Maybe you have

1 some good thoughts or good ideas on how we could really get going on this. In a way, this is  
2 very much a crossroads. How do you get people to start thinking, "My job here is to close this  
3 place down. It's not my job to keep myself in a job for the next 50 years." You run into that  
4 kind of attitude.

5  
6 On the other hand, it's quite clear that there are at least a few people who think that  
7 way. You know, if I do a good job closing this place down, then I'll be able to move on to  
8 someplace else and close that down. But we don't find very many people thinking that way.  
9 What you find people thinking is how can I keep my job going until I'm ready to retire.

10  
11 MS. SALISBURY: I don't mean to be critical, but I just think that that's a little bit  
12 amorphous to try to deal with as a Board that's advisory, that's volunteer, that doesn't meet very  
13 often. I guess I'm looking for more concrete, specific stuff that is almost more like project-  
14 based, where it has a clear beginning and a clear ending where we could provide solid advice to  
15 the Assistant Secretary. I'm just sort of trying to see if you've got -- you know, brainstorm with  
16 you here - with you two, since you're consultants and you've seen all this all over the United  
17 States.

18  
19 MR. CUNNINGHAM: Well, there are -- I think as we get into the discussions here --  
20 we'll see more concrete based things. For example, if you look at the question we were talking  
21 earlier about, the exit strategy, if you will. What is it that you think should be acceptable to the  
22 public in terms of closing a place down? Because that makes a big difference in the strategy at  
23 EM, in terms of how they lay out the programs and move forward.

24  
25 MR. NOLTER: In the area that Woody addressed a bit earlier and also Paul Golan  
26 addressed, coming up with that end state that is acceptable, the area of describing that in some  
27 sort of risk-based scheme is very easily -- is a swamp of analyses that just never ends. But  
28 without that, you're stuck with either end of the spectrum. It's either clean it all up or leave it the  
29 way it is.

30  
31 You can't get into that discussion about any interim points without some discussion of  
32 risk, which very quickly gets into some simulation model, which the MIT model is better than

1 the University of Texas model and it's a swamp. That is, just -- well, it's a difficult place to  
2 operate and some guidance or perspective that you might lend to that would be very helpful.

3  
4 MR. WINSTON: Or just the basic question, "Is that even a path that has any chance  
5 of bearing fruit? Is there another approach?" That's the kind of thing that we might be able to  
6 grapple with.

7  
8 MR. NOLTER: Yes.

9  
10 MS. SALISBURY: Is it reality-based?

11  
12 CHAIRMAN AJELLO: I'll tell you one area that I think is quite interesting to me and  
13 maybe because it's part of my professional background, this whole concept of performance  
14 contracting. I would imagine and say that it's going to be difficult for the program to get some  
15 stories from the contractors, who they are all the time negotiating with, in a -- I won't call it an  
16 adversarial context, but at least in a commercial context.

17  
18 I can well imagine that it might be difficult to have a dispassionate viewpoint on  
19 incentives when you're always trying to figure out where the next award is coming from. I think  
20 some of the valuable things that we might be able to do is get some of that advice and maybe  
21 put it in the center of the table and review an RFP to make sure that maybe some of those  
22 incentives might be structured in there. I think that's perhaps one of the areas that we can talk  
23 to.

24  
25 MR. QUARLES: Jim, let me follow on that and just say first, as several of you know,  
26 I'm not going to be available to be here tomorrow, which I regret. I think today has been  
27 excellent. (I will be chairing a meeting of a bunch of industry representatives and actually  
28 meeting with EPA on corrective actions.)

29 My sense of what we -- I'm just going to kind of share a reaction overall. First, my  
30 sense of what has been presented today is that it has been excellent. I think it has been very  
31 informative and as far as I'm concerned, has really moved me up the learning curve dramatically.  
32 So, that's been great. I also sense a seriousness of purpose and a sense of commitment and

1 that certainly blossoms out of Jessie and all of you. That's very -- as a taxpayer, that's very  
2 heartwarming. I have a lot of trouble with this as being very abstract. And, it's heavily focused  
3 on the contract management side. I sort of think of this as having -- you could go at it in terms  
4 of how could you run these clean-ups in a more efficient way as perhaps having three levels to  
5 think about.

6  
7 One is the level we've mainly been talking about, which is doing a better job than what  
8 we're doing (in terms of contracting) with the contractors to do what they're doing, but do it  
9 more on time and cheaper.

10  
11 A second area is moving into what I would call technical substantive change in what  
12 they're doing, where there may be lots of opportunities to re-sequence things. We talked about  
13 one example as making a change in the remedial action itself. There may be changes in the  
14 amount of time that's taken to investigate a site before decisions are made. There's almost an  
15 endless number of aspects of the total work that is done and much of it might be subject to a  
16 conclusion that you ought to stop doing something and do something else.

17  
18 And then the third level is a level that sort of takes some of those types of changes, but  
19 comes up to a higher policy level where there may be political issues as to what is the public  
20 really asking for? How clean is clean in Super Fund parlance? In some of those aspects, it may  
21 be that Jessie at her level can sort of say, "Hey, we're going to stop doing this. We're going to  
22 start doing this," and she can make the policy call. Maybe some of those would raise policy  
23 issues that are beyond the ability of anyone other than Congress to modify.

24  
25 But it's worth sort of having those three categories in mind and then asking oneself what  
26 is really going to be different. I think if it were possible to select out a lot of maybe anecdotal  
27 experience, but specific instances where some phase of the total process would be changed in a  
28 way that would save time, save money and move the project forward and articulate those, that  
29 would really be helpful. It would be helpful to us to just get more of a sense of what you're  
30 going to really do.

31  
32 I kind of doubt that it's possible for DOE to manage its way to a \$50 million savings out

1 of total costs just by more effective control over what the contractors are doing. It seems to me  
2 that probably if one were to say how are we going to get to that \$50 million savings, that a  
3 significant portion of it would be fundamental and substantial changes in the remedial action itself.  
4 Maybe not. And a significant part of it might be changes in sort of the way we get there as well  
5 as where it is we get or how efficiently we manage the contracts.  
6

7 I think that -- a reference was made earlier about inside the Beltway and outside the  
8 Beltway. It's absolutely remarkable how different a subject seems when you are inside the  
9 Beltway and talking about it from when you're outside. I can recall when I was at EPA and I  
10 would get lots of briefings on lots of subjects from headquarters, because that's where I was.  
11 But then I would go out to the regional offices and get a briefing from them and it just really -- it  
12 was so much more hands-on and specific related and meaningful.  
13

14 I would encourage that as we go forward a real effort be made to not take away  
15 anything that's here. Because all that's here is good; but, amplify it with a heavy layer of  
16 practicality of what actually would be done differently.  
17

18 MR. CUNNINGHAM: And I think that we can certainly go into that in whatever level  
19 of detail you want. Just to give you a couple of examples of clearly what we're talking about,  
20 again people tend to think that any of these kinds of suggestions are efforts by EM to take  
21 shortcuts and not to do things properly or correctly. So, you have to be careful in terms of how  
22 you explain these things.

23 But for example, I mentioned the sodium bearing liquid waste at Idaho. The baseline  
24 effort there was to build a vitrification plant and put all that material into glass logs. We in effect  
25 said why are you doing it? Under the worst conditions this material is not high level waste? It's  
26 transuranic waste and transuranic waste, to dispose of it, all you have to do is put it in a solid  
27 form. You don't need to vitrify it and you don't need to spend that kind of money doing it.  
28

29 In effect, they are exploring right now two or three potential alternative technologies, if  
30 you will, which will take that material and treat it in a simple way that certainly don't require the  
31 construction of a multi-billion dollar vitrification plant to do that. That in itself knocked off  
32 several billion dollars of the baseline at Idaho.

1  
2           The same thing is true at Hanford. DOE has been accused of "reclassifying" the waste.  
3 In effect, what DOE is doing is not reclassifying waste, but classifying it properly. There are  
4 tanks at Hanford that contain waste that are called high level wastes that in effect are nothing  
5 more than transuranic waste. Why do you have to treat that as high level waste? Why can't  
6 you use a cheaper technology to treat it and dispose of it? It's that kind of thing throughout the  
7 complex that you can find. In effect, we're even dealing with an issue today of people wanting  
8 to send what is basically low level waste to WIPP, because WIPP is open and it's convenient  
9 and you can ship it down there. But why should we take this valuable resource which is limited  
10 in space and fill it up with stuff that's not really transuranic waste.

11  
12           MR. QUARLES: Those are great answers and doubtless, there's just a whole barrel  
13 full more.

14  
15           MR. CUNNINGHAM: Sure.

16  
17           MR. QUARLES: But I think when you go to try to accomplish the culture change of  
18 getting the people in the organization to function differently, being armed with those specific  
19 examples of how the end result should be changed provides an incentive and a lot of clarity in  
20 terms of how they then modify their behavior to get to that result.

21  
22           MR. CUNNINGHAM: At any rate, when you look at things realistically like this and  
23 say look, let's treat this material properly and let's dispose of it properly, then that in itself cuts  
24 down the time period we're talking about in terms of clean-up and closing.

25  
26           MR. WINSTON: I have another question and I first wanted to say it's too bad John  
27 won't be here tomorrow, because I really like the way you've sorted out and organized really  
28 sort of some of our thought processes for deciding how we want to contribute to DOE. So,  
29 we'll miss you. We'll see how we do without you.

30  
31           One of the reasons that -- and having worked on DOE sites since actually the mid '80s  
32 -- one of the reasons that some of these decisions that were made and that need to be revisited,

1 or it's okay to revisit them, is that there was a time frame where it didn't seem like there was any  
2 progress happening at all and so there was a premium put on just forward movement. If you  
3 had a path forward, you just would go with it. Sometimes some of these decisions, whether you  
4 would say it's overkill or whatever, the fact that there was actually a path to move on, there was  
5 a real incentive to get past that inertia. So, I don't think it's bad to revisit it.  
6

7 One of the other things I would say, and one of the things that concerns me about the  
8 project teams, is the timing of them for the closure sites. If you're a site like Rocky or Fernald  
9 or Mound or West Valley, the results of these teams are going to be coming out in early 2004,  
10 those sites are supposed to be finished in 2006. So one of the things that -- I'm not saying I'm  
11 overly concerned about that, because in general those sites have been held up as models of sort  
12 of the way in which the Department would like to think about getting out of the business and  
13 closing out sites and that kind of thing -- but, those of us that have been involved with closure  
14 sites have been sort of just saying can't we just finish our work. The last thing we need is  
15 another initiative coming in a 15-year clean-up at year 13 to reinvent the wheel. I guess I would  
16 just ask, has there been some discussion about how some of these outputs would apply to sites  
17 that are just actually hopefully getting near the finish line?  
18

19 And before you answer that, I was going to say one of the areas - certainly managing  
20 waste to reduce risk that are other than spent nuclear fuel and high level waste - obviously there  
21 are some real challenges there. Because the shipment of waste and who is going to handle  
22 waste and those kinds of issues are very -- those are unsolved at this point. There are a number  
23 of closure sites need to still see some decisions in that regard. So, I would say at least in that  
24 arena, on that team there probably is a real benefit to the closure sites. But I'm just going to ask  
25 for your comments on how this may apply to those sites that are hopefully getting near the finish  
26 line.  
27

28 MR. CUNNINGHAM: I think there are two things related to your question. One is,  
29 Jessie has made it very clear to the project leaders that if they come up with new solutions or  
30 new ideas that make sense, they will be implemented immediately. She's not going to wait for  
31 the completion of the project team's work and a formal report submitted. In fact, she has  
32 already implemented some of them on some of the teams.

1  
2           The second thing, is that at the same time that the project teams are working doesn't  
3 mean that people are not actively trying to solve ongoing issues. For example, the so-called  
4 orphan waste that has no home to send it to is being very actively pursued right now, particularly  
5 with regard to Rocky Flats. Because that's where the critical issues are taking place.  
6

7           But what's being done there is being coordinated with the project teams who are in fact  
8 looking for permanent or complex lag solutions, if you will. For example, one of the biggest  
9 orphan wastes right now are those materials which are ten to a hundred nanocurie plutonium,  
10 which could be categorized as mixed low level waste. Well, what is the solution to that? One is  
11 to get it out of the mixed category by treatment, in which case you could ship it to Nevada.  
12 The other approach then would be to try to figure out some way that you can have a mixed low  
13 level facility which would accept it. Those are both being very actively worked right now.

14           MR. WINSTON: There should be parallel activities that hopefully compliment each  
15 other, not necessarily derail at the 11th hour.  
16

17           MR. CUNNINGHAM: Yes. And I'm not saying that none of those will happen. I'm  
18 saying the intent is to have that closely coordinated.  
19

20           MR. NOLTER: I think there's another aspect, as Woody said, as emerging issues  
21 come up, as the project is working, those items will be implemented without having to wait for  
22 the end of the project. But the end point of the project is to come up with not just another new  
23 initiative that will look good. It has to be packaged in the context of value added to the  
24 baseline. For the project to have any effect on any of the sites, whether they are the small sites  
25 that are closing in 2006 or 2005 or even some of the interim sites that are out a little bit further,  
26 the project has to produce something that will show that if this is done, if this action is taken, it  
27 will reduce scope, schedule, cost. It effects that, so that closure can be achieved early. Just  
28 because it is a more elegant approach, if it doesn't translate to scope, schedule, cost, it wouldn't  
29 be implemented, because that's one of the metrics of the project.  
30

31           MR. WINSTON: So there will be a filter really?  
32

1           MR. NOLTER: Yes. The other item, outside this is another area, but it is outside the  
2 context of the project. There was recognition of what you said, that is, why should we wait  
3 around until this project finishes up when there are things that are very obvious to us right now.  
4 Those have been categorized as, for lack of a better word, targets of opportunity. Meaning, if  
5 there is a Request for Proposal that is being generated, is it going to start next October? We are  
6 rolling back lessons learned from the Mound approach, lessons learned at Rocky Flats, from  
7 the contract point of view, from the performance-based incentives point of view that have been  
8 learned. Those items aren't neatly wrapped up in a project. They clearly are anecdotal items  
9 that we know need to be done and those are going to be addressed at each of the  
10 opportunities. Roger Butler, who was on the agenda, but who is not here today, is the  
11 individual who manages those. They are bits and pieces of everything we've known as an  
12 improvement, whether it's in metrics, or contracting, or performance incentives. It's to try to get  
13 a parallel approach.

14  
15           CHAIRMAN AJELLO: That reminds me to point out for those of you who are  
16 watching the program closely that Roger Butler was not here today. In fact, the last part of the  
17 conversation was really the one that Roger was to moderate, but I think clearly Woody and  
18 Joe took us through, that's the Corporate Accelerated Risk Reduction Strategy.

19  
20 [PUBLIC COMMENT PERIOD]

21  
22           We are now at that point where we have allotted time for a public comment period. I  
23 believe the microphone is set to receive anyone and everyone who would like to make any  
24 statement or ask a question of the group.

25  
26           Yes. If you would step to the microphone, state your name and affiliation and then your  
27 question or comment.

28  
29           MR. MICK GRIBEN: My name is Mick Griben, consultant, private practice. I've  
30 been consulting to the Department for about ten years. I guess one question I have on this risk  
31 reduction approach now is how are we actually going to measure the risk reduction? I see the  
32 metrics, the number of cans that are put together. That's a real simplistic approach. It's one

1 thing to deal with materials that are contained. Is that the biggest risk? Or, is it the uncontained  
2 material that's being contaminated in the soil and groundwater that's really the greater risk to the  
3 environment as well as to the public? How are you going to quantify that? If you're going to  
4 say simply taking this many barrels of material from Rocky Flats and shipping it to Savannah  
5 River, have you reduced the risk at Rocky Flats and just increased it at Savannah River? I  
6 don't know.

7  
8 Another issue on the contracting side, I think a lot of the issues with the M&Os and  
9 M&Is is that there are a lot of socioeconomic aspects of those contracts. I dare say that's  
10 probably where the cost increase comes along. It's simply trying to bring on grandfathered  
11 existing workers at the site into the new contract, picking up their benefits, developing the  
12 economic vitality of the community around. Until a contract for clean up is simply a clean-up  
13 contract and not a socioeconomic vehicle for the region or the locality, you're going to see  
14 escalating costs.

15  
16 I did get a message from Paul when he indicated we had seen the high water mark for  
17 DOE clean up. I guess my question is what is that number that he's looking at? Is it the \$250  
18 billion, \$150 billion number?

19  
20 I certainly do agree with Mr. Quarles, that the real way you're going to see the kind of  
21 cost savings that we're talking about is with no action. We're not going to see it in contract  
22 reform; we won't see it with innovative technologies. It's simply looking at the remedial action  
23 itself and making a political decision that this will be a national sacrifice zone or some other  
24 equally politically incorrect approach. But, that is what it will take, I believe, to actually see the  
25 magnitude of cost savings that are being advocated today. Thank you.

26  
27 CHAIRMAN AJELLO: I'll just try to summarize that. One of your comments was  
28 quite clearly a question, how does one measure risks in waste reduction. I think that is one  
29 clear question. What is the actual or maximum cost of the program as estimated now by the  
30 DOE, given changes that have occurred? And then that last topic (actually in inverse order)  
31 was, is this a site closure program or does it have other socioeconomic objectives? And, if it  
32 does have those objectives, it will clearly cost more money. Are those the three statements or

1 questions that you mentioned?

2  
3 MR. GRIBEN: Yes.

4  
5 CHAIRMAN AJELLO: Does anybody have a comment or a suggestion? Otherwise,  
6 we'll obviously note these and bring them forward. Obviously, I will pass these along and make  
7 sure Jessie has this as well, plus we have a transcript.

8 Any other questions or comments? State your name and affiliation, if you would.

9  
10 MR. JIM BRIDGMAN: Hi, my name is Jim Bridgman, I'm with the Alliance for  
11 Nuclear Accountability. I was going to reserve my comments until tomorrow. We received  
12 pretty late notice that this meeting was happening.

13  
14 But since at least one of the members is going to not be here tomorrow, I've gone ahead  
15 and sketched out a few things. First, I just want you all to know what the Alliance for Nuclear  
16 Accountability is. We've been around for 15 years; we're a collection of over 30 watchdog  
17 groups around the weapons complex. Some of our members are major grassroots  
18 organizations like Physicians for Social Responsibility, Women's Actions for New Directions.  
19 We have some think-tanks, like Institute for Energy Environmental Research up in Tacoma  
20 Park. But, most of our groups are around the weapons complex and have been deeply  
21 involved in the weapons waste clean up and health side of these sites for many, many years.  
22 Many are lawyers; many are other experts technically trained.

23  
24 My own expertise is not in clean-up, I've focused more on the weapons side, but I have  
25 been fortunate to take a number of tours of Oak Ridge, Rocky Flats, Hanford and the  
26 Savannah River site.

27  
28 The first comment I want to make is on the process, which is basically to say that we've  
29 heard a lot about keeping the process open. I was encouraged by what we've heard today, but  
30 I want you all to know that we have consistently felt locked out. We were not invited to  
31 participate in the Top-to-Bottom Review. We had to seek meetings to get access to and have  
32 input into that process. In fact, we've submitted a FOIA request for some of the discussions

1 that took place under the Top-to-Bottom Review. We submitted it in August of last year, we  
2 received a partial response in May of this year, nine months later, and we're still waiting on the  
3 rest of the response.  
4

5 In the development of these Performance Management Plans and letters of intent, many  
6 of these sites received drafts of these PMPs with only a week or less to comment. They  
7 received them on a Friday and were told they had to submit comments on the following  
8 Monday. There's a lot of substantial process concerns that still need to be worked out.  
9

10 Then in terms of substantive issues, the issue of safety was raised and the issue of also  
11 wanting some anecdotal evidence. So, I'll just say when we toured Rocky Flats, we had the  
12 occasion to meet with the union, the EPA, the state regulating office and the contractor and the  
13 DOE officials. It was a very interesting meeting and it came about that they talked about the  
14 financial incentives that the contractors would get in order to finish the contract on time.  
15

16 We were there at a very interesting time, because they had just had a criticality  
17 infraction. Not a criticality incident, but an infraction where they had over-packed a drum. I  
18 asked the question to the union whether they felt at some times whether speed took a higher  
19 priority than safety? And, he said frankly, yes, we feel that that is the case, that we're pressed  
20 to do that.  
21

22 Another anecdotal example is that the Department of Energy wanted to use DT-22  
23 containers to transport plutonium from Rocky Flats down to the Lawrence Livermore site.  
24 These were containers that did not pass the crush test required to transport this material and it  
25 took a threat of a lawsuit to actually get them to back off the Department of Energy's effort to  
26 seek an exemption to transport that plutonium in those unregulated containers.  
27

28 There are a host of other concerns. Just today we're releasing a letter about the NRC's  
29 proposal to change the rules to allow disposal of uranium, thorium and other materials in  
30 unlicensed landfills, which would be well above the Super Fund level and would make these  
31 landfills instantly Super Fund sites. I have letters here today - I was preparing to bring packets  
32 and I'll have packets for the rest of you tomorrow - with a lot of this information, which is on

1 our website at ana.nuclear.org.

2 In that, we have for example a table with the various PMPs that have been drafted and  
3 the critiques that our different sites have offered to those PMPs. I actually went through those  
4 and summarized those comments and put them into talking points in a summary, looking at  
5 themes such as lack of public participation, renegeing on clean-up agreements, changing the  
6 clean-up standards, leaving contamination in the ground and water, management inefficiency,  
7 inflating cost savings and then leaving the long-term clean-up commitment in doubt.

8  
9 There are a lot of issues out there. In touring the various sites, it just raised more and  
10 more issues. I think Hanford was the one that I toured most recently and we witnessed some of  
11 the clean-up right along the Columbia River there and noticed for example that they were only  
12 cleaning up to an industrial standard when it was quite clear that the community, in terms of the  
13 house building and so forth, is pushing to use that site, would be pushing in the future to use that  
14 area for residential and recreational activities.

15  
16 There are a lot of issues here around future use, the level of clean-up and I invite you to  
17 look at the packet when you receive it tomorrow and think about it and feel free to contact me  
18 or contact any of the people in our network. Thank you.

19  
20 CHAIRMAN AJELLO: Is it Rick?

21  
22 MR. BRIDGMAN: Jim.

23  
24 CHAIRMAN AJELLO: Jim. What was your last name again, please?

25  
26 MR. BRIDGMAN: Bridgman.

27  
28 CHAIRMAN AJELLO: Thanks for your comments and we will look at tomorrow.  
29 Are there any other statements or questions?

30  
31 (No response.)  
32

1           CHAIRMAN AJELLO: The crowd has thinned. Are there any other thoughts for the  
2 evening as we close in? We've almost returned to our calendar for the day. The end of the  
3 meeting was around 5:00, so I think we're just about there.

4           I'm sorry you're not going to be here tomorrow, John, but we'll carry on. Speaking of  
5 tomorrow, just to give you a preview of the agenda as we adjourn here, we're going to kick off  
6 at 9:00 tomorrow. We'll quickly go right to a round table discussion. Whereas I think today's  
7 format was mostly presentations and a few questions here and there. Tomorrow we'll anticipate  
8 more of a dialogue between ourselves and the presenters, and we have at least eight or nine  
9 presenters tomorrow, around various of the projects that were discussed today and summarized  
10 today.

11  
12           We'll have an opportunity to ask questions. We'll have a working session around how  
13 we intend to carry out our mission, maybe define the mission further, and prioritizing issues. I  
14 heard that time and time again. This is a big challenge for us as a Board. How do we prioritize  
15 all the things that we've heard? I think that's maybe our biggest challenge to date or at least to  
16 start with.

17  
18           We'll hear from the Alternative Technologies to Incineration Group or ATIC Group.  
19 Richard Begley will be here tomorrow to do that, to present his letter report. Then we'll talk  
20 about next steps, based on everything we've heard at that point. At the conclusion, there will be  
21 another opportunity for a public comment period at approximately 3:00 tomorrow and then we  
22 expect to adjourn at that point.

23  
24           MS. SALISBURY: Mr. Chairman, do you anticipate that we will have sort of decided  
25 what we're going to be doing or do you see that it's going to take another meeting? I would  
26 really like to have John's input on what it is this Board is going to be doing. Do you have a  
27 sense of that from having --

28  
29           CHAIRMAN AJELLO: I might have a little bit of a head start in some ways. I'm not  
30 as experienced as either Tom or John on the other hand. But based on everything I know so  
31 far, my sense is that we'll need to talk about and sketch out some of the priorities tomorrow and  
32 then probably circulate and get some more input on the topic and probably want some time to

1 reflect on all that we've heard. We've heard an awful lot and we've only started the process and  
2 we'll hear a lot more tomorrow. My sense is we'll need time to reflect and maybe draft a  
3 'strawman' list and so forth. That would be my initial thought.  
4

5 MR. WINSTON: My perspective, having worked with the Department for a number  
6 of years, is that we won't have a dearth of things to work on. The problem will be a lot of  
7 meetings and there may be some that they're just trying to punt to us that we need to decide  
8 whether that's really our role or not.  
9

10 MS. SALISBURY: And it may just be just trying to focus, trying to narrow it so it can  
11 be manageable.  
12

13 MR. WINSTON: And I think in the meeting tomorrow we probably can assess which  
14 of the areas really are sort of the ones we're most energized over. I think we need to do some  
15 soul searching about whether we as a Board have the make up to be able to tackle 'that  
16 particular' issue. And we need to look pragmatically at the resources that we have and how we  
17 can really produce a quality product in a timely way. That's probably going to narrow us down  
18 and my guess that would probably be a process after the meeting with conference calls or that  
19 kind of thing, or e-mail exchanges, but we would have a frame work.  
20

21 CHAIRMAN AJELLO: Right. I think the Board has met so infrequently in the past  
22 that if we're to really accomplish anything, we need to have another way to circulate information  
23 and get comment amongst the Board and so forth. And I think that that's got to be the way  
24 forward. We're going to take away so much information, we'll need to go away and prioritize  
25 and the like.  
26

27 We do have a session tomorrow for an hour and it may seem slim based on what we've  
28 heard so far, but just for that purpose, to start talking about that. I suspect that will just be a  
29 start. That's my sense.  
30

31 MR. WINSTON: I agree.  
32

1                   CHAIRMAN AJELLO: Okay. There being no further business, I think we're  
2 adjourned.

3  
4                   (Whereupon, at 5:15 p.m. the meeting was adjourned, to reconvene Thursday,  
5 November 21, 2002 at 9:00 a.m.)  
6

1 THURSDAY, NOVEMBER 21, 2002, (9:19 A.M.)

2  
3 MR. AJELLO: Good morning.

4  
5 I would like to welcome you all back to the continuation of the EMAB meeting, the  
6 Advisory Board meeting. This morning the Board will continue receiving presentations and  
7 briefings in order to continue with orientation from yesterday's session. And we are about to  
8 serve process, according to our agenda, including about seven or eight briefings arising from the  
9 Top-to-Bottom Review.

10  
11 Okay. We will begin this morning with Joe Nolter, who will substitute for Charlie Dan  
12 on the contracting project. And we will just turn it over to Joe. I will remind everybody to use  
13 the microphone because the sessions are being recorded.

14  
15 Joe.

16  
17 MR. CUNNINGHAM: Excuse me, Jim, before we start, I just want to mention that as  
18 we said yesterday, we want you to know something about the project managers, who they are  
19 and their backgrounds. So, as we go through this we will each of them to give a little  
20 background information on themselves.

21  
22 MR. AJELLO: That is great. I would just like to remind everybody that one of Board  
23 members, John Quarles, who was in attendance yesterday was unable to make the meeting  
24 today, so, I guess the record should show that all the Board members are here except for John  
25 Quarles.

26  
27 MR. JOE NOLTER: If we are ready, I will start.

28 Charlie Dan is the assigned project manager for the project, "Getting More  
29 Performance From Performance Based Contracting." And Charlie Dan is not here today, so I  
30 will present what I think is from my perspective the key elements of his project. We have the  
31 Critical Decision Zero package from which many of these items were extracted.

32 Even before we start talking about specifics of Charlie Dan's project (on page one of

1 your handout), one of the items the Top-to-Bottom Review illuminated and addressed a bit was  
2 the environment that the Office of Environmental Management operates in from a business point  
3 of view. And there initially is a tendency to think that, well, this is a Government program.  
4 Government deals in large amounts of money. We have to be the biggest, the biggest source of  
5 work on the block. And, and to some extent we found out that we don't think that is true.  
6

7 And so this overwhelming rush to compete with Office of Environmental Projects or  
8 Contracts, that may not be the case in reality. And we opened up our perspective a bit and  
9 took some information from the Engineering News Record, one of the issues that was published  
10 in May of 2001, and looked at the kind of work in the continental United States where the  
11 contractors that do a lot of the work that EM has, you know, where is EM competing. And  
12 just looking at the figure that is on page one, if we look at the amount of money; well, first of all,  
13 the different billing areas come down the Y axis [of the graph] and the one that sort fit in with  
14 the work that the Department of Energy is doing, EM, was hazardous waste. It is not  
15 necessarily a one for one match. But, this is the area where the contractors compete in that type  
16 of work.  
17

18 If we look at the absolute amount of money, and also maybe more importantly the  
19 trend, we can see the marketplace where EM competes. EM is not necessarily the biggest, far  
20 from it, nor from a trend point of view is the work increasing. So, that changes the perspective  
21 a little bit about EM has to compete to get the "best in class." Maybe just accepting the  
22 concept that we have to compete is a significant change in the mind set.  
23

24 There were some general issues that needed to be addressed. One was, first of all,  
25 recognizing and accepting that maybe the Office of Environmental Management competes for  
26 work. We just don't dominate the market, marketplace.  
27

28 The second one is sort of interesting. The Top-to-Bottom Review folks went around  
29 and talked to different people, offices in the Headquarters organization, and that scenario sort of  
30 went like this. "What do you do here, focus on, what is the product and who is the customer?"  
31 And we would get the response, "Well, we close the small sites. We are focused on small sites  
32 closure." Or "We are the Rocky Flats closure office. We are closing Rocky Flats." Say,

1 “Okay, good. Who is the customer?” “The customer is, well, gee, the stakeholders, the state  
2 government, those individuals who are concerned about cleaning up Rocky Flats or cleaning the  
3 small sites or whatever the office was involved with.”  
4

5 Okay. So, now the conversation goes a little bit further and says, “When was the last  
6 time you cleaned up? What did you do for the closure of Building 707 at Rocky Flats?” And  
7 the answer is, “Well, I don’t do that. We don’t do that here.” You say, “Okay, let’s go back  
8 to the first question. What is it you do here?” And we would drive, after a long conversation,  
9 you basically come up with the answer, with the issue that says, “We make the contracts that  
10 gets the contractor to clean it up. So, we set the standards and in the field, if I am a mechanical  
11 engineer, or I’m an environmental engineer, gee, I know the technical details of how this occurs,  
12 so I can observe what is going on and make some judgment about whether the right thing  
13 happening. But, when I come to Headquarters, not only am I that technical expert, but one of  
14 my main functions is to take that technical expertise and translate it into a contract, so that we  
15 get that performance and we get that specific achievement. It has got to be translatable into a  
16 contract.”  
17

18 We found that core competency, that understanding about how do you take an idea and  
19 translate it into a contract was such that one of the recommendations was that we really have to  
20 make performance based contracting a core competency. We are not just super engineers at  
21 the Headquarters organization, but our job is to translate that super engineering into a contract,  
22 so a contractor performs to the standards that we want him to perform to.  
23

24 When looking at that process, another paradigm shift was for the contracting process,  
25 the prime customer is the contractor. So, the Government really has a product that is delivered  
26 to the contractor. And there is a quality assurance process that really ought to be there.  
27

28 The third or the fourth area, and this is something that maybe we would ask the Board  
29 for your perspective and any assistance you can help us with, there was some studies done  
30 within the Department of Energy that raised the issue that historically the contractor’s fees that  
31 are associated with Office of Environmental Management Projects, they have been inadequate  
32 to attract the “best in class” that exists in that area of contractors. When you look, when the

1 competing work areas of transportation, power generation, manufacturing, telecommunications  
2 which are skyrocketing from an increase work-scope point of view, maybe we aren't  
3 competitive. Maybe the fees that the Office of Environmental Management offers are not  
4 competitive. And so your perspective, your assistance in trying to get to that answer, the  
5 answer to that question, are we competitive? And if not, how do we become competitive,  
6 would be greatly appreciated.

7  
8 I think Woody Cunningham had some comments you may want to make in that area.

9  
10 MR. CUNNINGHAM: Well, basically, we talked some about this yesterday and part  
11 of it is not, not just the company, itself, because we do have some of the largest companies like  
12 Bechtel and others that are really worldwide companies, heavily involved in a lot of different  
13 industries. But, the question we are asking is what does it take for you, Mr. CEO, to send your  
14 best people to Hanford, or send your best people to Savannah River, or whatever. And once  
15 they are there to offer up real innovative ideas, suggestions, and in effect, if you will, what is in it  
16 for the company to come forward, not only with their best people, but to come forward with  
17 their best ideas in a way which will be profitable both for the company, and for the DOE.

18  
19 MR. NOLTER: Okay. Thank you.

20  
21 DR. LOEHR: Just a point and clarification. So the emphasis that we are having this  
22 morning is on the contracting side of performance contracting. When you get the best in class, it  
23 sounds like you might be also asking how to improve the performance goals. That is to say,  
24 gee, am I doing the right thing to get to wherever I want to go. Is that part of the question or is  
25 it strictly on the contracting side?

26  
27 MR. CUNNINGHAM: Well, part of it is on the contracting side, in the sense that this  
28 in many areas is where we have failed. For example, we mentioned briefly yesterday that we  
29 had gone out for a new request for proposal for the Mound Laboratory and that will be decided  
30 sometime in December. But, one of the first things that Joe found when he started looking into  
31 that is, you know, how can we ask the contractor, who performed the work, when there is not  
32 a well-defined scope of work? And we find that in many contracts throughout the whole DOE

1 complex. You do not have a well-defined scope of work. So, you know, what are you holding  
2 the contractor responsible for? And does the contractor really know what is expected of him?  
3

4 DR. LOEHR: Good, that is kind of where I was wondering about. When you ask also  
5 for best in class, it infers that you are willing and hoping that they will come forth with other  
6 ideas of how to get to the goal, which may or may not be in the scope of work, even if you got  
7 a good scope of work.  
8

9 MR. CUNNINGHAM: Well, that is true in the sense that both Bob Card, the  
10 Undersecretary, and Jessie, the Assistant Secretary have said to the contractors, "We know  
11 you have smart people, but we are not getting the best ideas, the best suggestions, the best  
12 innovations coming forward from you. We are not, we are not taking advantage of your  
13 capabilities and your skill." That is what we are talking about here.  
14

15 DR. LOEHR: Okay. Thank you.  
16

17 MR. NOLTER: We talked yesterday about the contracting process and gee, where  
18 are we trying to improve this? At the front end? At the back end? Is it administration? And  
19 we left it off yesterday with, well, when you start with a time line of thinking about putting out a  
20 contract how will EM acquire something? You start looking at the time line from the beginning  
21 to the end, there are issues that come up across the board. One was using the integrated safety  
22 management system approach to planning, even before the request for proposal is distributed.  
23

24 I will go back to the original comment I made about making performance based  
25 contracting a core competency. Just from the big picture, the understanding that if you have an  
26 issue or a requirement or an idea on how a contract should be performed, if you are at the table  
27 when the request for proposal is being written, that is you have missed the train. Now you can  
28 always come back and say, well, we will issue a change to the contract and that is how we  
29 would get it done. But, I think we all know the ills of changes to contracts. And so, just the  
30 understanding that if those issues are not presented at the table when a request for proposal is  
31 being drafted, that you have missed the major opportunity.  
32

1           That is a major mind set change. Because the cost reimbursement contracts with  
2 subjective performance metrics, is a mechanism that really cures a lot of ills that occur at the  
3 very beginning phase. That says, well, it is not in the statement of work, it is not a crisp  
4 requirement. That is okay, we will sort of work and we will make it up when we develop the  
5 award fee, and it will be cost reimbursement, so it will all work out, we don't really have to be  
6 crisp with the statement of work. And as, you know, it just gets off to a bad start - using a fixed  
7 price mentality when writing the statement of work.

8  
9           We will talk a little bit about the Mound contract later. But, the approach was, yes, this  
10 is a cost reimbursement contract, but it is performance based, and the concept was to write the  
11 statement of work as if it were a fixed price contract. And only when we were confronted with  
12 issues that we couldn't describe, like you would want to describe in a fixed price contract, we  
13 then took that out and put it in the bin, called "Risk." We want to be able to clean up this  
14 building and right now we know the contamination is as follows: we have this contamination,  
15 this contamination and this contamination and that is all we know. And so it was described from  
16 square footage and floor and past history, and this is the end state we want. We won't describe  
17 the process, contractor, you describe that. But, this is what we know and this is what we want.  
18 And if there was some uncertainty, we then said, well, we will take that and put that in the risk  
19 section and we will address risk separately.

20  
21           Identifying The Known Risks And Uncertainties. There was general sense that we will  
22 write a contract. We know there is a lot of uncertainty here, but we will write the contract and  
23 it is just so hard when you start addressing uncertainty. We won't address it. And we will issue  
24 it as if it is a nice crisp contract. And you will accept it and give us a bid, and then as we  
25 discover uncertainties in execution, we will treat that as changes. You will say I found this, and  
26 we will say, you certainly did and so we will negotiate a change. And then we just lay the  
27 groundwork for changes and make changes to contracts.

28  
29           The approach that was, that we are suggesting should be taken is if there is an  
30 uncertainty, you don't know what the contamination is or you don't know the extent, then you  
31 address that up-front and you ask the contractor for an approach to manage that uncertainty.  
32 Should the contractor assume all the risks? Should the Government assumes all the risks?

1 Should there be some risk sharing approach? Gee, as part of your proposal, contractor, we  
2 would like to know how you propose that we treat this uncertainty?

3  
4 Commercial Contracting Format For Non Contaminated Clean-Up Work. Referenced  
5 in the Top-to-Bottom Review is an effort that was done at Rocky Flats for buildings that are not  
6 contaminated. Gee, we really can open up the aperture contractors who can do that work by  
7 allowing non-traditional Department of Energy contractors, non-nuclear certified contractors to  
8 come in and do that work. There were some lessons learned in that process, some of them  
9 rather substantial. But, overall, it was a success and we got the job done cheaper and I think  
10 quicker.

11  
12 Identify Government Oversight Methods. Government oversight of contractors who are  
13 doing Department of Energy work, we found in the Top-to-Bottom Review the full spectrum of  
14 oversight. We found that it went from one end of the spectrum, which was no oversight at all.  
15 There was some genuine uncertainty on the part of the Government employees whether or not  
16 they had the right to go down and watch a contractor do work when it was a highly incentivized  
17 contract. Fixed price contract. Highly incentivized, the contractors incentivized to get it done  
18 early. The contractor says, hey, your oversight is impinging my ability to get my performance  
19 goal on time. And you are holding me up, and so, in some areas we were intimidated and  
20 backed off. In other areas, the oversight was and, it is a one sided view, but the contractor  
21 would say this is oppressive, I can't get anything done. And so, our sense was that ought to be  
22 defined, just how does the Government provide oversight?

23  
24 And this overall process of issuing the request for proposal, the selection process,  
25 administration of the contract, that ought to be put under some commercial process and proven  
26 methods; you know, the six-sigma process. Whatever it is, but there ought to be some  
27 feedback and some corporate history of what we have learned from contract to contract as we  
28 go on as opposed to hitting the reset button each time and getting a new group, who get tagged  
29 to become part of this source selection board. You know, that, "Oh no, I got this. Well, you  
30 had it last time, so, you don't have to be on it for the next two times." I mean, we just bred  
31 hitting the reset button each time and reinventing the wheel.

1           Once we get into the selecting process, developing performance, developing  
2 performance standards for the source selection board staffing, What are the technical  
3 competencies that are needed on a selection board? Are there any? Do we have any  
4 standards? What are EM's standards? And making sure that it is a performance that the  
5 proposals are performance based and not just processed oriented --; I will tell you how I am  
6 going to do earned value. I will tell you how I am going to do various things. The issue is we all  
7 know how earned value should be done, tell me what earned value you are going to achieve on  
8 what dates?

9  
10           Yes?

11           MR. MORAN: Is the source evaluation board a Headquarters function?

12  
13           MR. NOLTER: It is. I can make some observations about that. I think we have some  
14 other people in here who might know exactly the standards. The ones I am familiar with, there  
15 is a representation from both Headquarters and the field because they both get together with  
16 standards and approach, and the field has the technical knowledge and savvy that pulled it  
17 together so we can put together, I think, the right board. But, it is a joint effort.

18  
19           Does anybody have any information that conflicts with that? (Pause.)

20  
21           Okay. When we get down to the other end, which is contract administration, and if  
22 Paul Golan is here, I just wanted to raise up and say, gee, it seems when you get to that box, all  
23 you really need to do is administrate the contract as identified in the contract. And provide  
24 oversight as you described in the contract. But, there is an area that Paul Golan has been doing  
25 quite a bit of work. I think he was -- he has been doing a lot of work in that area and I think he  
26 would like to share his observations with you either today or some other time.

27  
28           That is sort of the groundwork, the background that Charlie Dan had when he started  
29 his project and what I have is his high level function, functional breakdown that he submitted for  
30 his Critical Decision Zero on just what he is going to do. If Charlie were here, I am sure he  
31 could now tell you what he has been doing in each of those areas.

1           One is, he wanted to review the contracting process itself. He was going out to review  
2 contracts in progress. In other words, here is a contract, it is at a site, the contract says we  
3 should be doing certain things from the Government's side, assessing the contractor, are we  
4 doing that?

5  
6           His second area was the EM Business Model and that is driving toward, gee, are we  
7 really competitive in the environment that we are working in? Maybe that is a phantom we are  
8 pursuing because we think we are not and that is some sort of rationalization on why we are not  
9 getting the performance we should. Maybe we will find we are competitive.

10  
11           MR. AJELLO: Joe, a question about this being a competitive matter.

12  
13           MR. NOLTER: Yes.

14  
15           MR. AJELLO: You outlined in the beginning that you felt you were competing with the  
16 Hazardous Waste Sector.

17  
18           MR. NOLTER: That was the area we were in, yes.

19  
20           MR. AJELLO: Right, right. Aside from the general statistics about the volumes of  
21 contracting services in Hazardous Waste, is there any indication about the fee structures and  
22 how this program sort of comes out as a comparable in terms of the way it administers these  
23 contracts, sets the performance fees and so forth?

24  
25           MR. NOLTER: That question has been raised. We don't know the answer. And we,  
26 I don't know that we are even off the ground yet in trying to get the answer. When we have  
27 had discussions with certain contractors, you get some feedback, that, well, we are not  
28 competitive, but, you know, that is posturing. You are always concerned about, is someone  
29 just trying to posture and say, "Well, of course, I will take more fee if you will give it to me." To  
30 getting an objective assessment in that area, we are concerned about it and would ask that  
31 maybe your perspective on it, even if it is not the answer, how to go about getting that answer  
32 would be appreciated.

1  
2 MR. AJELLO: Yes, perhaps we can help on that.  
3

4 MR. CUNNINGHAM: There are some things that we do know. We do know  
5 responding to a request for proposal is a very expensive process. If you are talking a large  
6 DOE program, it will cost a million or maybe several million dollars for that proposal. Even on  
7 smaller contracts, you know, if you are trying to attract small businesses, most small businesses  
8 can't do too many \$100,000.00 responses to request for proposals. So, we do know that just  
9 responding to the process we put in place is very expensive. You can't afford to lose too many  
10 of those.  
11

12 MR. NOLTER: One of the objectives of this feedback process was, as Woody said,  
13 the sensitivity to how much money it costs for a small business to put together a credible,  
14 respectable proposal and also how much money it costs for a large company to put together a  
15 credible, respectable proposal, competitive proposal. We found that there really was a  
16 decoupling. The fact that a company can spend a million dollars on a proposal, small business  
17 can spend more than you really think they could. And when we get into the process and say  
18 well, we are going to make the award on the first of December. And now, well, we can't do  
19 that, we are going to extend that, we are going to make it the first of February. I mean, I have  
20 bid on those red teams where the person in charge of that just cringes and said, "Ah, I have got  
21 to keep the team together for another month." And you know when you have those teams, you  
22 are pulling some high priced people because you really want to get a good proposal. You have  
23 got to keep on the payroll for another month or otherwise they are gone and now you can't  
24 respond.  
25

26 The sensitivity that, a change to the process, a delay of the award time, what does that  
27 do to competitors, we found that there was - very rarely did we find understanding of what that  
28 did to the contractors. And then someone says later on, "You wonder why we don't get a lot  
29 of small businesses to compete for our contracts," well, you run them into the ground in the  
30 proposal process. Okay. So, that is one of the areas that Charlie Dan is looking at.  
31

32 The other area is fees. Are the fees in line with the work, with the rest of the work

1 environment, the marketplace where EM exists? Contractor training, going back into just what  
2 is the best way to get performance based contracting as a core competency for the Office of  
3 Environmental Management?

4 And the last area is EM Selection Boards. What is the standard? What should the  
5 competencies be? What should the prerequisites be before the Selection Board gets put  
6 together? Trying to respond to all of those areas that were identified in the Top-to-Bottom  
7 Review.

8  
9 MR. AJELLO: Question about fees.

10  
11 MR. NOLTER: Yes.

12  
13 MR. AJELLO: We may not be able to have a completely open conversation about  
14 this, because I realize that the Government has an interest in keeping some of this confidential,  
15 certainly the contractors require it to be confidential.

16  
17 MR. NOLTER: Yes.

18  
19 MR. AJELLO: But, in general, is there typically a performance fee as a function of  
20 accelerated time completion in these contracts? In other words, if the program's objective is to  
21 close the site sooner or to demolish a facility sooner, or to remove waste sooner, is there a  
22 performance fee hanging in the balance relative to that kind of goal traditionally in these  
23 contracts?

24  
25 MR. NOLTER: The answer is yes. And we can, for contracts that have already been  
26 issued and proposals, we can - and maybe a future date, get some of those curves out and  
27 show you exactly the mechanics of how was it incentivized. [Show you] how was faster closure  
28 incentivized. Were there any, "Well, we could do that, both for the actual work scope, getting it  
29 done, and acceleration in costs." Getting it done cheaper is also incentivized.

30  
31 MR. CUNNINGHAM: But, we should also add that not all the contracts we looked at  
32 achieve that. In other words, we found in some cases the wrong things were incentivized. As

1 we talked a little bit about yesterday, we also found that if you look very carefully at the cost  
2 and the schedule in many cases, the incentives were not designed to do what we said we  
3 wanted to do. And in fact, a number of contracts are being modified now because of that.  
4

5 MR. NOLTER: I won't read this entire chart, but, this was some of the --; we are not  
6 waiting for Charlie Dan's project to finish before we start improving our contracting approach.  
7 I mentioned the other day there are targets of opportunity that are coming up. These are some  
8 of the issues that we think were addressed in the Mound request for proposal that was put out.  
9 The award should be made sometime in December, I think is what the scheduled date is.  
10

11 But, the Top-to-Bottom Review area has fully defined performance goals. We really  
12 tagged that and tried to tag that into writing the Statement of Work as a fixed price contract,  
13 forcing ourselves to go through a WBS format and driving it down to where we were as crisp as  
14 we could. Allowing the contractor to bring in their problem solving abilities, the concept was  
15 identify the end, identify the initial conditions, what will you find when you go out to the site and  
16 identify the end state and how you get from A to B is up to the contractor. There are some  
17 safety standards and some other standards along the way, but, the approach is up to the  
18 contractor.  
19

20 Identifying Government Oversight. The intent there was actually develop a Government  
21 oversight plan, where the Government says this is exactly how we will provide oversight. That  
22 gets laid out and that is the first deliverable of the contract. It is from the Government to the  
23 contractor.  
24

25 Uncertainty in the work scope is acknowledged by the Department of Energy. There  
26 were areas that, of contamination, that were uncertain. Those were identified and the  
27 contractors were asked to, within their proposal, submit their approach for managing that  
28 uncertainty.  
29

30 Consider the contractor as the primary customer. There was the traditional pre-  
31 proposal conference, which lasts a half-day, where you go through the slides and here is what  
32 the scheme is. It lasted a week. Rather than, you know, stretch a half-day into a week, it was,

1 we went through the classic sit down, here are the curves, here are the incentives. The rest of  
2 the week was spent with the client, the Department of Energy, taking the potential customer, the  
3 contractor, through every building at every remediation site, at every utility that had to be  
4 removed. So there was a clear understanding by the contractor of exactly what the  
5 Government wanted. And that is what took a week, all of the tours. And there is more detail,  
6 but if you want more detail on the specific contract, we can do that.

7  
8 I think that wraps up where we are headed in getting more performance from  
9 performance based contracting.

10  
11 MR. AJELLO: What was the reaction of the contracting community to this particular  
12 procurement effort given that you, as you said, you departed some from the past practices in  
13 order to evolve a new model using Mound as an example? What has been the reaction?

14  
15 MR. NOLTER: We haven't canvassed that. I have been contacted by two contractors  
16 who competed on it, and they said it was the best proposal they had seen because it clearly laid  
17 out exactly what the Government wanted, when it was crisp and where the Government didn't  
18 know what it wanted, we don't know what the contamination level is here, that was identified.  
19 And it is treated, it was a fence built as part of the risk approach. This is a risk that the  
20 contractor will probably take, how do you propose we handle it?

21  
22 DR. LOEHR: Let me have a sense of what happens during change. I am used to the  
23 Superfund process where if you have to have a change, it is excruciating because not only do  
24 you have to get the regulatory authority approval, but frequently you have to get it out for the  
25 public's review and every tweak has to be a really excruciating change. What do you have to  
26 go through some place along the line where there is an obvious need for change? How fast can  
27 change take place?

28  
29 You find more rock or you find a problem, whatever it is that was just not observed  
30 before or take it on a positive side, somebody says, you know, there is a better way to do that,  
31 but I need to change something in the contract? How fast and what are the steps that cause  
32 change in those situations? Can you give me just a perspective? I don't need it detailed.

1  
2 MR. NOLTER: I personally have seen at different sites, places, where those changes  
3 take weeks; baseline change proposal, we want to do it this way, we want to change the  
4 technique, ship it a different way. It takes weeks and it becomes totally demoralizing.

5  
6 DR. LOEHR: Right.

7  
8 MR. NOLTER: I have seen others where the, where the standard for, the corporate  
9 standard has been set, is that this change will be, we will have an answer within two days or  
10 three days. And you just force the system to respond. That response to changes was one of  
11 the items, when you get into the details of the Mound contract with Government services and  
12 items, this is what the Government will provide to the contractor. One of those areas was  
13 answers to your questions. The contractual -- The contractual commitment was answers will be  
14 provided within seven days, seven calendar days. So, that is a limit, that is a contractual limit  
15 and you would, so that was recognized as one of the issues that needed to be improved.

16  
17 MS. SALISBURY: I have got a question. I am just curious if you could describe what  
18 it was like for DOE up-front to make all these changes because it required a lot of work to go  
19 into developing this RFP and make sure that the scope of work was appropriate, etc., etc.  
20 What sort of the reaction of DOE employees were to these changes?

21  
22 MR. NOLTER: I have been advised by my counsel not to answer that question on the  
23 grounds that it may incriminate me. I think, it was painful. It was very painful. Because it was a  
24 change. It was extremely painful in the statement of work area. What do we know about this  
25 building? Well, we know it is contaminated. What are the contamination levels? Well, we have  
26 to dig out the survey documents. Well, let's dig out the survey documents. What are the kinds  
27 of contamination? Well, it is the --, the contractor can do that. The answer is no, we ought to  
28 put that in the proposal. We ought to tell them exactly what we know. And it was, I say it was  
29 painful because that was a change. There is a tendency that in a cost reimbursement contract,  
30 we will give you the notion of what we want done. As long as it is an allocable and allowable  
31 cost, we will reimburse it, and we will work on fee. And that has been the momentum that has  
32 been building all of the years and when you change that, it was difficult, because the system was

1 not set up to support it. It was a real challenge.

2  
3 MR. CUNNINGHAM: I think you continually run into the issue of being told, "Well,  
4 look. We are doing what we are required to do by the federal acquisition regulations. And you  
5 are asking us to do things that are not required. And why should we do that?" So, you run  
6 into, I think, it is just like any change. Any time you run into a change, there is resistance to the  
7 change.

8  
9 MS. SALISBURY: You started a lessons learned sort of process, so that, the next  
10 time you go through this you will -- I mean, are you -- is there a way to capture some of the  
11 good things that came out of this and sort of the negative things that came out of this? That you  
12 are doing that, I mean is there -- In a formal way, I guess.

13  
14 MR. NOLTER: The answer is yes, and I don't know the details. The chairman of the  
15 Selection Committee, Frank Sheppard is the individual who is doing that. But, so the answer is  
16 yes. The details I would have to get Frank involved to tell you what they were.

17  
18 MS. SALISBURY: Mr. Chairman, I think I would be interested in just knowing what  
19 they are, just for the purposes of whatever we choose to do, it might just be helpful in this one  
20 example in trying to really change how DOE does business to get --

21  
22 MR. AJELLO: I think this whole area of contract practices, we may be wrapping up  
23 the session now.

24  
25 MR. NOLTER: Yes.

26  
27 MR. AJELLO: Is, is a paramount awards the program. I can't imagine, although we  
28 haven't discussed it yet, we will discuss it about, oh, 12 o'clock or so, I guess after we hear  
29 from the others. This won't be in the significant areas of interest that we will have in the follow-  
30 up areas. So, I think we will certainly get the information. And I can imagine this will be one of  
31 the focus areas that we follow up on after the meeting.

1           Woody, who would you like to see next coming on the program? We are going to have  
2 to change the order a little bit as a result of Paul not being here.

3  
4           MR. CUNNINGHAM: Why not, Christine. Are you prepared?

5  
6           MS. GELLES: Yes.

7  
8           MR. CUNNINGHAM: Okay. Christine, would you tell the group a little bit about your  
9 background?

10  
11           MS. GELLES: Yes, do I need the microphone? (Pause.) Can I just hold it? (Pause.)  
12 Yes, I will just hold it.

13  
14           [PRESENTATION BY MS. CHRISTINE GELLES]

15  
16           MS. GELLES: My name is Christine Gelles. I am officially with the Office of Site  
17 Closure with EM, EM-30. I guess my position of record is with the Rocky Flats closure  
18 project here at Headquarters. I started my assignment as the project manager for the corporate  
19 project on Spent Nuclear Fuel Disposition in August of this year. I have been with the  
20 Department for a little over nine years. The first six years were spent in the Office of Chief  
21 Financial Officer. I was the budget analyst for the Department's Environmental Programs.  
22 Certainly it involved EM doing the entirety of that tenure, but I also worked on the Civilian  
23 Radioactive Waste Management budgets and the Environment Safety and Health budget. So, I  
24 feel like I have a pretty good handle on, at least at some level, the content of the programs that  
25 are directly involved in Spent Fuel Disposition.

26  
27           I am using slides that I have used for a couple of other purposes, so, the content, it may  
28 be a little bit sterile, and I certainly encourage you to ask questions if you want me to elaborate  
29 on any of the details.

30  
31           This slide was initially constructed to address the American Nuclear Society down in  
32 Charleston, South Carolina in September just to explain really why we have a corporate project

1 on Spent Fuel Disposition. The bottom line is our challenge as a department is pretty complex.  
2 And there is a lot of money at play here. We have got about 12 billion dollars over the next 35  
3 years that the Department is going to spend. And that includes the direct management costs of  
4 spent fuel here in interim storage configurations as well as prorated share of the costs of the  
5 repository allocated to just that portion, the projected inventory of DOE spent fuel that will go  
6 there. You can see from the parentheses, the lion share of that is EM's current mortgage; or, is  
7 a portion of EM's current mortgage. For that reason, we are probably most incentivized to  
8 influence some changes in the way that we are doing business.

9  
10 These activities ultimately will result in disposition of DOE spent fuel across four  
11 program offices, at least six major sites, various other facilities and a diverse collection of  
12 contracts that are structured in different ways. Some incentivize performance and progress,  
13 some do not. In some cases the values driving the performance of the programs are not exactly  
14 consistent. We are finding that it is that issue, the differences between the priorities of programs  
15 and contractors and specific field offices that makes this challenge as difficult as it seemingly can  
16 possibly be.

17  
18 There is a lot of interdependency, though, both internal and external. We have inter-site  
19 and inter-program dependencies. We have international dependencies that really refer to the  
20 Foreign Research Reactor Program, which is a non proliferation driven program that right now  
21 EM manages. In fact, they are going off and trying to recover enriched uranium that we had  
22 sent to Foreign Research Reactors for research purposes.

23  
24 It also has an impact on the commercial utilities. Certainly anything that we would do  
25 that impact the timing or the through put of the repository opening and operating would certainly  
26 impact the commercial utilities and their need to continue to store material longer than previously  
27 or currently anticipated.

28  
29 We have very complex political, regulatory, and statutory drivers. The Nuclear Waste  
30 Policy Act clearly defines the way RW, the Office of Civilian Radioactive Waste Management,  
31 plans and proceeds with their plans for the repository. We have regulatory enforceable  
32 agreements at the major sites that drive the way EM manages and prioritizes spent fuel

1 management and shipping activities.

2  
3 And now we have got shifting political influences on the program that we are still, I  
4 think, working to figure out what the impact will be on our collective programs.

5  
6 It is a dynamic program, and this is what I have learned over the last four months, since  
7 my assignment, is things are changing and they are constantly changing. And since they are not  
8 all under the direct control of EM, it makes it very difficult for us to be responsive to some of  
9 these changes. At the same time we are trying to drive change and again, since it is not all in our  
10 control, we need to really develop formal tools to bring the two programs together, and to  
11 anticipate the potential impacts will have on one another. And I am speaking kind of some high  
12 level here, so if you need me to bring this down to more concrete examples, please let me  
13 know.

14 There has been a whole lot of review about this. The easy thing in terms of my  
15 assignment here, is I think every aspect of this program has been analyzed at least three times.  
16 Every possible option or issue that we are taking up, has been evaluated and I think even  
17 recommended to some extent and in some cases, dismissed. So, what we are undertaking as a  
18 corporate team, is not really new business. We are not coming up with any groundbreaking  
19 technology breakthroughs. We are not coming up with any really unheard of management  
20 approaches. It is really an exercise in discipline project management and integration. With that  
21 said, it doesn't seem to be very easy. I mean, it is a very complex undertaking.

22  
23 MR. AJELLO: A quick question about the first point on the slide.

24  
25 MS. GELLES: Sure.

26  
27 MR. AJELLO: How, can you explain this concept of mortgage? Does that imply that  
28 this is the fixed cost of the program and that will be paid in any event, no matter how this  
29 program goes?

30  
31 MS. GELLES: Certainly a portion of it. I mean, there is a cost. It takes significant  
32 dollars simply to interim store the DOE spent fuel that we have in inventory. There is not a

1 significant amount that is continually to be generated. It is actually, probably on the order of  
2 about 20 metric tons total, heavy metal that we project would get generated from the Domestic  
3 Research Reactors or be recovered through the Foreign Research Reactors Program before it  
4 is --, that program completes. I guess it is authorized through 2009 at this point. So, basically  
5 the inventory exists and we just have to manage it, store it.

6  
7 See we have storage and wet basins in Savannah River, both dry and wet storage at  
8 Idaho, and we are in the process of moving from wet storage at Hanford. As I think most of  
9 you are probably aware, removing the end reactor fuel from the K-Basins and putting that in  
10 stable, safe, dry storage.

11 MR. AJELLO: So, this is not an area where waste reduction can occur? Or, is it an  
12 area of where waste reduction can occur?

13  
14 MS. GELLES: Not directly. I mean, again, the inventory exists and we have to  
15 manage it. The question of how cost effectively we store it, or how cost effectively we ship it  
16 and ultimately place in the mountain are factors where we can accelerate schedule and maybe  
17 reduce overall cost.  
18 Some of --, there are a couple key treatment decisions that have to be made that would have a  
19 waste stream coming out of it that are produced, that there might be some waste reduction  
20 opportunities. For instance, sodium bearing fuel is planned for either electrical metal treatment  
21 or some chemical treatment that could potentially create a high level waste stream. If we were  
22 to process materials through the canyons at Savannah River, effectively you are creating --, you  
23 are eliminating the spent fuel and creating high level waste. So, I mean, we have some  
24 programmatic decisions we have to make. Is it better to disposition these materials as fuel or as  
25 high level waste? And that is largely why Joel Case's project, the high level waste corporate  
26 team and my team need to carefully, very carefully integrate and make sure we are working to  
27 the same values and priorities.

28  
29 MR. AJELLO: Thanks.

30  
31 MS. GELLES: These are actually words from the CP-T package, the mission need  
32 statement that was ultimately approved by Jessie in mid October. The EM program right now is

1 a collection of individual site strategies. Effectively they have, the sites have been allowed to  
2 determine their own priorities. We have, I think I explained or referenced different strategies for  
3 the storage of material. We have different strategies for the treatment of material. And while  
4 there is a very comprehensive network of NEPA documentation that has been done, that really  
5 ties it all together, by and large the sites have defined their own priorities and spent fuel was not  
6 necessarily the top priority at all three of the sites. Not necessarily that it should be.

7  
8 As we develop the accelerated clean up plans, the sites obviously took on the challenge  
9 of figuring out a way to complete their mission sooner and in a cheaper cost and to accelerate  
10 risk reduction. And as they were doing that, in somewhat, I don't want to, this is not intended  
11 to sound as negative as it may come out, they did it in isolation effectively and sort of with  
12 unconstrained assumptions. And what we are finding is that the ensuing programs result in some  
13 differences and they are not necessarily compatible with one another and they are certainly not  
14 compatible with the current baseline planning that RW is relying on in their conceptual design for  
15 the surface facilities that are planned throughout at the repository. So, what we are faced with is  
16 that things have actually come a little bit more denigrated than they were before. And we are  
17 struggling to find the ways and the opportunities to bridge the gaps, align the programs, and at  
18 the same time figure out mechanisms to further accelerate the EM programs.

19  
20 There is good news in that there does not appear to be any urgent environmental risks  
21 that have not been addressed, identified and addressed. This is really, again, a task of  
22 identifying the programmatic risks and the opportunities for further acceleration.

23  
24 What ultimately is needed, and thus the title of my project changed from Managing  
25 Spent Fuel to Reduce Risks, to being Integrated Risk Driven Disposition of Spent Fuel. We  
26 need an integrated corporate strategy for spent fuel disposition that considers, that defines  
27 clearly collective values to drive our activities, that are based in DOE value, you know, EM's  
28 values may not be compatible with RW's. RW's interest may not be compatible with EM's  
29 accelerated clean-ups. We are trying to come up with a precious few values that are common  
30 and can collectively drive our programs.

31  
32 We are basically going about to refine or redefine EM's mission in spent fuel. We are

1 looking to develop a couple of key tools that will help us, but it gets back to some of the stuff  
2 that Joe was saying. It is about scope definition. It is about defining the scope clearly. What is  
3 EM's responsibility for spent fuel management? It is possible that some of the things we are  
4 doing related to spent fuel are not really consistent with our refined focus of accelerating clean-  
5 up and accelerating risk reduction. And to the intent that there are those things identified, we  
6 are going to recommend maybe a realignment of management responsibilities within the  
7 Department. Perhaps, those responsibilities are better suited with another program, be it RW  
8 or Nuclear Energy.

9  
10 We are going to align our values. We are going to develop the discipline tools  
11 necessary to integrate. We are going to identify using those tools, additional opportunities for  
12 acceleration or programmatic risk reduction. And ultimately we are going to offer a strategic  
13 plan for realigning all of DOE wide, all of our management responsibilities.

14  
15 Our major deliverables, the key programmatic tools, project management tools, are an  
16 integrated map of all of the spent fuel activities and integrated project schedules; that that is  
17 actually in scheduled space takes the Savannah River spent fuel activities, the Idaho spent fuel  
18 activities, integrates them, defines the logic ties between them. Those at Richland, those spent  
19 fuel generation activities in Nuclear Energy, Naval Reactors and [Office of] Science and  
20 ultimately the repository construction operations.

21  
22 We have spent the last month looking in detail at RW's conceptual design for the  
23 surface facilities and the project throughput and analyzing that as a constraint against the current  
24 shipping rates that the EM's sites are anticipating and hoping to execute in support of their  
25 accelerated clean-up plans. And we are finding a very major disconnect. They just don't  
26 match at all. So, identifying the opportunities to address that are key.

27  
28 Integrated bases of estimate, which is going to draw on both the activities and the work  
29 breakdown structure, will be used sort of as the basis for our cost benefit analysis. I think it will  
30 be a very valuable tool for both Jessie, Margaret Chu, who heads the RW program, and  
31 ultimately the Undersecretary to make some tough decisions. Would an increase in capital costs  
32 at the surface facility in RW's budget be worth it in terms of the savings that we would have in

1 reduced storage on the EM site because we are shipping the materials sooner, for example.

2  
3 We will ultimately have an integrated programmatic risk analysis. A very clearly defined  
4 decision analysis or decision making methodology is going to be a key part of my CD-1  
5 package that will be submitted in the next month. And then again we will have some options for  
6 possible realignment of responsibilities.

7  
8 I believe my project will be done when a corporate strategy is delivered and accepted  
9 by DOE management. I am committed to then sort of staying around long enough to ensure that  
10 any necessary baseline changes or contractual adjustments are implemented in order to align  
11 with the corporate strategy that is approved. A project schedule, a project tool will be  
12 developed and then used. And I hope these tools will be institutionalized in some degree to  
13 guide and sort of ensure alignment in future years. And a strategic plan is submitted to the  
14 Secretary.

15  
16 I ask that you view this slide with a little bit of caution. These are truly a list of analytical  
17 sub-projects. This is the way that we structured our project team, which incidentally, is truly  
18 integrated. I have an assistant project manager who is an RW employee. And we have  
19 representatives from each of the major EM sites, Nuclear Energy, Yucca Mountain, at the  
20 actual, in Nevada. The head of the National Spent Fuel Program, which is currently funded by  
21 EM and then several staff from the EM-21 office. It is Patti's [Bubar's] organization. There is  
22 about 12 of us. And that is intended to give, to make sure that every party who has a stake in  
23 spent fuel disposition has a hand in the development of this corporate strategy.

24  
25 Their activities for the duration of the project are organized into sub projects. This is  
26 not an exhaustive list, but, these are issues. They are potential areas of evaluation, they are not  
27 decisions. So, some of them may seem problematic to maybe some of the people in the room.  
28 So, these are not decisions.

29  
30 Just to highlight a couple. We are evaluating why we plan to canister fuel and what that,  
31 whether it is truly driven because we have to do it or if it is an over conservative approach, if it  
32 is technically needed for transportation purposes. In some cases it is and some cases it may not

1 be. What we are finding, though, if the fuel is received there at the Mound, obviously that  
2 would have an impact on the throughput, at the rate of which RW can process the fuel. So, we  
3 are trying to evaluate by fuel type, whether canisters are truly needed or not.  
4

5 Dry Storage Project At Idaho. There is a major capital investment planned up there as  
6 well as the capital investment needed at each of the major EM sites. We are looking at  
7 ultimately what scope is required and the timing of those construction projects. As I mentioned,  
8 there are a couple of technical issues related to the treatment of aluminum-based fuel, why we  
9 need to treat it, what treatment form is needed, if in fact treatment is necessary for placement.  
10

11 I won't belabor all of these, if you have any specific questions about them. But, it is just  
12 basically intended to give you a snapshot of type of analysis that we are looking at.  
13

14 MR. WINSTON: The last one you mentioned, the last one down here is NEPA.  
15 What are the NEPA issues that –  
16

17 MS. GELLES: Well, there are a couple. And I am sorry, I forgot to mention that Eric  
18 Cohen is on my team as well. He is from the NEPA office in ES&H. The PMPs that were  
19 developed by the sites identify assumptions that would require some potential amendments to  
20 Records of Decision, if ultimately those decisions were decided. So, we have got some near  
21 term aligning or revisiting our NEPA documentation to implement the accelerated clean up  
22 plans. But, I caution that because it is possible that we may revisit some of those, some of those  
23 decisions or some of those recommendations that are in the PMPs.  
24

25 Transportation - the rate at which we transport, ultimately the form of which we  
26 transport. Broadly, the transportation infrastructure was evaluated by RW in their EIS for  
27 Yucca Mountain and they have got a plan record of decision that will determine the corridor.  
28 And then they have a follow-on EIS to determine some of the specificity of their transport  
29 routes. But, if we determine, if we were to decide not to ship fuel between EM sites, that, for  
30 instance, might trigger some additional analysis.

31 MR. WINSTON: But, for the most part, you are trying to assure that you have NEPA  
32 coverage for whatever decisions you are making along the way?

1  
2 MS. GELLES: And I am very confident that the range of analysis that has been  
3 completed to date covers nearly every possible option we are evaluating. And I am certain we  
4 have the coverage to conduct this analysis. And as we refine or develop our corporate strategy  
5 and ultimately propose it for formal implementation and approval, you know, we would, if there  
6 was the need for additional documentation or amended we would obviously complete that prior  
7 to a decision being made.  
8

9 MR. WINSTON: Just following up or maybe moving into a slightly different direction, I  
10 do agree with your assessment that, I mean, this is a well studied area. There is lots of  
11 information available and it is integration of that. Off the top of my head, it would appear to me  
12 that you have less sort external needs at this point. You kind of need to go about your work of  
13 getting it together. And one of the things this Board is looking at is how can it be helpful.  
14

15 Is there anything that you have identified where you are really struggling in terms of  
16 looking at your project? My sense is just from hearing your presentation and what I know  
17 about, you know, the subject matter, it really is sort of a methodical approach going through  
18 pulling the pieces and parts together, putting it under an umbrella that, you know, takes into  
19 account all of the information and that at least at this juncture, you haven't identified major  
20 needs, external needs?  
21

22 MS. GELLES: I don't believe there are. Now, that is not to say that there won't be  
23 any. I think it is possible, we are probably about two months from really knowing where we  
24 need some help. I think right now we, it really is a case of methodically working through and  
25 trying to understand what is driving the current plans and where a deviation from those plans to  
26 make them more consistent - or to be more aligned with EM's priorities, where changes are  
27 needed, before I would know if we need some, you know, key technical help from you, guys.  
28 And that is no disrespect intended. It just really is a case of defining the core values and aligning  
29 ourselves and making sure we can sufficiently anticipate what the impacts would be either in  
30 schedule or cost to the other programs. Okay. Thank you.  
31

32 MS. SALISBURY: Christine, I have got a question for you.

1  
2 MS. GELLES: Sure.

3  
4 MS. SALISBURY: I am sure what you are doing to succeed is so critical that the  
5 integration piece work. And you described that there are four other programs - I think you said  
6 four other programs that are part of what you are doing. And yet, this project is so EM driven.  
7 I understand from what you have said that you have got team members from other parts of the  
8 DOE complex and organization. I guess I just want you to assure us that there is going to be  
9 integration, because I can just see EM adopting all of this and even the Secretary adopting this,  
10 but they are not really getting buy-in from RW or from the other parts of the structure. And  
11 because it is, this is probably perceived as a very EM driven type of project.

12  
13 MS. GELLES: It is and that is, it is probably the biggest challenge that I have is  
14 creating energy in the other organizations and sort of making them trust me such that ultimately  
15 we have corporate values in mind. And I believe very much that Jessie understands this and is  
16 supportive of this approach. That is why the project management tools are so key. We need to  
17 objectively evaluate the issues that we are looking at and the proposed changes, the elements of  
18 the corporate strategy that we are developing. Objectively, in agreed upon values and  
19 measures for risk reduction, for whether it is technical, whether it is reduced work or exposure,  
20 whether it is increased project confidence, whether it is reduced programmatic risks, you know,  
21 we need to ensure that RW agrees with those values that are identified and the decision logic  
22 that is going to be used to propose recommendations. They need to be brought into the metrics  
23 that underlie our cost benefit analysis as well. And it is, it really is sort of the key, the key  
24 element, if we take, if we recommend a strategy that saves EM, but ultimately cost the  
25 Department. I believe I will have failed as the project manager for this project. So, you know,  
26 we are proceeding very carefully to ensure - and may certainly be right now - it is the EM focus  
27 that is driving all of this. But, ultimately it is the good of the Department that is our end  
28 objective.

29  
30 MS. SALISBURY: Yeah, and let me just point out another reason why it is really  
31 critical, is that it is good for the public. The public doesn't see you as two separate or four  
32 separate entities. They see you as one department. And they see all, you know, everybody is

1 government whether it is state government or the federal government and it just drives  
2 everybody nuts. And I, you know, I know this is not rocket science and you, guys, are aware  
3 of this, but, when you look uncoordinated or, it just, you just, government just looks stupid and  
4 there is no reason for that.

5  
6 MS. GELLES: Which again comes back to why this is an exercise in project  
7 management. It is really about building the tools that will bring the formality and the structure to  
8 that, such that maybe we can help address that perception.

9  
10 MR. CUNNINGHAM: I would just add that, Bob Card recognizes what you say. It  
11 is for the first time, I think the Department is beginning to understand that the spent fuel is not  
12 EM material. This is DOE material. And which is one of the reasons that I think Christine is  
13 beginning to make some real progress along these lines.

14  
15 If we could just revert to the schedule, Jim. Patti Bubar is here now, and Patti is  
16 Jessie's Deputy for Integration and Disposition.

17  
18 Patti, we have been asking people to tell a little bit about their background before they  
19 start talking.

20  
21 MS. BUBAR: Okay.  
22

1 [PRESENTATION BY MS. PATTI BUBAR]

2  
3 MS. BUBAR: I hope you don't mind, I wanted to sit here because I am not going to  
4 give slides. So, all these slides that you had in your briefing booklet, you can breathe a sign of  
5 relief. You are not going to have to listen to me for 45 minutes going through 45 slides. But, I  
6 wanted to give those to you as reference and then talk a little bit about what my office does.

7  
8 But, as Woody said, my office is the Office of Integration and Disposition. It has been  
9 an office for maybe four or five years. I think when Carolyn reorganized, Carolyn Huntoon  
10 reorganized, she created it. And I am going to talk a little bit about its function. I personally  
11 have been at the Department for about 11 or 12 years and basically doing integration in one  
12 form or another, either by, you know, working in one particular waste type area or another.  
13 But, generally working with the sites. Prior to that I spent about 13 years at the Environmental  
14 Protection Agency. My background or my degree is in Environmental Engineering, so, I have  
15 always worked for the Government in honor of protecting the environment in one form or  
16 another, or at one side of the table or another.

17  
18 And what I wanted to talk about a little bit today is what we do in the area of  
19 integration. But, part of the reason I wanted to have this kind of discussion with you or at least  
20 put these points out on the table, is I feel like I need help. I think you guys can personally help.  
21 Particularly in the area of integration, because there are so many changes going on. But, also as  
22 Christine was referencing, there are just lots of different entities doing lots of different analysis  
23 and discussion and at times it does get personally overwhelming. And so any advice you can  
24 give would certainly be helpful.

25  
26 I guess in many respects the name of our organization, Integration and Disposition  
27 somewhat says it all as far as what we are responsible for. We look at disposition of all  
28 materials. Basically making sure that all the waste and materials sitting at these sites has a final  
29 resting place. And, particularly can get safely transported to that final resting place.

30 So, we look across the sites and ensure that the disposition issues are being identified  
31 and addressed. Also, what that kind of immediately gets yourself into is NEPA. Our office is  
32 kind of responsible for ensuring that the appropriate programmatic NEPA documents either

1 exist or are getting amended or supplemented or records of decision are getting amended to  
2 ensure that any changes that we make are being adequately addressed. Because, I think as we  
3 were talking with Christine's project, we have studied and studied and analyzed almost all these  
4 materials and waste types ad nauseam. So, we generally don't need a whole lot of new  
5 analysis. But, we do change our mind and we have to ensure that we are, you know, correctly  
6 doing that through the NEPA process.

7  
8 Do we do this alone? Well, clearly not. I actually spend about 90 percent of my day  
9 doing outreach, our outreach interface with other organizations other agencies. So, I feel like I  
10 am part of a team, but that team basically has membership from lots of different entities inside  
11 and outside of the building.

12  
13 So, I interact a lot of with our sister agencies, outside expert groups, groups that  
14 provide advice and analysis to the Environmental Management Program. So, I, our office,  
15 well, Roger Butler, who is our corporate financial officer, generally is the point of contact for  
16 many of the formal groups that we work with, which are stakeholder groups. But, generally it is  
17 our office that he would turn to, to actually do the programmatic discussions.

18  
19 So, we spend a lot of time interfacing with state groups, National Governors  
20 Association, National Association of Attorney Generals, State and Tribal Governments  
21 Working Group. And actually I think some of you are on some of those bodies. And we also  
22 deal a lot with those state groups in the area of disposition and transportation. So, interface  
23 with external regulatory agencies is something that my office is the vocal point for.

24  
25 I am also the primary liaison for the Nuclear Regulatory Commission and the  
26 Environmental Protection Agency. So, any policy issues associated with directions that they are  
27 going in or directions we would like them to go in, get coordinated through my office. And  
28 believe me, I spend an awful lot of time, particularly with NRC these days, but certainly with the  
29 Environmental Protection Agency also.

30  
31 So, some of the areas that we are working with the other agencies on, we are working  
32 with NRC on decontamination and decommissioning standards, certification of packages for

1 shipping nuclear materials. We are actually hoping that the NRC will become our certifier. We  
2 don't want to be in the business of certifying packages anymore. We want NRC to do that for  
3 us. We spent a lot of time pulling back, for safety and security reasons, sealed sources that are  
4 sitting out at NRC licensees, that generally ended up there because of DOE programs in the  
5 past. But, right now after September 11, somewhat represent a security threat, so we work  
6 with the NRC very closely to put those sealed sources into safe storage, but they are at NRC  
7 licensees so it requires a great liaison with them.

8  
9 We are working with the NRC on standards for scrap metal release. The NRC has  
10 decided that they are going to do some rulemaking in this area. We programmatically have a  
11 need to get a policy decision made on whether we will or will not recycle contaminated  
12 materials, so we obviously want to work very closely with them.

13  
14 And with the EPA, we consult regularly on new standards and processes that they are  
15 considering or we would like them to consider. Marianne Hrinko, over in the OSFR Office  
16 really has some great initiatives under way that I think, you know, we want continue to work  
17 closely with her. And also help her understand as she is moving in certain directions, how that  
18 will or will not help our sites. But, also spending a lot of time just at the site specific level or  
19 learning from the interactions at the site specific level, how we are or are not building our  
20 relationships with the EPA, you know, at the regional level, trying to raise those issues up to  
21 Headquarters where we feel like we really have some things that are definitely broken.

22  
23 As I mentioned, I am the formal liaison for many of our advice and analysis groups. In  
24 fact, I apologize for being late this morning. Jessie and I were meeting with the National  
25 Academy of Sciences. We are nailing down the scope that we want them to help us with for  
26 this fiscal year. So, in-between National Academy of Sciences, an organization of universities  
27 that help us with risk advice called CRESP, I am the formal liaison for them. And those groups  
28 actually, it is a new scope that has been put on my place in the past couple of months. It is so  
29 energizing to have to step back and think about areas where we have to either re-orient  
30 ourselves or think differently and do some out of the box thinking. And it has just been so  
31 energizing to have to force myself to think about where do we have vulnerabilities that we need  
32 good advice on. Good technical advice, good relationship advice. And so, between CRESP,

1 the National Academy of Sciences, which both of those, I think have very good reputations, it  
2 has been a great challenge to identify some substantive work for them to help us with, so that as  
3 we are moving forward on making some of these policy decisions that Christine was talking  
4 about, that we can ensure that we are well grounded in science. But also understanding that in  
5 the area of risk, the communication and education absolutely becomes critical. So, CRESA can  
6 help us out in that area, too.

7  
8 I mentioned we are dealing with some of the state groups. We also have another group  
9 where we deal with the regulators, called the Interstate Technology Regulatory Council, ITRC,  
10 which basically has state agencies on it. And we have been working with them to look at  
11 breaking down barriers, reducing costs associated with technologies, mostly groundwater clean-  
12 up technologies. But, again, using that group and this is somewhat of a re-orientation, but using  
13 that group to help us understand when can technologies help us and when do we basically have  
14 to say, we have invested enough money, we are not getting anywhere, we need an exit strategy.  
15 It is time to move on. So, we hope that the ITRC can help us not only in those technological  
16 questions and areas, but, also, again, getting to this issue of relationships. Where we have  
17 particular issues where we just can't get there from here because we are either in lawsuits or we  
18 are basically not seeing eye to eye. You know, role of the regulator versus DOE.

19  
20 So, the folks who are, who we interact with on the ITRC, generally are the same people  
21 who would be sitting at the table with our sites, negotiating circular records of decisions. So,  
22 we are trying to kind of use them to do their job on a daily basis at the sites, but then also  
23 through these national groups, provide us some input on how we might be able to do better both  
24 at the site level and also at the national level.

25  
26 In the briefing package that I gave you, that was something that I presented to the states  
27 a couple of weeks ago, or the National Governor's Association a couple of weeks ago. If you  
28 flip through that at your leisure, you can see that this is just some examples in the area of nuclear  
29 materials and waste. What are some of the decisions and issues that we are grappling with to  
30 ensure, again, that from a corporate perspective, but certainly keeping at the site specific level,  
31 that we absolutely do have ways for our nuclear materials and waste to be dispositioned. But  
32 then also kind of keeping our eye on the ball with the project teams. Matt McCormick's team.

1 Christine's team. Joel Case's team. Who are basically, as well as Reinhard's, who are looking  
2 at the nuclear materials and waste and possibly rethinking how we might be able to do things  
3 better and more efficiently, making sure that, you know, we keep our eye on the ball that we  
4 have a problem to implement, but we are also have this group of people who are possibly  
5 rethinking how we might be able to do it better and in a more integrated fashion.  
6

7 So, I have been spending a lot of time interfacing. I personally have been spending a lot  
8 of time interfacing with Matt McCormick's team in the area of nuclear materials. My staff has  
9 been spending more time with Joel and Christine's teams to make sure that, you know, basically  
10 we build on the expertise that we have within the organization. But also, understand that these  
11 folks are charged with basically doing some different thinking and kind of keeping that  
12 coordination point is going to be important.  
13

14 And part of, I think where I play a role but also I think we are trying to figure out how  
15 to make sure I play an efficient role, is I have been the interface point with some of the other  
16 organizations within the DOE. So, with NNSA, with RW, on day to day program issues. I am  
17 somewhat of the formal liaison with those organizations. That doesn't prevent Joel and  
18 Christine and Matt from basically having to do what they have to do with the senior  
19 management there also to basically make sure that we are moving forward with those  
20 organizations, understanding where we want to go. So, it is kind of keeping that integration  
21 there where we don't confuse ourselves and we don't confuse the other organizations as to  
22 what we are doing today but, what we want to think about in terms of going places in the future.  
23

24 I think that is pretty much what I wanted to put out on the table. Oh, also just one thing  
25 and we talked a little bit about. At the National Academy of Sciences, I am also charged with  
26 kind of keeping an eye on the assets that the Department has invested in. And most of those  
27 assets are disposable facilities, Richland and Nevada Test Site are the two that we have  
28 identified as being regional disposal facilities, but, also treatment. We have made a major  
29 investment at Idaho in the Advanced Treatment Facility, and obviously a major investment at  
30 WIPP. So, my office is responsible for ensuring that corporately we are using those assets as  
31 wisely as is necessary. Making sure that we have clarity out to the sites in the form of guidance  
32 or policy on how and when to use these assets, making sure that we have integrated baselines

1 on the use of these assets; who is going to ship where and when and does it make sense. And  
2 sometimes the inter site shipment issues raise a lot of, sometime small P, sometime big P,  
3 political issues. So my office is generally engaged in working with the states to ensure that we  
4 have a good story when we want to ship something from one site to the next and the state  
5 doesn't want it to come. Make sure that we have a good story on why, from our perspective,  
6 we want to send it there as well as why we think from a NEPA safety security perspective, we  
7 feel that it is a good thing to go there. So, that ends up taking a lot of time, particularly these  
8 days on some shipments we are trying to make happen.

9  
10 So, that is it for remarks. I would love some dialogue or feedback. Tom, why don't  
11 you give some perspective on what you think I do or don't do or what you are confused on?

12  
13 MR. WINSTON: Well, this is the third meeting that Patti and I have attended and I am  
14 not sure how she gets it all done considering she does spend a lot of time at meetings and is a  
15 spokesperson for the Department.

16  
17 I guess and this really isn't a question, but just in terms of letting the Board know, that I  
18 am involved in a number of organizations that deal very directly with Patti. And we just had a  
19 meeting earlier in November, of the National Governor's Association Federal Facilities Task  
20 Force. And we have identified a number of projects that we feel are critical and we want to be  
21 involved in because we are involved in them already. Patti talked about some of the difficulties  
22 on the big P, little P, political arena over waste shipments. And the representative of the  
23 Governors clearly are front and center as the shipments are planned. So, in the one key area is  
24 the non high-level waste, non spent nuclear fuel waste management arena, which is low-level  
25 waste, mixed low-level waste, transuranic waste. And we have had some bits and starts in  
26 terms of some of those. Clearly, there are a lot of things that are going smoothly. But, there has  
27 been some bits and starts with some new campaigns that have been proposed and I think they,  
28 we, need to have better predictability, better communication. So, I would anticipate that the  
29 National Governors' Association is going to be, you know, very involved in that particular team  
30 and I would certainly be pleased to keep the Board apprized of those activities.

31  
32 The other ones, and this may not be a group of the whole, but high-level waste is very

1 important to a few of the states that are on the task force, but not necessarily all of them.

2  
3 A third area is the small sites and at this point we are still trying to find out and I am  
4 hoping today to learn more about really what the focus of that initiative is. It is less clear from  
5 my mind than some of the other ones.

6  
7 And then the finally one is the one we talked about some yesterday, which is the risk  
8 base in states and Dave Geiser's activities.

9  
10 So, this is a key area, I guess one of the things I would say is that Jessie has committed  
11 to a very ambitious schedule. She has shouted it from the rooftops. She shouted it on the Hill.  
12 And I would say in the area of Patti's domain, there are some downside risks if we are not  
13 successful in addressing these issues. And because waste shipments and inter site transfers are  
14 going to be needed and an integrated complex-wide approach is going to have to be articulated,  
15 sold, agreed upon, and not just, when you sell something you don't just talk, you also listen and  
16 so, there is a lot of listening that has to go both ways on that. So, it is a very tough area, and I  
17 don't want to say it is the Achilles' heel of the ambitious accelerated clean-up goals. There is a  
18 lot of work that needs to be done in contracting and other areas. But, it [integration and  
19 disposition] is an area that I feel very strongly that needs more attention and a more, I guess, big  
20 picture view point.

21  
22 Many of these efforts have been worked at the site level. And I have been in some  
23 where they have been worked, you know, in my state, it has sort of been worked on; at the  
24 other states, or group of states and at a medium level without necessarily having a really good  
25 overall objective and view point and that everything, all of those discussions are aligned together  
26 in a way that would maximize success. I don't know if you think this fair, but, there are some  
27 real benefits in that, and it is a very sensitive area politically because of the nature of what is  
28 being proposed. So, it is an area that I am certainly interested and willing to work on.

29  
30 MS. BUBAR: Thank you. Yeah, Tom and I have known each other for 10 years now,  
31 I think when we started on, with the Federal Facilities Compliance Act Task Force, and one of  
32 the growing up experiences I had to dealing with those state folks, is there is, you know, nothing

1 more educational than having to be accountable to the taxpayers. To basically stand up and  
2 explain what the Department is doing to some people who generally want to be supportive of  
3 you. And I just learned so much through that experience and through experiences like this, that  
4 sometimes when you just do your day to day job you think you are integrated, because you  
5 don't have time to step back and look at it all. So, the forcing function of having to basically  
6 explain the corporate strategy and make sure that you are honest and consistent with what the  
7 sites are doing is just an incredible learning experience.

8  
9 And I have to agree with Tom, I think probably over the past six to eight months, we  
10 have been most focused on making sure that we have site specific strategies for the performance  
11 management plans. I think what we heard from the states, which Jessie accepted the message,  
12 is that, you know, maybe it is time to kind of step back and try to look at it corporately.

13  
14 So, one of the first things we agreed to with the states is one of the first pictures we  
15 want to get out there and explain or not explain. Because, that sounds as if you going to defend  
16 it. Basically we have some dialogue on is the transgenic baseline. When you look out through  
17 the next five to seven years, every site that needs, that has some transuranic waste is somewhere  
18 in that baseline. I am not sure that we can clearly explain, or at least what we have put out to  
19 date, has clearly explained how we got sites prioritized on that baseline. What was the logic  
20 behind it, can we absolutely support that baseline? In the meantime there is some changes that  
21 are being thought of, how do they factor into the baseline? So, I think as we do that corporate  
22 picture on transuranics, we will learn a lot and then we are going to go through some of the  
23 projects as Tom mentioned, the specific ones that [we] have interest in. So, that will be a great  
24 experience.

25  
26 MR. AJELLO: I have a question [directed to Mr. Winston]. I mean, as you are clearly  
27 the most experienced on this particular area on the Board, what is it that we can do to be  
28 helpful? Is there an area of investigation in particular that comes to mind, given the status of  
29 Patti's program? Just how can we take this further, if at all?

30  
31 MR. WINSTON: I haven't thought a lot about that. I think that maybe that is  
32 something we can talk about this afternoon. I think that the challenge here is the blending of the

1 scientific, the regulatory and the political, in a way that makes sense. And I think we have had a  
2 hard time communicating the overall objective. And when I say “we” because, you know, all of  
3 us that are involved in this, it is not just DOE that is explaining this. We are all explaining it to  
4 our constituencies and I am not sure that we have necessarily looked at in a way in which we  
5 can articulate this in a way that makes sense.

6  
7 And there are fiscal implications as well. I mean, so trying to blend all of those and then  
8 be able to send a coherent message to anyone that would listen, I think we have struggled with  
9 that. And I don’t know if that is an area, I mean, I think, I wouldn’t expect this Board to be  
10 doing some heavy lifting in terms of technical analysis or evaluation. Many of these areas, they  
11 have been studied and studied and studied. We have a lot of information. But, how we can  
12 blend all of these competing or parallel interest together in a way that makes sense from a  
13 corporate standpoint, there may be something that the Board can do to add some broad based  
14 value to the decisions. So, I don’t know if that is helpful and if you have any thoughts on that,  
15 Patti?

16  
17 MS. BUBAR: Yes, actually I was thinking about something. Where my mind gets  
18 completely bogged down is how do you do a better job? Because as we said, you know, it  
19 isn’t that there is a lack of good information out there. But obviously through our actions in the  
20 past, through our, you know, regulatory commitments, through whatever, we have created an  
21 expectation. I mean, Jessie actually sometimes calls it a pipe dream. We have actually created  
22 expectations at some of these sites that we are going to do things that either technically or  
23 financially we are never going to be able to do. And, maybe they weren’t even the right things  
24 to commit to in the first place. But, if you kind of look at, okay, if you have as one of your  
25 foundations that basically you want to get to having a risk based end state and risk based  
26 decisions, what is the best way to ensure that? What is the best way to pull all that information  
27 together? What if you are really talking about not coming up with any new and incredibly  
28 innovative ways of doing things, they have all been thought about before, but we haven’t been  
29 successful at turning in that direction? So, you basically have to do a good job at getting your  
30 technical information together as to why it is okay to move in this direction.

31  
32 But, then also how do you clearly work with, you know, the constituents to help ensure

1 that they don't think you are just trying to do less clean-up? That you are really, you know,  
2 trying to basically ensure that the dollars that you have are used the most efficiently, and help  
3 ensure the message that we don't want to be in this business forever. We do want to finish.  
4 We do want to clean up and we are not on a path to get there right now.

5  
6 So it is really how do you efficiently blend the pieces of information that you are getting  
7 from the expert boards, that you have pulled together yourself through your NEPA documents  
8 or whatever, as well as understanding that all of this is going to end up being relationship based.  
9 I mean, you are basically going to have to work with the people who influence opinions and  
10 make decisions. How do you do all that? Other than just everybody rolling up their sleeves  
11 and, you know, kind of just doing constant dialogue. But, sometimes it gets a little  
12 overwhelming figuring out how you are going to get from here to there. And as Tom said, you  
13 know, do it in a quite an accelerated fashion.

14  
15 MS. SALISBURY: Having been a Cabinet Secretary for a state for seven years, I  
16 could just say that sort of the easy solution would be just to quit telling corporate lies I guess,  
17 and bite the political bullet. And, start basically, bring all the stakeholders and trying to sit down  
18 and resolve this as a group effort. I think politically that is very difficult for anybody to accept.  
19 And I don't, I don't know how to get there, but at some point there is an end game and you are  
20 going to have to fess up and say, "We cannot ever close this in a way that everybody thinks."  
21 You are going to have to deal with it somehow. So, maybe just starting to deal with it is the  
22 easier, simplest way.

23  
24 I wanted to say one thing, Patti, since I am dealing, I have been dealing with states a lot  
25 and I am continuing to deal with them since leaving Government. Any discipline you can bring  
26 to the system would really be helpful to anybody who works with DOE. And that means from  
27 the very, you know, straightforward way of when you set a schedule up, try to adhere to the  
28 schedule and don't change. And I think there is just a lack of discipline throughout the system.  
29 Maybe that comes from problems with integration of everything that you are doing. That one  
30 part of the organization is doing X and then you change it to meet Y and it never makes sense.  
31 And I guess a good example of that is the inter-site transfers that have to go on shipments of  
32 transuranic waste. Well, it is understandable why that has to occur because of previous

1 agreements. But, it does cause political problems in states where the waste is now going as  
2 opposed to going to WIPP for permanent deposit.

3  
4 So, any discipline that could be brought to the system would be welcomed, I think.

5  
6 MR. AJELLO: Any other questions for Patti, comments? Okay. Thanks.

7  
8 MS. BUBAR: Thank you.

9  
10 MR. AJELLO: Okay. Continuing along the schedule, Dave Geiser, Dave, do you want  
11 to come up to the table? (Pause.)

12 As we are setting up, I said yesterday we would continue to announce and identify any of the  
13 senior members of the EM program who came to the meeting. Behind me, Jim Owendoff is the  
14 Deputy Assistant Secretary for Science and Technology.

15  
16 MR. CUNNINGHAM: A number of questions came up yesterday regarding long-term  
17 stewardship and risk based end states. Dave's project is, as I said yesterday, is very much  
18 focused on the risk based end states. And also associated with that, Dave has been involved in  
19 the past, very much in the long-term stewardship, so he can probably answer those questions  
20 for you as well.

21  
22 Dave, would you tell them a little bit about your background?

23  
24 [PRESENTATION BY MR. DAVE GEISER]

25  
26 MR. GEISER: Is this [microphone] working, because I don't have a light on here?  
27 (Pause.) I am Dave Geiser. I am a chemical engineer from Cornell and a nuclear trained Naval  
28 officer with four years experience at sea and two at the Naval Resistance Command. And three  
29 years with Science Applications International Corporation working for the Department of  
30 Energy. I joined DOE and EM in 1991, and have been working here ever since. I am currently  
31 the Director of Office of Long-term Stewardship. And in my spare time, I do this corporate  
32 project, which is the risk based end state project. And that is what I will be talking to you

1 about today.

2  
3 MR. CUNNINGHAM: That is the wrong statement to make, Dave. We told them  
4 that everybody is now working full time on the project.

5  
6 MR. GEISER: There is such a close relationship between the risk based end state  
7 project and what my office does, that they kind of go hand in hand. I don't know on any given  
8 day which is actually the project versus which is the office. So, and before I start, I would say  
9 that this is a very ambitious project and it is something that looking back that we would have  
10 wanted to be able to do in 1989 at the start of that EM program. Unfortunately, we really  
11 didn't know what the sweep of problems were that we were addressing. And I think we had  
12 this idea that maybe we would have clean closure. And due to the hard work of a lot of people  
13 over the last 12 years, EM has been able to define what the problem is that we are trying to  
14 address and made some progress towards it.

15  
16 The next step now is to really define what that final goal looks like. So, we can  
17 capitalize on the work that has been done over the last 10 or 12 years and then finish the  
18 program with a clear goal that everyone agrees to. We could not possibly have done this  
19 project 12 years ago. We couldn't have done it even five years ago. Five years ago we had  
20 the Baseline Environmental Management Report that said, hey, it is somewhere between 100  
21 and 800 billion dollars, depending on whether you want green fields or iron gates. And it is  
22 really only now that this project has a chance of being successful.

23  
24 I only have one slide, but it is going to take me five slides to build it. And please forgive  
25 the quality of the slides and focus on the quality of the substance. Because this is, unlike  
26 Christine and Reinhard and Charlie, I haven't presented this in any public forum to date or even  
27 really within the Department. So, let's see if we can get that in.

28  
29 The point is we are currently on this path. The clean-up, that is problematic because we  
30 don't know exactly where we are going to end up when we are done. And so, in some cases  
31 we are doing these loop de loops because we are making decisions that actually cause us to  
32 backtrack and remediate. Or, we are not cleaning up enough in some areas that we need to in

1 order to get the closure that people would agree to.

2  
3 So, we have been on this path, that is not optimum. And that causes inefficiency in the  
4 way the clean-up is done and contributes to cost increases and schedule slips. And where we  
5 are is that dot in the middle of that dashed line right now. And we have these amorphous  
6 various end states that are contributing to continuing on this kind of wandering trail to a final end  
7 state for the sites. So, that is the fundamental crux of the problem that we are facing. And if we  
8 can't nail down what this looks like, we can't get there. I think Jessie is an engineer, Paul Golan  
9 is an engineer, Bob Card is an engineer, I am an engineer, we all want to know where we want  
10 to be at the end. If you can tell us where you want us to be at the end, we can get there. But,  
11 when the end keeps changing and moving and shifting, it is very hard for an engineer to figure  
12 out how to get there. So, that is the problem, at least as I see it.

13  
14 Now, this is where the project comes in and you may not be able to see this, but  
15 Project 7 is on the far right hand side of that slide. Over here it says "Tomorrow" in quotations,  
16 because that is really not tomorrow necessarily, but a year or two from now. And I borrowed  
17 off of Cynthia Anderson's project logo, the bull's-eye that she uses for the National Focus  
18 Project, because that is what we are aimed at, as well a defined end state as we can get to.  
19 That is what the project's initial goal is. And like I said, that is the crux of the challenges.

20  
21 Can you really define what that risk based end state looks like? And by the way it is  
22 risk based end state with performance requirements. So, when you get there you have a set of  
23 performance requirements that you have to meet and continue to meet until you have  
24 unrestricted use.

25  
26 We have three, well, four key parts to the project. There are three of them up there.  
27 The first one is a corporate policy. In order to actually do this successfully we need the  
28 Secretary to say, this is how the Department is going to proceed with the clean up. And that is  
29 the corporate policy. Hopefully we have that in the Spring.

30  
31 The second piece is the third item down, which is the site based end state's visions.  
32 This is what we are going to ask the sites to go interact with their regulators and their

1 stakeholders, and build these end state visions. Now, a number of sites have been working on  
2 this for years. And some sites are closer than others. But, even a site that we closed last year,  
3 Weldon Springs site in Missouri. Boy, everyone had 100 percent agreement on what the  
4 surface looked like. And that is, when that disposal cell was built, everyone said, "Man, that is  
5 exactly what we expected to see and we are okay with that." But, no one really addressed the  
6 groundwater. So, now we are stuck, still trying to figure out what the end state is for  
7 groundwater. And don't get me wrong because Weldon did a lot of very, very good things to  
8 bring that project in. The groundwater piece is not that difficult to push through and finalize, but  
9 if we had had that end state vision for groundwater at the same time we achieved it for the  
10 surface, we would have been done two years ago.

11  
12 The middle piece is the tools. And Patti mentioned the Consortium for Risk Evaluation  
13 and Stakeholder Participation or CRESP. We have Dr. Chuck Powers from CRESP on our  
14 team and they are going to bring a lot of the risk expertise that they have as well as the  
15 communication expertise that they have, to help us get to these risk based end states; help us  
16 develop the basis for the corporate policy. And then also help us with the last piece of the  
17 project, which is the corporate strategy.

18  
19 So, how do we get from this kind of scenario down to something that is more aimed at  
20 the risk based end states? And really it is a compilation of all of these corporate strategies that  
21 many of the projects are pulling together so that you have more of a direct line between where  
22 EM is today in that risk based end state with the performance requirements that the  
23 stakeholders, the regulators and the Department have all agreed to. If we can nail down the end  
24 state, you can apply the corporate strategy and the tools, and we can derive then a new EM  
25 baseline. That is more effective and more efficient than what we currently have. That would  
26 occur after the project is completed.

27  
28 So, the project entails the corporate policy, the tools, the site based end state visions  
29 and a corporate strategy by September of 2003. And that is my presentation.

30  
31 MR. WINSTON: Dave, where do you see, there is a lot of things that will affect --,  
32 you can leave that on [slide].

1  
2 MR. GEISER: Okay. Well, I do have this in hard copy in case anybody wants to  
3 study this more carefully.  
4

5 MR. WINSTON: Maybe there will be a test on it later.  
6

7 Where do you see --, I guess before I even ask that question, there are a lot of things  
8 that, you know, go into an end state. And some of them are, you know, regulatory drivers  
9 where the regulatory process is meant to answer the question, how clean is clean. In addition to  
10 that there are tradeoffs because the more you leave in place, the more your long-term  
11 stewardship burden is down the road. And then in addition to what I would consider your  
12 traditional regulatory drivers, there are other things. One that comes to mind is treaty  
13 obligations with tribal governments, when there is seeded lands or those kinds of things. Where  
14 do those, where do those external factors fit into your model here?  
15

16 MR. GEISER: Well, I think -- They fit in several places, I guess. And before I say  
17 that, I should add that Jim Woolford from EPA's Federal Facility Office is on our team, in  
18 addition to Mario Ierardi from the Air Force's BRAC [Base Realignment and Closure]  
19 Program. So, we do have some good, I think, representation from both the Department of  
20 Defense and EPA. And if you have my CD-0 summary package, there is a clear emphasis on  
21 working with stakeholders and national intergovernmental groups, the state regulators and the  
22 Tribes. So, we understand fully that that needs to be incorporated. How exactly we do that, is  
23 Doug Frost's job, who is on my team also. Right, Doug?  
24

25 MR. FROST: Right, boss.  
26

27 MR. GEISER: But, I think it definitely plays here first in saying how are we going, what  
28 does this look like and can we get people to agree on what that looks like. So, put aside the  
29 regulatory process for a second and just say, can we all agree on where we are trying to go at  
30 the end? And if you can agree, and everyone is focused on the same goal, the community,  
31 regulator and the Department and the contractor, then I think the regulatory processes and  
32 everything will work themselves out. I mean, it is easy to say, but, I would say the larger

1 problem is we really don't know what this is in enough detail. And so, we are going on a  
2 compliance base strategy with individual clean-ups, individual operable units, at individual sites.  
3 If we can nail this down, then everything should flow a lot smoother.  
4

5 Certainly there is also a role, and actually a lot of the tools are aimed at trying to get that  
6 regulatory communication, risk, all those processes built better so we can get to this. And then  
7 they play a role again, when you say, "Okay, if this is the end state, what do we need to do to  
8 the current end baseline to change it from something that looks like that to something that looks  
9 like that?" So, they would play a role again at that point.  
10

11 MR. WINSTON: And my comment is that two things. One, how you articulate how  
12 those factors fits in I think is going to be important as this project gets off the ground, because I  
13 think there are some that would look at this as one of the issues we talked about yesterday,  
14 redefining the scope of clean-up and that is where the savings would come from. So, I think  
15 how you talk about this is pretty critical. I am a strong advocate of that and if you take a look  
16 at what happened at Fernald, you know, we really worked on what, sort of pragmatic end state  
17 and then tried to superimpose the regulatory structure back on, hoping that it would fit, where it  
18 didn't fit, trying to use even waiver provisions to make it fit.  
19

20 So, I mean, there is something to be said for this, but how you go about it and how you  
21 articulate when you are, you know, holding the rules with, you know, regulatory requirements at  
22 bay while you talk about this, understanding how those will still be looked and be in the final  
23 mix, not necessarily as a be all and end all, and they shouldn't be, but how you talk about that I  
24 think will really impact its success.  
25

26 MR. GEISER: Absolutely, 100 percent agree. And again, I think for the regulators out  
27 there that are reasonable, which most of them are, if they agree with where the Department of  
28 Energy is going and the stakeholders agree with that, the regulators will help the Department  
29 figure out how to get there in a faster, more efficient manner. Because most regulators want the  
30 Department to get the clean-up done, and to reach an end state in protecting the health and  
31 environment. And that is what we are trying to do. And we have to agree on where we are  
32 going and then I think the rest of the stuff will fall into place. A lot more easily than, if you guys

1 are wondering, well, is the Department going to be over here when we are done or is it going to  
2 be something like that? When there is that much uncertainty with where we are trying to go, of  
3 course, you, guys, are going to stop us at every single point and do a check, you know.  
4

5 MR. AJELLO: I have a question about stewardship, I guess, site by site. Is there, is it  
6 a dream that there can be consistent practices across the sites or in many sites or does each site  
7 have to have in fact its own long-term stewardship plan?  
8

9 MR. GEISER: There are certain classes of sites like the uranium mill tailing sites, for  
10 example, that basically you could have virtually an identical plan. And low risk, unpopulated  
11 areas, low concentrations of contaminants, over engineered design, and there you don't have so  
12 much of a problem. But, I think what Grand Junction has been successful in doing is finding a  
13 steward who is local, who is interested and who is capable. And if you can find those three  
14 characteristics in a steward, you can have a successful stewardship activity. That could be a  
15 tribe. That could be a utility. It could be a local government. It could be an individual land-  
16 owner. We have all those cases today.  
17

18 The stewardship plan simply identifies, these are the activities that you have to do to  
19 ensure protectiveness of the remedy. And you need that plan because you have got to make  
20 sure you know what you have to do to ensure the protectiveness of the remedy. Who does  
21 that can be any variety of these players. But, we find local, interested, and capable are the three  
22 characteristics that we need. Then the Department provides oversight for that, of that steward.  
23 Whether it is federal land, private land or some other land that we have some liability associated  
24 with.  
25

26 MS. SALISBURY: I have a question for you. I apologize, I was outside for a couple  
27 of minutes. You may have already answered this question. How many of the sites in your mind  
28 have a well defined end state --?  
29

30 MR. GEISER: There is broad variability in how well those end states are defined.  
31

32 MS. SALISBURY: -- that would meet this, what you have down here as the new EM

1 baseline aimed at a well defined end state?

2  
3 MR. GEISER: I think the closest ones right now, are Weldon Springs, Fernald, Mound  
4 and Rocky Flats. Rocky Flats is in the middle of their, you know --, it gets to a level of detail  
5 question. Because if you, I think if you ask people who are associated with Rocky, they will  
6 say it is extremely well defined. We have a national wildlife refuge on the outside and we have a  
7 core industrial waste management area, whatever you want to call it, in the center. And we  
8 know what our clean-up levels are, and we have pretty much agreement on that. What you  
9 have then is, and that is great, that they are there, and that they have congressional, you know,  
10 they have an Act of Congress that tells them what they are going to do. That always helps to  
11 some extent.

12 But, what Rocky and the State of Colorado and the stakeholders from the local  
13 governments have been doing for the last two years, is exactly what we are proposing to do at a  
14 bunch of other sites. Which is really do this visioning exercise, what does this really look like  
15 when we are done. And it is not over at Rocky. They are still fine tuning the details of what  
16 that site looks like. So, at a macro level, we know where we are trying to be at Rocky, at the  
17 individual, at the individual reactor barrier and the groundwater or cap at a certain area, there is  
18 still some definition that needs to be put in place.

19  
20 Fernald is --, again, if you look at it from a macro level, it is a county park. The county  
21 is not going to own the land, but it is a park like setting, roughly a thousand acres with a large, I  
22 don't know, 60 or 70 acres on site disposal, so. And so people have generally agreed to that.  
23 But, there are some details that need to worked out still between the State of Ohio, DOE and  
24 the local communities. That is, exactly how much access is there, how much monitoring do you  
25 have to do of the groundwater, what trigger levels do you have to force any kind of additional  
26 remedial action?

27  
28 I mean, Tom, you can, I mean, my view is at the macro level you have it for Fernald and  
29 Mound. Mound is kind of the opposite case of Fernald in that it is a re-industrialization effort in  
30 a, I don't really call Miamisburg urban environment, but it is much more urban than most of the  
31 DOE sites that we have. And so, they have taken two very, very different approaches at sites  
32 which are an hour's drive away, but, I think the community, the State of Ohio, the EPA and the

1 DOE both agree at the macro level what those sites will look like.

2  
3 MR. WINSTON: There clearly is enough definition to the end state to move forward  
4 with confidence. What we don't have worked out is, because sometimes there are difficult  
5 questions, - we are trying to plan for the next several hundred years. How do you do that in  
6 terms of setting up structures in which to revisit; and, trigger levels and those kinds of things? In  
7 terms of, knowing what we will all, we all believe and agree is a completed clean-up and  
8 closure, I think that is known. Then, there is everything that happens after that and, we are  
9 confident that we can discuss those. I think part of the key there is that, Dave mentioned it  
10 earlier, the steward that you have is so critical.

11  
12 And so, one of the reasons two sites within an hour of each other are looked at  
13 differently is that the local community has a much more active role at Mound in terms of future  
14 redevelopment of that area; and, has stepped up to be a leader and has a vision and  
15 participated in that vision process. It was a much different dynamic. Not that local government  
16 was not interested, but clearly they did not want to be in the driver's seat. So, I think you have  
17 to look at the stewards that you have available and build that into the process as well.

18  
19 DR. LOEHR: Dave, I keep hearing the term "risk based" throughout, but I don't hear  
20 any risk goals. It seems, and this is kind of a commentary more than a question, but, if you care  
21 to respond, that would be great. It seems that really what one has is a land use decision  
22 framework with an overlay by some group that is going to be a steward to assure that there are  
23 no, somehow, future risks that are yet to be defined. Some of the groups that I get involved  
24 with think of risks in 10 to minus 6 terms and think of ecological versus human versus other  
25 things. I am just wondering what your experience might be in terms of continuing to push the  
26 term "risk" versus continuing to push an emphasized goal on the land use stewardship issue. Is  
27 there a problem in communication along these lines or how do you handle this when you go to  
28 the site?

29  
30 MR. GEISER: It is a great point. We spent a lot of time discussing this within our  
31 team. And there is a fair amount of confusion because I think we have, we use risk in several  
32 different terms just within our critical decision zero package. We have significant project risks

1 associated with this project. Some of that is attributed to, mostly, Tom's earlier point.  
2

3 One of the first things that we are trying to nail down with our critical decision one  
4 package, which is due in a week, is trying to define what we mean by that risk based end state  
5 vision. And in the simplest terms, it is, "What is the anticipated land use? What are the  
6 remaining hazards?" And, "Who are the receptors?" Now you can elaborate on that, but those  
7 are the three core pieces of what we are using as the definition of that risk based end state  
8 vision.  
9

10 MR. AJELLO: Okay. Thanks, Dave.  
11

12 MR. CUNNINGHAM: Next on the list is Reinhard Knerr. Reinhard is from the  
13 WIPP facility in Carlsbad, but, he has been assigned to handle this project.  
14

15 Reinhard, if you give a little background on yourself and one point that came up  
16 yesterday, you might mention, if you don't already plan to in your discussion, is we indicated  
17 that Jessie had made it clear that when there were reasonable steps or items to move forward  
18 on, she would do that at that time and not wait for the end of the project. I know you have had  
19 at least two or three, which have resulted in Jessie issuing a memo to the field, giving direction  
20 on items that have come out of the project so far. So, you might mention those if you didn't  
21 already plan to.  
22

23 MR. KNERR: Sure.  
24

25 [PRESENTATION BY MR. REINHARD KNERR]  
26

27 MR. KNERR: My name is Reinhard Knerr. You will have to forgive me, I got my flu  
28 shot on Sunday, and now I have a bit of the flu, so, bear with me.  
29

30 I have a nuclear engineering degree out of Penn State University. I have been involved  
31 in the DOE complex as a contractor, first at Pantex, then at the Portsmouth Gaseous Diffusion  
32 Plant. I have also worked as a consultant with SAIC providing support out at Y-12 and I have

1 recently joined DOE, about a year and a half ago and I work out at WIPP. I am a team lead  
2 for the certification managers in the National TRU [transuranic waste] Program. I was selected  
3 to be the project lead for my project, which is to look at all the other types of waste, other than  
4 spent nuclear fuel and hazardous, I am sorry, high level waste. And we will go from there.

5 Essentially our project has started looking at the various practices at the DOE and  
6 commercial facilities to see if there are any opportunities to streamline EM's activities with  
7 regard to low-level mixed, low-level, and transuranic waste. We have completed a large  
8 number of site visits and have collected quite a bit of data and are currently in the process of  
9 developing the first of three CD-1 packages.

10  
11 We have committed to develop a CD-1-A package and an integrated disposal plan,  
12 which would essentially define those practices we feel that EM should carry forward in the near  
13 future to streamline EM's activities and maximize the utilization of its assets. That should be  
14 delivered to Jessie the first of January.

15  
16 Along with what Woody was saying, we, our project team, has identified six practices  
17 that we felt needed to be brought forward and distributed to the sites. Currently I am aware  
18 that one of them has been approved by Jessie and issued to the sites. The other five are  
19 pending approval, as soon as we work out some of the details requiring deliverables and  
20 milestones. I can go into a little bit of detail about what we have submitted.

21  
22 These deliverables are, what we refer to as IRRAPs, they are Immediate Risk  
23 Reduction Action Plans. The first of these is what we refer to as "Green Is Clean" pertains to a  
24 waste minimization activity that was identified at Savannah River. We found that Savannah  
25 River, in their radioactive material areas or radioactive boundary areas, did not automatically  
26 classify any waste generated in that area as contaminated material. They were able to use a risk  
27 based approach in determining what material had to be handled as low-level and which  
28 materials could be processed out as clean. We found that there weren't very many other sites  
29 using this practice, so it was one that we recommended for implementation across the complex.

30  
31 The second IRRAP that was submitted, and this one has been distributed to the sites,  
32 was for the use of dedicated containers. When material is transported from a generator site to

1 the treatment facility or disposal facility, there are some savings that could be realized if the  
2 container is dedicated for use of handling radioactive material. You can save some money by  
3 eliminating the decontamination activities with that, associated with that container when it is  
4 returned to the site.

5  
6 The other four IRRAPs that we looked at, there is one that dealt with EMCAP, which  
7 is Environmental Management Consolidated Analysis Program. There has been some concern  
8 that DOE over-audits analytical facilities, analytical laboratories to the extent that 20 or 30  
9 percent of the time an analytical lab spends just to support these DOE audits. We are  
10 recommending that the environmental, the Environmental Management Consolidated Analysis  
11 Program be used to perform all of the audits of the analytical labs as well as disposal facilities.

12  
13 There are a couple of other IRRAPs that were submitted, I am just drawing a blank  
14 right now on what they are. Do you all have any questions for me regarding what we are  
15 looking at or some of those efforts?

16  
17 MR. WINSTON: How are you addressing commercial facilities? Or, is that part of  
18 your, part of your scope? I see here that one of the facilities visited is the Envirocare Facility in  
19 Utah. What are you planning to do in that arena?

20  
21 MR. KNERR: Well, what we have done is when we visited the commercial facilities,  
22 we are looking to see what practices that they have, or that they utilize that can be applied to the  
23 EM activities. So, the project team that went out to Envirocare had a set of questions that they  
24 went through and asked. We reviewed their operations and came up with a list of  
25 recommendations that we felt could be applied to the DOE complex.

26  
27 MR. WINSTON: So, basically you are benchmarking, if you will, seeing if there is  
28 something of value there? But, you are not necessarily looking at the mix of use of off site or,  
29 you know, non-DOE facilities, commercial facilities? You are not looking at that programmatic  
30 issue in any way as far as the team's activities?

31  
32 MR. KNERR: Can you rephrase that? You are asking am I making a decision on

1           behalf of DOE whether or not to go to Envirocare versus –

2  
3           MR. WINSTON: No, well, no. I just wondered if you are looking at that issue. And  
4 the reason I am raising it, I think we haven't had problems of late, but a number of years ago it  
5 seemed like there was some lack of forward movement on use of commercial facilities which we  
6 have found to be a pretty constructive and cost effective way to achieve waste management  
7 goals. And so I was just wondering if that was something that you were looking at as part of  
8 this. Is it more of a dealing with the DOE run facilities? Is that clear, Patti?

9  
10          MR. KNERR: Right. We are looking at that in the extent if it is cost effective to do so.  
11 I mean, obviously DOE should be spending its money in the most cost effective manner. If it is  
12 cost effective to send the waste to Envirocare as opposed to Nevada test site, then that is  
13 something that we are going to be looking at.

14  
15          MR. CUNNINGHAM: Well, there are also areas where Envirocare can accept  
16 materials, which for some reason or the other may not be acceptable to either Nevada or  
17 Hanford or other places. In some cases it is simply an economic fact. For example, at Oak  
18 Ridge they found in many cases, even though the fees were higher in Envirocare, because they  
19 could ship by rail. Then by Envirocare, the total cost turned out to be cheaper. I think all of  
20 those things are part of what Reinhard is looking at.

21  
22          MR. KNERR: True.

23  
24          MR. CUNNINGHAM: Thank you.

25  
26          MR. KNERR: It is not just, you know, the actual disposal fee. It is the entire process  
27 characterization, transportation and disposal of the waste. And some of the other things that we  
28 are looking at are, DOE typically will establish milestones at the end of a fiscal year. What we  
29 found is that treatment capabilities tend to be very limited. So, there has been a time or two  
30 where the waste wasn't available for treatment until the latter half of the year, and even though  
31 the treatment facilities could have processed all of the DOE waste throughout an entire fiscal  
32 year, they weren't able to get it done in a half year. So, we are looking at perhaps staggering

1 milestones within EM, across the various sites to more effectively take advantage of treatment  
2 facilities.

3  
4 MR. WINSTON: If you might be able to, if there is a way that you could follow up, I  
5 think you mentioned that there were probably six IRRAPs.

6  
7 MR. KNERR: Yes.

8  
9 MR. WINSTON: It would be interesting to see, I think you mentioned three of them,  
10 to see the other three. I am less interested in the IRRAPs than I am the other major deliverable  
11 for CD-1. Which is, you know, it calls for a conceptual integrated disposal plan for the three  
12 major, you know, major categories: your low-level waste, mixed low-level waste, and TRU  
13 (and that is obviously a much longer term). I would look at the IRRAPs as being sort of short-  
14 term, low hanging fruit kinds of things.

15  
16 MR. KNERR: Correct.

17  
18 MR. WINSTON: Where Jessie is ready to move forward, I think the more substantive  
19 piece of your work will be taking a look at each of these three waste categories and trying to  
20 say what can we do to integrate? Have you identified a methodology in order to really do that?  
21 I know I have, I was contacted by somebody from your team and did a, you know, an  
22 interview with them just for giving them some background from my experience and perspective  
23 on what worked and didn't work. And so that is a good first step, to get some input broadly.  
24 And I was just, have you sort of devised a process to take in that information and then, and then  
25 do something with it?

26  
27 MR. KNERR: Yes. We have a database where we identified all of the practices and  
28 the notes from the project team site visits and interviews. And we recently had a project team  
29 meeting in Albuquerque where we essentially came up with some conceptual strategies that we  
30 felt were applicable to low-level, mixed-level, and transuranic wastes. And we have assigned  
31 some tasks to go ahead and bring out those best practices that are applicable to low-level waste  
32 and start putting them together in the conceptual design report. I think we have identified

1 between 80 and 90 recommendations that we are going to be making in the low-level package.  
2 I am still working on the actual presentation of that information and how that is going to happen.  
3

4 MR. WINSTON: Okay. Do you feel like you have, is this --, we talked about this in  
5 one of the earlier presentations, I know you were here, is this an area where you have enough  
6 information and the job is to take that information and put it into an overall plan that makes  
7 sense or are there some information gaps that you have identified? And by information gaps, I  
8 am not necessarily just talking about inventory, quantities or, you know, technical specifications,  
9 that kind of thing, but even, it may be policy or other types of, you know, cost information or  
10 other types of gaps that you have identified that this committee may be helpful with?  
11

12 MR. KNERR: There are some gaps that we are still doing the research on. Right now  
13 we are looking at the best way for Nevada and Hanford to perhaps integrate their programs a  
14 little more closely. They have recently gone to a virtual WAC [waste acceptance criteria] and  
15 have come up with a consolidated waste stream profile form. We are still investigating what  
16 additional improvements can be made to those programs to streamline them. Something like  
17 that might be helpful.  
18

19 MR. WINSTON: Okay. Are you planning on looking at the three waste types in  
20 parallel or are you starting to look at TRU first or is it just –  
21

22 MR. KNERR: No. What we have done is, when we went to gather the information,  
23 we gathered the information for all three waste types. We decided that the first deliverable  
24 would focus on low-level waste simply so that we could hammer out the process for the least  
25 controversial of the three waste materials that we are looking at. So, the first deliverable will be  
26 January 1, CD-1-A, which pertains to low-level waste. The CD-1-B would pertain to mixed  
27 low-level waste. And if there is any hazardous waste, they will get wrapped up into that. And  
28 then March 1 is the TRU waste CD-1-C package.  
29

30 MR. WINSTON: Okay. Thanks very much.  
31

32 MR. CUNNINGHAM: Okay. Next on the list here is Matt McCormick, but, I am

1 going to speak to that project and I will hold that until last and we will ask Joel Case, who is  
2 handling the High-Level Waste to speak next.

3  
4 [PRESENTATION BY MR. JOEL CASE]

5  
6 MR. CASE: I don't have slides. I will refer to our package. Can everybody hear  
7 me? I am Joel Case. I will give you some background. I have a Bachelor's and Master's from  
8 University of Florida. Master's in both Nuclear Engineering and Environmental Engineering. I  
9 started out with the Naval Reactors Program in Idaho with Westinghouse on various jobs out  
10 there and then went over to the commercial fuel cycle activities, safety analysis out at Idaho  
11 when we used to blow reactors up and things like that. (We couldn't do that today.) Then I  
12 came over to the DOE about '92. And basically, I have been a high tech garbage man since  
13 working for the low-level transuranic program out there in Operations; then, I came over to the  
14 high-level [program]. I am currently director for INEEL's high-level program. I have been in  
15 that position since about '98. I am also the corporate project manager for the high-level waste  
16 risk reduction project.

17  
18 In 'high-level,' we have been assessing, the main focus of our project is to really take a  
19 look at the high-level waste program at four sites. West Valley, they are essentially done, they  
20 shut their melter down and completed processing tank waste just a few months ago. There are  
21 issues with tank closure and we are looking at that. The Savannah River Site and INEEL also  
22 have both high-level waste and some TRU waste remains in the tanks. And the Hanford site, in  
23 fact, I just came from Hanford last night. Our team is out there right now doing an assessment  
24 of the Hanford program and I will be going back. We wrap that up next Saturday.

25  
26 The main problem, if you really look at our CD-0 package, if you look at the  
27 Department's profile for high-level waste, it is essentially pre-PMP. It was approximately a 70  
28 million dollar program going out close to 2070. With the accelerated closure, the initial PMP  
29 packages that were submitted to the Department this summer, we are still a very large program,  
30 I think it is about, oh, I would say about 35 billion dollars going out to about 2032.

31  
32 So, a lot of energy has been going on at the sites, to get those costs down. And part of

1 our charter, in some sense, is to keep the pressure on the sites, and then look at them from a  
2 corporate strategy, from a complex-wide strategy, because you have a lot of diverse activities  
3 on both tank closure and processing of the waste. So, we are going in kind of from the side,  
4 using the PMPs as an existing baseline and if it makes sense, cross-walk that with the other  
5 high-level waste sites and keep the pressure on thinking what are some additional ideas.  
6

7 Part of our charter is (as opposed to Christine's team on the spent fuel, which I think  
8 everybody has a clear definition of what spent fuel is which does have to go to a repository) - in  
9 the high level waste arena, one of the issues is "What is high level waste? Because, it is a  
10 source-based definition. It really is not based on risk or activity. So, we are taking a look at it  
11 from a risk based, appropriate, approach that basically looks at, since our repositories are very,  
12 you hear the term sometimes 'prime real estate,' we would like to focus on sending to two  
13 repositories, whether it is to WIPP or Yucca Mountain, higher activity, long life nuclides which  
14 present more of the long-term risk and need a very good permanent isolation from the  
15 environment. So, part of our charter really is to take a look at better definition of what needs to  
16 go to the repositories versus what can be alternative disposition pathways.  
17

18 If you look in the Department, we have over, close to 250 tanks in the system. You  
19 could call it an urgent risk. Some of those tanks have leaked. It is probably over 80 million  
20 gallons of liquid, sludges, salt cake at the various sites. And we are really taking a look at what  
21 the current processing are for that waste and disposition. So -- Let me look at my notes here.  
22

23 Now, if you look at the baselines, you know, we are making glass [vitrification]. So,  
24 really if you are really breaking our program down, we are looking at both the requirements for  
25 Yucca Mountain. We are spending a lot of money making very good glass. We are looking at  
26 trying to expand the envelope for those programs. They are still making a DWPF at Hanford;  
27 we have a glass facility there. Very expensive.  
28

29 We are looking at issues like waste loading, the requirements Yucca puts on, and that is  
30 where an interface with Christine's team is, to take a look at those requirements. Are they  
31 really based on performance of the mountain? And we are seeing from some of the PMPs and  
32 discussions with the site that there really isn't any rhythm or reason sometimes for those

1 requirements for the glass specifications. I will give an example.

2  
3 I will try not to get too technical here, but you hear a lot about single phase glass and  
4 two phase glass in waste loading criteria. Right now we are only looking at all the integral sites  
5 that do make glass (West Valley, and Savannah River) and some of the assumptions for  
6 Hanford is a vitrification process that only allows about 30 percent waste loading. With some  
7 adjustments, we believe we can get it up to 50 to 60 percent, because each that you produce,  
8 has a mortgage to it also. It is about 500,000 to 700,000 dollars right now, base-cased  
9 assumptions for disposition in the Mountain. So, we are looking at those type  
10 requirements, what makes technical sense. And we are working with the sites and RW, that is a  
11 key interface. They are very excited about the work with this and looking at the requirements  
12 from a performance standpoint. So, that is one area.

13  
14 [We're looking at] QA requirements also. We want to try get out of some of the  
15 syndromes we had with a lot of procedure requirements and characterization requirements, after  
16 the glass is made. There is a DOE order, and some of the qualification requirements, let's really  
17 take a step back and see what is that costing us? What benefit are we getting? So, that is one  
18 element of it.

19  
20 The other side of it is tank closure. You know, that is one where we have to interface  
21 with Dave Geiser's team very closely. In the sense of end states of the site because if you look  
22 at all of these sites, it is really not technically practical to get every last atom of waste out of  
23 tanks. Some of these tanks have had high heat waste loading, baked in, sludges. Let's take a  
24 look at the characterization data, what can you retrieve from processing, for disposition in an  
25 appropriate repository versus levels you can leave at the site?

26  
27 We have been working on, you know, end states. When you really look at a risk based  
28 approach, what is the land use profile? What are points of compliance? What is the regulatory  
29 structure? Because, really when, I think, Tom, your question about are you overlaying  
30 regulatory requirements, we are we doing that? We go and talk to each of the sites and it is  
31 maybe being done by RCRA, CRCLA activities from a risk based approach. And then what  
32 you overlay what we think is a technical base (what is doable) retrieving the waste, and then

1 overlay the regulatory requirements and see if you need to get, I hate to use the term,  
2 “waivers”? But, I think most of the regulations allow flexibility to do it. So, we are not looking  
3 to short circuit any regulations. We are trying to look at within the current regulatory  
4 framework. Now, if we do fill our gaps, we will provide some recommendations for the  
5 Department on some approaches you can take. So, that is one activity.

6  
7 The other area to really look at is processing facilities. We are spending on a planning  
8 basis --, a large sum of money is expected for waste processing facilities, either pre-treatment  
9 for separations or glass ‘vit’ plants. If you look at the baseline Idaho had for their calcine  
10 facility, which is a nice dry stable form and a safe storage configuration, the baseline was to  
11 basically re-dissolve that, do separations and make glass. That was about a four to five billion  
12 dollar investment. One of the alternatives, well, if Yucca is really not taking credit for  
13 performance of the glass, and more on the canister, etc., why can’t you do some performance  
14 testing on the calcine, look at cheaper alternatives for stabilization and just package it as it is and  
15 send it to the Mountain? So, that is one of the areas we are exploring. Because, you know, it  
16 doesn’t pass a ‘ho-ho’ test when say, well, we spent 30 years stabilizing that through  
17 calcination, and now we are going to re-dissolve it and make glass out of it or even direct bit.  
18 So, those types of things, when you really take a look from a risk based approach, you know,  
19 that did not buy you any risk reduction for final disposition.

20  
21 Some of the things on, again, I mentioned the waste classification. We are really  
22 pushing working with the sites and taking a look at what was put in the waste tanks. Is it really  
23 high level waste based on the current definition from first cycle and reprocessing activities? We  
24 are finding there is a lot of, if you look at it from a tank basis and a risk profile for each tank,  
25 one size does not fit all. So, there are various processing alternatives and we have identified  
26 working with the sites, there is a potentially a large amount of waste that can just be stabilized  
27 and shipped to WIPP. Because it should be managed more appropriate as transuranic waste.

28  
29 So, our schedule and sodium bearing waste in Idaho we have about a million gallons  
30 left. Look at all the process history. It is transuranic waste. So, you shouldn’t have to  
31 reprocess that through vitrification. We are looking at some alternatives for processing,  
32 including grout. And then ship it to reflect that.

1  
2           So, we think there is still a lot of risk reduction and cost savings in accelerated closure  
3 that can be had with the high-level waste program. It is probably one of the more controversial  
4 programs. There are a lot of various stakeholders at each of the different sites and regulatory  
5 agreements. And we are not ignoring those in our assessment, but we really are trying to take a  
6 look at things from a risk based standpoint.

7  
8           Interface is key to our project. We interface with the Nuclear Regulatory Commission.  
9 They have made various attempts of trying to define high-level waste. We have an ex-officio  
10 that we work with, kind of bounce ideas off on. Because they have been kind of key to some  
11 of the processes on the definition and what is considered waste in processing.

12  
13           RW is a very key interface. Margaret Chu is the identified person for us to interface  
14 with and to take a look at any recommendations we make for any changes to their program  
15 requirements that make sense. Christine's team, because if you look at the shipment schedule  
16 for what we eventually do ship to the Mountain, you know, right now there is probably - it is not  
17 integrated, I think is a safe way to put it. [We interface with RW] also with the National - the  
18 TRU program, down at WIPP because there is potentially a large amount of remote handled  
19 TRU that would have to go down to WIPP. And we have had a number of meetings, a couple  
20 of meetings down at WIPP, see their capabilities and start, you know, the transition over once  
21 those decisions are made.

22  
23           We are wrapping up our site visits. As I said, this week we will be working on our  
24 CD-1-2 report, recommendations to provide to Jessie in the January time frame. Our schedule  
25 shows that we would be, once those are accepted, or rejected - ones she wants to accept, we  
26 have action plans to go make those happen, either at the site, to revise our PMPs or hand off to  
27 the appropriate organization. Like we need to change some things with the waste acceptance  
28 criteria documentation. Look at Yucca Mountain, we would hand that off to RW for action.  
29 And we hope to wrap that, this whole effort up by the June time frame. But, a lot of it is  
30 continuance on where we are going to go with our first draft report.

31  
32           Any questions? Gosh, I bored you all.

1  
2 MR. WINSTON: I was going to ask about the transition to appropriate entities and the  
3 deliverables. That is basically sort of the feedback loop, if you will. Or, if the PMP needs to be  
4 changed or that kind of thing, is that like a negotiation or is that --

5  
6 MR. CASE: I will leave that to, you know, that is one thing we haven't really thought  
7 out. The baseline we are thinking is these recommendations, if it is a site specific [baseline] for  
8 the PMP change, that would be directed to the EM-1 office, if she accepts it. We would  
9 provide a verification, validation that that happened. So, you know, I am sure it is a negotiation  
10 process with Mr. Golan and Jessie. So, that is a thought process we have now.

11  
12 MR. CUNNINGHAM: Just to clarify on the process. The process Jessie envisions is  
13 the project teams will make recommendations to her, and if she accepts them, then she will  
14 direct the field to take action and put them in effect.

15  
16 MR. WINSTON: I guess more, more power to the results of the project teams and  
17 going back hat in hand, saying, wouldn't you like to change your PMP.

18  
19 MR. CASE: Well, now, yes. I mean, we do work these corporate project teams,  
20 work directly for her [MS. Roberson]. So, you know, it is, like the letter I got, thanking me for  
21 accepting this job, came from the Secretary of Energy. So, this is at the highest level of the  
22 Department. And this project probably has the most, one of the key projects with a large cost  
23 driver, to really have a bang for the buck. I think in your area also. Because if you will look at  
24 the long-term cost and the current program, it is both in the spent fuel and high level waste area  
25 because we get to close the doors.

26  
27 MR. AJELLO: Okay.

28  
29 MS. SALISBURY: Well, was Tom always asks this question, so I will ask it for him.  
30 Is there anything that this Board could be, that it could do to be helpful to your group?

31  
32 MR. CASE: Well, we have been so focused, there may be. But at this - this will be a

1 very - yeah, we have tried to stay out of the politics. We have acknowledged that there are a  
2 lot of politics out there, especially with this team. But you know, we are looking from a  
3 standpoint - we will identify for Jessie those issues that, you know, like tri-party agreements -  
4 we may have to, it may require some changes to the tri-party agreement. I am not saying it will.  
5

6 So, we want to give a technically defensible program that is within the bounds of the  
7 regulations. And so, this is a long winded answer, but there may be. We will just have to see  
8 where we go with our recommendations. But, I am thinking, you know, we have not really  
9 involved stakeholders. We have tried to get arms around the program and that will probably be  
10 the next phase when we bounce these recommendations off.  
11

12 MR. AJELLO: Joel, I do have a question about cost.  
13

14 MR. CASE: Sure.  
15

16 MR. AJELLO: I mean, you referred, and now I am looking at the document you  
17 referred to.  
18

19 MR. CASE: Okay.  
20

21 MR. AJELLO: You are heading towards a budget, hopefully, of a cost of about 35  
22 billion and the pre PMP baselines were 68 billion roughly.  
23

24 MR. CASE: Right, correct.  
25

26 MR. AJELLO: Okay. How - I mean, that is an enormous difference and you yet just  
27 started the project. So, was there other work that essentially caused you to conclude that this  
28 was the objective to cut the budget in half?  
29

30 MR. CASE: Well, no, when, this is based on what the sites did, site specific before the  
31 project teams were formed.  
32

1 MR. AJELLO: Okay.

2  
3 MR. CASE: One of the things we are looking at is trying to get a handle on what is the  
4 basis for these costs. I will tell you, they are fairly rough order of magnitude. We are finding  
5 from, baselines that have been in place, to, there is no baseline, based on these numbers.

6  
7 MR. AJELLO: Okay.

8  
9 MR. CASE: So, I use these with a grain of salt. They are not 36 figs, I think, they  
10 could be a range of anywhere from, you know, 30 to 60 billion, just depending because, there is  
11 a lot of high risk options identified relying on technology, assumptions on retrieval waste from  
12 the tanks. If you look at the cost of tank retrieval, we are seeing anywhere from two to three  
13 million to close a tank. Retrieving them closed, our experience at Hanford is you can get a 100  
14 million dollar per tank. So, here we have been incentivized to try and drive those costs down.  
15 It is, these numbers I would put a grain of salt against them.

16  
17 MR. AJELLO: Right. So, if the 68 billion is very rough.

18  
19 MR. CASE: Right.

20  
21 MR. AJELLO: How could the 35 billion be good?

22  
23 MR. CASE: And I think, hopefully I said they are both not very good in my mind.

24  
25 MR. AJELLO: Okay.

26  
27 MR. CASE: We are going to the right place, though, moving things on. There are high  
28 uncertainties with these numbers and we will try to identify in our recommendations where we  
29 can drive these and make more certainty.

30  
31 MR. AJELLO: Thank you.

1 MR. CUNNINGHAM: There are some things that are fairly obvious. I mean,  
2 regardless of whether you agree on the validity of the number or not, that you know you are  
3 going in the right direction on reducing the cost. For example, at Hanford, the baseline included  
4 two vitrification plants, the second which would be much larger and much more expensive than  
5 the one you are actually building now.  
6

7 MR. CASE: Yes, they have got at Hanford, I think it is a baseline of six vit plants to  
8 four. We are questioning, you know, if you look at one of the issues is why are you vitrifying  
9 low-level waste? Because their process is assumed to vitrification melters now for high-level  
10 waste and separate fraction, they would vitrify that. In Savannah River, West Valley, [would  
11 have] grouted that. So, we are trying to explore, you know - to me vitrification seems very  
12 expensive, to build vit plants. And so, some of those options of why are you handling, are there  
13 better, cheaper alternatives for stabilizing the low activity fraction.  
14

15 MR. AJELLO: Just in general, this would only relate to what you are working on, Joel.  
16 But, the 6.7 billion dollar annual that the program has right now, does that include the capital  
17 investment and depreciation expenses for all of these big projects that we have been just  
18 alluding to? Not only the vit plants, but – or, is the 6.7 billion really just O&M? I was a little  
19 confused about that in the course of yesterday.  
20

21 MR. CUNNINGHAM: It includes the total cost. You will see for example, I have  
22 forgotten the exact number for Hanford, but I think it is something like 300 million of the vit  
23 plant for this year.  
24

25 MR. CASE: But, the budget outlays for waste treatment project, is about 3.9 billion.  
26 This year's portion is, it is a line item eight under 300 million for the activities like broken  
27 ground.  
28

29 MR. AJELLO: Any other questions?  
30

31 MR. WINSTON: I will --  
32

1 MR. AJELLO: Oh, sure, Tom.

2  
3 MR. WINSTON: I just want to ask one. You talked about this and, you know, and I  
4 don't want to dwell on, you know, possible renegotiations of the tri party, because that is --

5  
6 MR. CASE: Yes, please don't, don't cross that. I will just use an example, because in  
7 Idaho we have an agreement that says calcine remaining liquid. But, then we have a consent  
8 order that says, you had to down the calcine signers. So, yeah, the agreements are all open to,  
9 they do have clauses to negotiate. But, please don't --

10  
11 MR. WINSTON: Right, and you are certainly able to propose anything under any of  
12 the agreements. So, and I almost hated to raise that because I am not trying to put anymore  
13 visibility, that was just a for instance. My question is, when if, if you do identify a chance in an  
14 agreement that is needed, is part of your charge to begin a discussion so that you can sort of tee  
15 up that issue? So that you get some, some, some, give the Secretary, you know, a read at the  
16 buzz saw, you may be trying to, you know, get her --

17  
18 MR. CASE: I will give you the answer how I view it. It is, again, overlaying how I  
19 mentioned, what is a technically based program, overlay the requirements, both whether it be  
20 the regulatory or court type legal settlements, like we have in Idaho with the settlement  
21 agreement. And, if it makes sense and provide what it is the bang for the buck, what is the  
22 capital, that is up to Jessie to figure out. Give her a smorgasbord of options, identifying what it  
23 would take for implementation as part of those recommendations and really let them at that.

24  
25 MR. AJELLO: Okay. So, you would take it to the point of, of the results of the  
26 analysis, identification of maybe some issues that need to be worked and sort of put that on the  
27 plate.

28 MR. CASE: Right, put it on the plate. Such as, here is what it would take to make this  
29 happen. And trying to identify an even budget, too, with that also.

30  
31 MR. AJELLO: Right. Okay.

1 MR. CASE: Thank you.

2  
3 [PRESENTATION BY WOODY CUNNINGHAM (for Matt McCormick)]

4  
5 MR. CUNNINGHAM: As I mentioned, Matt McCormick is not here today. And he,  
6 he is located at the Hanford site, but he is the person in charge of the safeguards and security  
7 project. I only have one slide, I will put it up and talk from the table.

8  
9 Just as a way of background, recognize that many of these facilities, and particular at  
10 Hanford and Rocky Flats are examples, when they were declared as no longer needed for the  
11 Defense Program, the situation was that they had huge quantities of plutonium, or in some cases,  
12 enriched uranium, at those facilities. In order for EM to complete its job, you have to be able  
13 to close down the so called MAAs, the Materials Accountability Areas and to be able to  
14 eliminate security requirements (to eliminate the necessity for fences and limited access to the  
15 facilities) so that you can in effect proceed with a reasonable D&D program.

16  
17 So, even though EM is not in the special nuclear materials area, or should in fact not be  
18 in the special nuclear materials storage business, nevertheless, as part of dealing with the legacy  
19 waste, they found that EM has under its custody at the moment, large quantities of these special  
20 nuclear materials. So, in terms of talking about a path forward, or what does EM do about this,  
21 in terms of clean-up and closure, you have to talk about what is necessary from the National  
22 Security and the Homeland Security standpoint. But, also what is necessary for the EM  
23 Program to take action on in order to proceed with the clean-up and closure program.

24  
25 So, what you find is that, it does not make sense to have special nuclear material  
26 located all over the country and wherever EM is operating. And the idea of this project first is  
27 to continue with the objective of consolidating all the special nuclear materials. All plutonium  
28 materials will go to Savannah River, unless, you know, for some reason they are deemed to be  
29 in effect trash and disposable. There is a fair amount of plutonium that will go to WIPP. But,  
30 that is almost literally in the trash category.

31  
32 Also, there are, as I mentioned, various amounts of enriched uranium around the

1 complex. The national repository for that material, if you will, it is really at Oak Ridge. And so  
2 the objective of this project, in terms of consolidation, would be to consolidate all these  
3 materials at either Oak Ridge or Savannah River.  
4

5 This sounds like a very simple, straightforward, "Why do you need a project to even  
6 look at this sort of thing. You just simply pack it up and ship it there." But, unfortunately, it is  
7 much more complicated than that. We referred yesterday to 3013 cans, which are the proved  
8 standardized container for containing plutonium materials, which have been, first of all,  
9 stabilized, and second of all, been placed in these cans, which are double can. There is an inner  
10 can in which they are welded closed, and then a second can on top of that, in which they, again,  
11 are completely welded and sealed. And the development of this standardized can was to  
12 provide a storage container, if you will, for plutonium, which was good for at least 50 years.  
13 This is not a cheap process. It is an expensive process. And for example, there will be more  
14 than a thousand of these cans produced at Rocky Flats and shipped to Savannah River for  
15 long-term storage.  
16

17 Now, then the other objective is to maximize the disposal of special nuclear materials at  
18 currently operating facilities, if you will, or currently authorized facilities, I should say. Some of  
19 the materials, as I mentioned, can be packaged up and shipped to WIPP. Generally speaking,  
20 these are materials that contain less than 20 percent of plutonium. Other waste materials, if you  
21 will, could in effect, be eventually disposed of in the Yucca Mountain facility. But in the  
22 meantime, they have to be properly packaged and stored. There have been, when you are  
23 dealing with these materials there are transportation issues and problems that have to be dealt  
24 with and that is a complicated logistic process as well. But, if we have materials such as these  
25 20 percent or less plutonium materials which can be disposed of directly in WIPP, then, you are  
26 in a much better situation both in terms of cost and terms of being able to rapidly permanently  
27 dispose of the material and eliminate storage costs.  
28

29 Finally, there have to be established either storage or disposal options for accountable  
30 quantities of special nuclear material. And what is an accountable amount of material is  
31 basically determined by the NNSA Program, in terms of these materials back in the cold war  
32 days. The accountability requirements for plutonium went down to extremely small levels, down

1 into the gram levels. And so, there has to be a determination of what is the accountable  
2 material that is done by NNSA and for those materials. And again, you have more expensive  
3 costs in having the logistic requirements in terms of handling the working materials.  
4

5 But, the main objective here is for EM to get out of the special nuclear materials  
6 business. There is no reason for EM to be in this business. There is no programmatic need or  
7 use of the materials by the EM Program and there is no reason for EM to be involved as a  
8 middle man here. So, as part of that process there has to be eventually either a transfer of  
9 material to storage facilities owned by those people who either want or anticipate some  
10 programmatic use of the material, or there has to be a transfer of facilities currently maintained  
11 by EM, in which the materials are stored.  
12

13 Now you may ask the question of why are, you know, why are these two sites,  
14 Savannah River and Oak Ridge selected? It is because they are the key programmatic sites, if  
15 you will. For example, at Savannah River NNSA anticipates as part of the non proliferation  
16 program to build a mixed oxide fuel facility in which they will produce mixed uranium, plutonium  
17 oxide as fuel for commercial reactors. We have an agreement with the Russians to process 30  
18 metric tons of plutonium under this program, which will go into commercial reactors. The  
19 Russians will do the same.  
20

21 Then as far as Oak Ridge is concerned, again, as you know the fully enriched uranium is  
22 used in the weapons program and that is primarily done at Oak Ridge. And so, from a  
23 programmatic standpoint, it makes sense to have the repository for fully enriched uranium there.  
24

25 I think that is about all I wanted to say about this particular project, unless there are  
26 questions.  
27

28 MR. AJELLO: Any questions?  
29

30 Woody, what part of the program, how much of the program is associated with the  
31 Russian Government program? Is that a large part of this program or small?  
32

1 MR. CUNNINGHAM: No, EM is not directly involved with that.

2  
3 MR. AJELLO: Okay.

4  
5 MR. CUNNINGHAM: I am just saying, using that as part of the non proliferation  
6 program which is operating out of the NNSA, National Nuclear Security Agency.

7  
8 Is that it?

9  
10 MR. AJELLO: Okay.

11  
12 MR. CUNNINGHAM: Okay.

13  
14 MR. AJELLO: Other questions or thoughts?

15  
16 MR. WINSTON: This isn't a question, but, it seems like this has a more descriptive list  
17 of deliverables than most of the other teams in terms of, you know, it seems like this is sort of a  
18 shopping list of things that need attending for some time. And Jessie said here, I am charging  
19 this group to do that. But it is, you know, there are specific memos and policies that and it  
20 really says what the end point of that policy or the goal of that policy will be.

21  
22 MR. CUNNINGHAM: Yes, part of it is the same thing we have talked about with  
23 regard to the other projects. The EM program was largely a collection of individual site  
24 programs. And in this case, you had a particularly difficult situation because each site was trying  
25 to negotiate with, you know, half dozen other entities, as to how they get this material off their  
26 site.

27  
28 So, what you had was a very uncoordinated program. It wasn't managed as a  
29 corporate program. It was managed as individual sites trying to solve their own problems. As a  
30 matter of fact, Christine mentioned that she was involved with the Rocky Flats program prior to  
31 taking on this project. And Christine spent a great deal of her time figuring out how to get  
32 Savannah River to accept the plutonium from Rocky Flats. Or, how to get WIPP to accept

1 plutonium materials from Rocky Flats and how you arrange the transportation and all these  
2 kinds of things. And so, in effect, what you had was Rocky Flats along with some help from  
3 Christine and Frank Sheppard, trying to solve Rocky Flats' problems, but that was not the  
4 same as trying to solve the corporate PM's problem.

5  
6 MR. WINSTON: One of the other observations I have had is that often, historically  
7 EM (no pun intended) which in a sense you have a dumping ground for stuff that has been  
8 transferred from other programs. And often it has been transferred with, with little funding or  
9 too little funding. And I see implied in here is sort of a recognition that, you know, we are not  
10 going to be doing that anymore, which involves a push back to the other programs. And I  
11 assume that this is getting Secretarial support.

12  
13 MR. CUNNINGHAM: Well, one at time, you are quite right. There was a tendency  
14 in EM to think that, gee, you know, it will build us up and make us a bigger and better program  
15 if we just accept anything anybody wants to give us. And there was a lot of that tendency.

16  
17 MR. WINSTON: Right. That was on both sides of the fence when I said it was a  
18 dumping ground. Sometimes the budget increases, that was very frustrating on the Hill, was due  
19 to additional scope that was added without, you know, without funding and the need to get  
20 funding.

21  
22 MR. CUNNINGHAM: Right.

23  
24 MR. WINSTON: I just have to say I think that is a very good move, since I think it  
25 really makes a much truer picture of EM going into the future, and the cost associated with the  
26 clean-up.

27  
28 MR. AJELLO: Okay. Good. Well, for those of you following the program, you know  
29 that we did take a break at 10:45. Those are you with a watch knows it is nearly noon.

30  
31 MR. WINSTON: Is that just the sort of, you know, to tease us with the thought of a  
32 break?

1  
2 MR. AJELLO: That is right. So, I think, obviously we wanted to get through the  
3 presentations and the reports and have the discussion in a consecutive fashion, so that made  
4 sense. But, we will now take a short break and it is lunch time, so that will be upon us here on a  
5 moment. And then we will come back and have the Board work session that was to occur at  
6 11 o'clock and go right up until the one o'clock period. At that point we will have the  
7 Alternative Technologies to Incineration Committee (ATIC) report by Richard Begley. And  
8 then at 1:30 we will have the working session will continue any open items. We expect to  
9 adjourn about three o'clock. Thanks.  
10

11 (Whereupon, at 11:55 a.m., the meeting was recessed, to reconvene at 1:00 p.m., this  
12 same day, Thursday, November 21, 2002.)  
13

## 1 AFTERNOON SESSION

2  
3 MR. AJELLO: We are back. The agenda now calls for Richard Begley, who is the  
4 ATIC Co-Chair, that is the Alternative Technologies to Incineration Committee. Richard is  
5 prepared to give us his report. This will be the only topic on the agenda today where there  
6 would be a motion. So, we expect a motion and then some communication on the topic. But,  
7 first, we will hear from Richard Begley.

8  
9 [PRESENTATION BY MR. RICHARD BEGLEY]

10  
11 MR. BEGLEY: Good afternoon. Let me begin by saying that my co-chair, Vicki  
12 Tschinkel, is sorry she can't be here. She is the midst of a fairly major career transition. She  
13 just couldn't make it. But, she sends everyone her regards.

14  
15 We would like to give you a report on the activities of the ATIC Committee, and also  
16 some recommendations that we have made as result of our efforts of the last couple of years.

17  
18 MR. PFISTER: Pardon the interruption, we need to put you on microphone.

19  
20 (Pause.)

21  
22 MR. BEGLEY: Okay. Can you hear me? All right, if we could go to the next slide,  
23 Mike.

24  
25 The Alternative to Incineration Committee was formed really as DOE's response to the  
26 recommendations of the Secretary of Energy Advisory Board Panel, which was dealing with the  
27 question of emerging alternates to incineration. That panel was a response through some  
28 litigation brought by groups in Idaho and Wyoming regarding incineration. And so, this activity  
29 was part of the settlement of that suit, where DOE agreed to look at a series of technical  
30 alternatives to the incineration process. And, the ATIC Committee was established as a sub  
31 committee of EMAB in April of 2001.

1           The key issue was the alternative treatment options for PCB contaminated TRU waste  
2 at INEEL. But, the Committee really took a broader perspective. While that was the primary  
3 focus of the Committee, there was considerable sentiment that there could be other similar  
4 waste streams in other parts of the complex that could benefit by this type of technology and  
5 technology evaluation.

6  
7           The ATIC was made up of two co-chairs, and 13 other stakeholders and technical  
8 experts. They were chosen because of their experience at other sites and their technical  
9 backgrounds. A number of the members of ATIC were drawn from the ranks of the Citizen  
10 Advisory Boards at various sites. We also had a representative from the Snake River Alliance  
11 and the Wyoming Environmental Control Department.

12  
13           This summarizes our mission statement. It was primarily to look at the alternative  
14 technologies and help DOE to understand the range of interest and options that other technical  
15 folks and other stakeholders might have in evaluating alternatives to the incineration process.

16  
17           DOE was identifying these technologies through their RDD&D plan, and there were  
18 programs underway to evaluate alternates to incineration. The focus was to evaluate both  
19 surrogate waste and then ultimately move onto real waste, to evaluate these alternative  
20 processes.

21  
22           We had our first meeting in June of 2001, where we had presentations by various DOE  
23 groups. We focused on our mission statement and identified the tasks we would pursue.

24  
25           We had a second meeting in Washington early this year. As a result of that and some  
26 programmatic changes that I will get into in a minute, we submitted a letter report just a few  
27 days ago to EMAB.

28           The significant recent event is DOE is pursuing changes in regulatory procedures which  
29 would allow them to move this PCB contaminated TRU waste off site without treatment. And,  
30 the RDD&D program is to look at alternatives to the incineration process that are not currently  
31 being pursued. Therefore, the main function of the ATIC Committee really has been basically  
32 obviated by the fact that there is not an ongoing RDD&D program.

1  
2 Let me tell you a bit about the change in the DOE position. DOE is pursuing a three-  
3 prong approach to deal with this specific waste. First is a regulatory modification and then  
4 pursuing technical solutions that will deal with packaging concerns. The packaging concern is  
5 primarily associated with potential hydrogen generation in containers containing this waste, and  
6 so that has to be really addressed so that the waste can be shipped. And then if this approach  
7 is not successful, [the approach will be] to go back and take a look at these alternative  
8 technologies again. And this policy was communicated to the Governor of Wyoming as well as  
9 a number of public officials in that area.

10  
11 So, the first step is for DOE to seek a Toxic Substance Control Act (TSCA)  
12 designation for WIPP, which will allow them to accept this PCB contaminated waste. Then, if  
13 that is successful, to pursue technical solutions for packaging. There are a number of options  
14 and it is believed that this is a reasonably high probability approach as far as being successful in  
15 being able to ship the waste without a hydrogen generation issue. And finally, if that doesn't  
16 work, to then go back and look at alternatives through incineration.

17  
18 One of the things that did develop as a result of the ATIC Committee's activity is, if we  
19 can't take credit for it, at least we assisted in the development of a criteria document. This was  
20 a suggestion by a number of parties that would help in the selection of alternative technologies  
21 by trying to integrate a set of criteria so that when the selection process for a waste treatment  
22 option was pursued, it would be a lot more visible as to what the considerations were, what the  
23 tradeoffs are. The initial attempt at this activity, I think was done by the CAB at INEEL, and  
24 then it was also something that was pursued by participants at a National Stakeholders Forum  
25 held in June of this year (the Stakeholder Forum dealing with alternative technologies). Now  
26 that forum, of course, occurred before the change in the DOE policy to pursue regulatory relief.  
27 But, they also were very supportive of a criteria document which would allow the tradeoff  
28 options that are part of any technology selection to be visible and would allow stakeholders to  
29 have input at an early stage in the selection of a process.

30  
31 Now, with respect to the ATIC Committee's findings, some members of the Committee  
32 have misgivings about the ultimate success of the regulatory relief effort, and they feel that DOE

1 should continue to pursue the alternative technologies program in parallel with the attempt to  
2 achieve regulatory relief. So, that certainly is a position that at least a number of the Committee  
3 members have.  
4

5 There has also been a lot of effort at the site level, particularly with the Citizens  
6 Advisory Board to participate in looking at waste treatment options, whether it is incineration,  
7 alternatives to incineration or other treatments related to waste. But, there is a concern that as  
8 the R&D activities may apply across the board, that there should be some further coordination  
9 between the Department and regional and national stakeholders in a way that is not unlike what  
10 we heard today about taking a corporate look - that is, while individual site issues can very  
11 effectively be addressed at the site level, there certainly are issues where a corporate focus is  
12 necessary in order to optimize the results to the system and not just optimize what is best for an  
13 individual site.  
14

15 And so, there is still a considerable sentiment in our committee that a broader picture of  
16 stakeholder input, stakeholder interest, external technical review is appropriate for certainly the  
17 alternative processes to incineration. And, I think as a committee we have a consensus that a  
18 more formalized mechanism should exist to bring the interest and concerns of these stakeholders  
19 to the senior management levels and DOE.  
20

21 Another finding is we do endorse the concept of this evaluation criteria document. Jim  
22 [Melillo], I don't know if they have gotten copies of it, but that is included in the letter. We  
23 believe that it could be enhanced by incorporating the results of a more rigorous system analysis  
24 and to include some of the specific local stakeholder concerns and most importantly, by  
25 prioritizing the considerations that are in the document. But, basically it represents a good step  
26 in being able to make technology selection much more systematic and also more visible to all of  
27 those concerned.  
28

29 [ATIC RECOMMENDATIONS]  
30

31 Let me close by saying that we have, as a committee, two recommendations to EMAB.  
32 We first recommend that you recommend to DOE to dissolve the ATIC Committee, at least as

1 it is currently structured. Fundamentally because the technology program that we were there to  
2 provide input and evaluation of, is not being pursued at present.

3  
4 And secondly, we recommend that EMAB and DOE consider establishment of a more  
5 formalized mechanism to provide this broader stakeholder input, particularly in those that relate  
6 to alternative processes to incineration.

7  
8 And, Gentlemen and Lady, that is our report.

9  
10 MR. AJELLO: Thank you, Dick.

11  
12 Given the nature of this report, I will suggest we will adopt a formal proceeding now to,  
13 first, put the motion, put a motion on the record, and allow for commentary by the Board as  
14 well as public input. So, the way to initiate that is to entertain a motion that the ATIC has  
15 completed its assigned charge, that it can now be brought to closure and that EMAB endorses  
16 the Committee's findings and recommends them to EM for consideration and action. We will  
17 then, if there is a motion and a second to that effect, we can then initiate a conversation about  
18 the topic, allow for input and then take a vote after commentary.

19 MR. MORAN: So moved.

20  
21 DR. LOEHR: Second.

22  
23 MR. AJELLO: Okay.

24  
25 MS. SALISBURY: Point of clarification.

26  
27 MR. AJELLO: Yes.

28  
29 MS. SALISBURY: Are all of the recommendations, the dissolution of the Committee  
30 as well as the -- sorry, dissolution as well as the establishment of a formalized mechanism, a  
31 recommendation?  
32

1 MR. AJELLO: Yes, it is both.

2  
3 MS. SALISBURY: Okay.

4  
5 MR. BEGLEY: Well, if it is all right if I comment, we say “consider.” We are not here  
6 to --

7  
8 MS. SALISBURY: Consider, right.

9  
10 MR. BEGLEY: -- to tell you that here is a specific structure that we think you should  
11 adopt, but it is certainly a topic we think that you ought to discuss in your executive session.

12  
13 MR. AJELLO: Okay. All right, with that clarification and the motion that’s seconded,  
14 we are now at the point where we can have a conversation from the Board. Thereafter, we will  
15 take public comments. And then as I say, take a vote on the matter.

16  
17 MS. SALISBURY: Mr. Chairman, I have a question. I just, could you just elaborate a  
18 little bit about why there were some Committee concerns about the regulatory process and why  
19 the Committee believed that the [evaluation of] alternatives ought to be parallel tracks?

20  
21 MR. BEGLEY: Yes, there were some members of the Committee who were skeptical  
22 that the appropriate regulatory buy-in would be something that could be obtained, at least in a  
23 timely fashion. My personal experience is that this is a pretty subjective area as to what  
24 regulators will or won’t do. So, I think that is a set of opinions by people who have been  
25 through the process. We didn’t really come to a consensus on it, we thought it important,  
26 though to at least identify opinion that was held reasonably strong by at least some of the  
27 members of the Committee.

28  
29 MS. SALISBURY: Tom, do you know anything about that, the regulatory process to  
30 get a designation like what is being requested by DOE?

31  
32 MR. WINSTON: I just, I don’t have any firsthand knowledge of it. I mean, I am

1 generally aware. I wouldn't have the slightest idea of its prognosis.

2  
3 MS. SALISBURY: Yes.

4  
5 MR. WINSTON: You know, so --

6  
7 MR. AJELLO: And let's be clear about what we are talking about. I think what we  
8 are talking about -- and Dick, you can clarify this for us -- this is the change in status at WIPP.

9  
10 MR. BEGLEY: It requires the New Mexico regulators to agree to a change and I  
11 guess EPA endorsement as well.

12  
13 MR. AJELLO: As well. It needs both.

14 MR. BEGLEY: Yes.

15  
16 MR. AJELLO: Needs both, yes.

17  
18 MS. SALISBURY: Oh, okay. That wasn't clear to me.

19  
20 MR. AJELLO: Yes.

21  
22 MS. SALISBURY: As a New Mexican, I can tell you it could be a problem with New  
23 Mexico in all seriousness. I don't know about EPA.

24  
25 MR. AJELLO: My question, Dick, is in the event that problems [occur that result] and  
26 long protracted processes ensue around getting this waiver (if that is the correct word) for  
27 WIPP to receive the materials, what is the Committee's sense of time loss or efforts that might  
28 have been underway during this period of time as a hedge, if you will, against a negative  
29 outcome on this regulatory decision?

30  
31 MR. BEGLEY: Well, in the best of all worlds, I think we would like to see alternative  
32 technologies being pursued as a good thing to do. Obviously, there is a redefinition of the focus

1 of the DOE program in terms of supporting rapid or accelerated site closure. And that many of  
2 us on the Committee didn't feel we were in a position to second guess the detailed prioritization  
3 that was done by the Department.  
4

5 So, while it would be nice to have these alternative programs going on, there are many  
6 other areas that would be nice to have alternative technologies or stronger technology programs  
7 at work. And so, we do recognize that there are candidate technologies that are also being  
8 pursued by private organizations. So, it isn't [the case] that nowhere would there be an  
9 alternate technology base should it be necessary to re-institute this program. For example,  
10 thermal absorption has been used. It would have to be applied to this specific waste, but it has,  
11 you know, reasonable prospect of working. So, it wouldn't be an irretrievable situation, in at  
12 least many of the Committee's view.

13 MR. AJELLO: So, the private sector is working on these technologies, in any event.  
14

15 MR. BEGLEY: Yes.  
16

17 MR. AJELLO: Or has them available.  
18

19 MR. BEGLEY: Or has them available.  
20

21 MR. AJELLO: What is lost may be the Committee's time and their considerations so  
22 that you might recommend them, should the regulatory strategy --  
23

24 MR. BEGLEY: The fact that you would then have to make sure you did get a process  
25 qualified with the real waste, that is one of the things that has been obvious over the years. That  
26 is why you need to look at surrogates when you're evaluating processes. You still have to  
27 qualify a process using the real waste. Otherwise, you will have some unpleasant surprises.  
28

29 MR. WINSTON: That is what the original charge of the Committee was and the way  
30 the process was suppose to work is that DOE would present technologies to you, is that  
31 correct? You weren't going to be going out and do your own independent evaluations.  
32

1 MR. BEGLEY: Right, they, the Mixed Waste Focus Area had the lead in pulling  
2 together a technology program and our Committee was to provide independent input, both from  
3 the standpoint of the technical aspects of the process as well as representing to some degree,  
4 the kinds of concerns that stakeholders, at any site, would have with the process. The idea was  
5 to try to build in a broad-based evaluation perspective as these technologies went along so that  
6 the kinds of considerations, that were appropriate, not just the sheer technical considerations,  
7 but also those things that are most important to stakeholders, were incorporated in the  
8 evaluation process.

9 MR. WINSTON: So, from a practical matter, if no technologies are being presented to  
10 you, there is really nothing to do.

11  
12 MR. BEGLEY: That is --

13  
14 MR. WINSTON: Kind of the bottom line.

15  
16 MR. BEGLEY: That was our view.

17  
18 MR. WINSTON: In my recollection, from being a member of the Board as this  
19 Committee was created, I don't think that we were, from a policy standpoint, trying to drive the  
20 Department's decision in terms of how they handled this issue. What we were doing was we  
21 were supportive of getting stakeholder input.

22  
23 MR. BEGLEY: Right.

24  
25 MR. WINSTON: And providing a vehicle and an opportunity to do that under the  
26 Board's umbrella. So, I think I am supportive of the closure of the Committee's activities  
27 without necessarily, I am not sure I know enough and feel smart enough to necessarily pass  
28 judgement on the Department's change in direction, you know, only time will tell. But, I think I  
29 can be comfortable in saying that given the opportunity that was provided to you, you have  
30 done as much as you can, and with a change in direction, there is, you know, the issue is moot  
31 at least for the moment.  
32

1           On the other issue, I certainly respect and accept the Committee's recommendation that  
2 we consider that. I think that is a very important issue. I don't know how helpful a  
3 recommendation from us would be at this point, or whether we would need to craft a  
4 recommendation with more specificity to actually be helpful to the Department. But, I do feel  
5 that if the Department is going to be successful internally integrating these activities that we have  
6 been talking about this morning, they have to be just as successful externally. I don't know how  
7 that will be accomplished.

8           I know within my circle of influence and interaction with the Department, we have been  
9 trying to make the point that site-specific discussions in a vacuum are not really going to be  
10 successful in looking at a complex-wide picture. DOE needs to bring all of their stakeholders  
11 along. We have the capacity to view the Department from a complex-wide - outside of our  
12 parochial interest; but, there needs to be a process to do that. So, I am very supportive of the  
13 concept.

14  
15           I kind of question exactly how much power a generalized recommendation is in making  
16 something happen. It is not very specific in terms of what DOE must do. It is not very  
17 measurable in terms of whether they have met the mark or not. But, I don't feel at all  
18 uncomfortable sending the message that the integration piece has to be accomplished both  
19 internally and externally because the externals are going to be a player in the site-specific  
20 decisions that fit under a corporate integrated umbrella.

21  
22           MR. BEGLEY: Well, it struck me in listening to Patti Bubar's discussion this morning  
23 that the kinds of concerns she was raising in looking for some help are not dissimilar from what  
24 a number of our ATIC Committee members were discussing. And it would seem, perhaps, that  
25 as you develop a better appreciation for these various issues, you might be able to find a role in  
26 a more specific set of recommendations for DOE regarding this bringing people along in parallel  
27 as the policy develops.

28  
29           MR. WINSTON: One of the reasons I just said - I am not sure how specific we can  
30 be or should be; or, if we are not specific, if it is helpful or not. I have noted that I think Jessie  
31 comes here certainly with an appreciation of what happens in the field probably more than any  
32 of the assistant secretaries that I have worked with. She feels that the stakeholder interaction

1 are the responsibilities of the site managers. And I would tend to agree with that, but I would  
2 also intend to agree that that then drives it down to site specific and then that leads to sort of a  
3 more parochial view point. I have been trying to relay a message that you have to compliment  
4 that with sort of the national perspective that brings this together whether it is this group or other  
5 similar groups to look at things more corporate. So, I don't want to ramble on about that, but I  
6 do think it is a very, very important issue.

7  
8 MR. AJELLO: Yes, Tom, I agree. I really wanted to drill into this last part of the  
9 recommendation (number two up on the board). It is not clear to me how this could occur, this  
10 formalized mechanism. Are there are a series of thoughts under that, that are in the report? I  
11 mean, I know we have a bunch of materials here, criteria for selection, what have you, but, is  
12 that to be rolled out? I guess, that is another way of asking.

13  
14 MR. BEGLEY: We didn't, we didn't have a specific mechanism in mind. At least that  
15 we were able to develop a clear picture of and achieve a consensus on. We just felt that  
16 certainly there was a need that should be, you know, explored in some detail.

17  
18 MR. MELILLO: I have to turn it back on there, again.

19  
20 I think, if I understood the question correctly, "Is there a mechanism at this point that  
21 goes beyond what is in the writing?" The Assistant Secretary did indeed prepare a memo that  
22 moved this and sent it to her Deputy Assistant Secretary for Science and Technology. It asks  
23 for what is contained in the criteria part of it, and for it to be given consideration in future  
24 planning as that office is developing its various parts. So, it does have already a formal piece  
25 that went with it.

26  
27 MR. AJELLO: Okay. So, the notion here is then that Owendoff's Group is to develop  
28 that essentially. That has been his charge from Jessie then. Okay, good. Okay.

29  
30 Any other Board discussion or comments? All right, since we are --

31  
32 MS. SALISBURY: Mr. Chairman, just one other comment. Maybe we can capture

1 the establishment of a formalized mechanism. Somehow, maybe keep that thought as we are  
2 trying to key in on the areas that we are going to be working on. Because, surely as we are  
3 looking at the end strategy, it is going to contain some stakeholder input, in particular, national  
4 stakeholder input. So, maybe we can sort of capture it in some of our specific  
5 recommendations.

6  
7 MR. AJELLO: Good, I will take note of that.

8  
9 Thoughts and questions from the Board? Okay. Since we are under a pending motion,  
10 then, which has been seconded, we are now going to turn to any public comments that the  
11 audience would like to make.

12  
13 (Pause.)

14  
15 MR. AJELLO: Okay. Since there are none, hearing none, we are ready to vote. All in  
16 favor say aye.

17  
18 (Whereupon, a chorus of ayes were heard.)

19  
20 MR. AJELLO: All opposed?

21  
22 (Pause.)

23  
24 Any abstentions?

25  
26 (Pause.)

27  
28 The motion is passed.

29  
30 MR. WINSTON: I would like to thank the Committee for hanging in there and kind of  
31 rolling with the punches and I appreciate your service to the Department's Program.

1 MR. BEGLEY: Thank you.

2  
3 MR. AJELLO: Well done.

4  
5 [BOARD BUSINESS]

6  
7 Okay. The next item on the agenda is the continuation of the Board work session. Just  
8 for those of you who are not available when we began that part of the meeting earlier around  
9 lunch time, the Board began a discussion regarding priorities, having heard a number of  
10 presentations over the last 24 hours about what it would do next. So, we will continue that  
11 discussion. We will talk about next meetings, and calendars as well.

12  
13 And I probably should summarize for the benefit of those who were not here. The  
14 Board had indicated it would like to adopt a list of priorities for further consideration,  
15 subsequent Board work, both outside the formal meetings as well as in subsequent formal  
16 meetings. And I undertook the responsibility to circulate to the Board a list of such priorities,  
17 which to this point are as follows:

18  
19 End-state exit strategy and long-term stewardship is one topic.

20  
21 Contracting practices, the second topic.

22  
23 Program metrics, the third topic.

24  
25 And the fourth topic being, accelerated closure strategies with a possible sub topic of  
26 transportation or in and of itself a topic called transportation.

27  
28 Those are the ones that we noted we would give further consideration. And so we can  
29 continue to discuss that now. The Board also indicated that as a result of the briefings that it had  
30 heard, a number of items would be appropriate for review, individually, for example, the  
31 IRRAPs [Immediate Risk Reduction Action Plans] that Reinhard mentioned. The lessons  
32 learned that Dave Geiser had reviewed. A further review of the CD-1s, or a review of the CD-

1 1s. Certain other relevant reports that were done by prior EMABs. A review of the Mound  
2 RFP and a review of the so called "leading indicators." Jim Melillo's office will assist us in  
3 gathering up that information and we will be reviewing that individually, not necessarily at a  
4 subsequent meeting, but as background to initiate the further work.

5  
6 So, I guess what we should do now is discuss whether or not we captured, as far as we  
7 know right now, the right list of priorities for further review and as I said, I will circulate those so  
8 we can comment on them further. But, if the Board wants to either embellish or debate the list,  
9 we should do that.

10  
11 MR. WINSTON: Can you read the list again? I apologize.

12  
13 MR. AJELLO: Sure, sure.

14  
15 The first one was a rather long one, stringing together, end-state exit strategy and long-  
16 term stewardship. The second topic was contracting practices. The third topic was program  
17 metrics. The fourth topic was accelerated closure strategies with a possible sub topic  
18 transportation or in and of itself a topic of transportation.

19  
20 MR. WINSTON: The first three are real clear in my mind. The fourth one seems to be  
21 pretty broad.

22  
23 MR. AJELLO: Yes.

24  
25 MR. WINSTON: Did you have, is there a narrower focus that we would want to  
26 discuss at this point or --

27  
28 MR. AJELLO: I think the notion, the answer is no, unfortunately. But, the notion was  
29 that if the accelerated closure strategies would be the focus of the program in Jessie's mind, and  
30 the way in which, you know, billions of dollars would be caused to be saved, that we ought  
31 somehow focus on that. It is pretty broad as stated in amorphous. And obviously can be  
32 subsumed in some of the other topics. So, it is not to me as distinct as the other topics.

1  
2 MS. SALISBURY: And the other part of that is that she views transportation as a big  
3 piece of it. And so, it is hard to tell precisely how to narrow it in my mind.  
4

5 MR. AJELLO: One way to say it, Tom, is maybe transportation is a topic as a way to  
6 promote accelerated closure strategies. I mean, that is probably a more crisp way of saying it.  
7

8 DR. LOEHR: As I understand this list, it is a beginning point for a subsequent focus  
9 and discussion rather than an end point.  
10

11 MR. AJELLO: Correct.  
12

13 DR. LOEHR: So, that we are going to be looking at it here, but in the usual way of  
14 things, I expect that there will be considerable modifications and focus and perhaps within the  
15 next couple months, we will have a sharper estimate of the actual items that we are going to  
16 focus on.  
17

18 MR. AJELLO: I also think it might make sense for the Board, when it gets this list in  
19 black and white, to start identifying the questions under each of these items to be asked and  
20 answered by the Board. And then leading to recommendations that we would make to the  
21 Assistant Secretary.  
22

23 I also think that once the Assistant Secretary and others may see the list, the list will be  
24 critiqued as a function of wanting certain advice areas, you know, to be increased. So, I think  
25 our list will be reviewed and possibly expanded, although, I really very much feel that if we try  
26 to pursue too much, given the breadth of this program, we won't be effective. So, you know, I  
27 will be arguing for a tighter list rather than too broad a list.  
28

29 MR. WINSTON: Just for clarification purposes, the two end-state - Dave Geiser's  
30 group, I mean - that is a tie-in directly to his project. The contracting practices is tied in clearly  
31 to a project team. The program metrics is really overarching in many respects.  
32

1 MR. AJELLO: Yes.

2  
3 MR. WINSTON: It is fundamental. I am not trying to minimize that, but, it is not  
4 necessarily tied to a project team, although, we could add value to any of the project teams with  
5 some recommendations on metrics. And I guess the accelerated closure strategies, that is cross  
6 cutting as well. So, it would not just be latching onto one of the teams. It is more of a broader  
7 perspective, is that correct?

8  
9 MR. AJELLO: The reason why I suggested the last two, was just because they were  
10 overarching. Because, I felt that if we just stayed with the very specific ones, we might miss  
11 some important matters. So, we have an opportunity to go across the program as well as be  
12 very specific. For example, the topic of contracting practices. So, that was the logic. And as  
13 Ray said, we will evaluate it further.

14  
15 You know, one strategy, one approach to this that I had thought of last night and again  
16 this morning, as we listened to what, about 14, 15 presentations in the last 24 hours, is simply to  
17 critique the projects. The one way to do this, one way to provide input and recommendations is  
18 just to take the work that comes out of each of those project teams and provide a critique and a  
19 recommendation. That is one way to do that. The assumption being that if the projects were  
20 deemed important enough by the Assistant Secretary, dedicate that amount of time and  
21 resource, that is where the priorities are. And as a result, you know, we could, you know,  
22 spend our time very well simply reviewing these. That is another way to think about this.

23  
24 MS. SALISBURY: I actually think that is a really good idea. And I would be  
25 interested to know if she would, the Assistant Secretary would think that would be of value to  
26 her. Because I would hate to embark down that path if she really wasn't particularly interested  
27 in outside input at this point. Maybe further down the, in the process, she would be, but, maybe  
28 as they are coming, because you see them coming back in the next couple of months with some  
29 serious work. But, I think that could be a great value to her.

30  
31 MR. WINSTON: And I think it is, that is a very good point. Because, I think by  
32 design she did not have layers between the teams and herself. I am not saying we would be a

1 layer, but, you know, I think she would need to think seriously about, unless we were sort of  
2 rolling up our sleeves and working, you know, closely like we may on the contracting and the  
3 end-states, how much she would like to rely on our input as those reports come in, as those  
4 project deliverables come in.

5  
6 MR. AJELLO: Frankly, I am sort of this way and that with respect of how to approach  
7 this. I could see us doing a lot of good work, digging into things like contracting practices. I  
8 can also see us doing well by critiquing the already identified programs and priorities. So, what  
9 I suggest we do then is make sure we get her input on the matter, you know, we have to keep  
10 reminding ourselves that we really exist solely for the purpose of providing input and  
11 recommendations to her. So, I would imagine any list we could up we should clear.

12  
13 MS. SALISBURY: Right. So, we could leave it to you, maybe, just to approach her  
14 on that specific issue.

15  
16 MR. AJELLO: First, I will circulate this list. The A alternative will be the specific list of  
17 projects. The B alternative would be the critique of the already identified projects, get your  
18 input, get back to her, and then close the loop back to the Board. Does that make sense?

19  
20 MS. SALISBURY: Yes, one other thing, Mr. Chairman. Since we are sort of still kind  
21 of in a scoping area, I guess I would ask the audience maybe if they would just have a reaction  
22 to this list. If they think we are on the right track, if there is something that we obviously missed.  
23 I mean, maybe we will take it up, maybe we won't. But, just sort of broaden the input. That  
24 would be of interest to me, I don't know if to anybody else, but for whatever it is worth.

25  
26 [PUBLIC COMMENT PERIOD]

27  
28 MR. AJELLO: The floor is open.

29  
30 Betty Nolan.

31  
32 [COMMENT BY MS. BETTY NOLAN]

1  
2 MS. NOLAN: Not to be the first, but --

3  
4 MR. AJELLO: You are.

5  
6 MS. NOLAN: I guess having followed this program since its inception, my sense is,  
7 you know, I have been amazed at what you have done here in a day and a half. It is very  
8 impressive and it is somewhat unique in my experience with boards of this type. I think part of it  
9 may be your size and part of it is your real expertise.

10  
11 I like the four better than I like critiquing the teams. Because, it gives you two really  
12 specific areas to look at. Not just EM, but frankly this whole Department hurts in terms of  
13 contracting, particularly. And it is what drives us. I mean, we are essentially, I think we are  
14 15,000 people with over 100,000 contractors. So, it is a critical piece.

15  
16 The other piece, the end-state, the exit strategy and long-term stewardship, that is  
17 totally cross-cutting because the EM mission, if you go back and look when the Secretary, who  
18 was Watkins, set it up, the EM mission was indeed to clean up and go away. That concept  
19 quickly got lost in this Department. And EM for many years was the 800 pound gorilla. There  
20 has been some shifting there in the last year or two, and Jessie clearly is sensitive to that.

21  
22 With that said, as you [EM] “clean-up” and perhaps go away, you leave certain things  
23 behind. You talked about that yesterday, the institutional controls, there may be sacrifice areas.  
24 A lot of this plan or this property is cleaned up, will go back to other programs (the Office of  
25 Science, Defense Program, or NNSA, Nuclear Energy) so, internally we have just barely begun  
26 to struggle with how do you work that. It can’t just be, you know, I am declaring it is cleaned  
27 up. The Office of Science is going to inherit the “cleaned property” that EM turns over. They  
28 are going to have to agree at least, at a minimum, to the end-state. So, that is, I mean, that is  
29 not a narrow piece if you are looking at that. It starts with EM, but the whole issue will be,  
30 where does long-term stewardship belong in the Department? That is an issue that is beginning  
31 to surface.  
32

1           So, you had an enormous amount of material and compressed it just so. I mean, Tom  
2 can appreciate some of this - and that is, I think, a long-term stewardship, where is it going to  
3 stay, where is it going to reside? How do you institutionalize it? There are many, many issues  
4 here. And then again, your two broader issues. But, those four areas capture, I think, probably  
5 90 to 95 percent of where this Department is grappling at this point. It is an incredibly good list.  
6 And if you can, it is a list where the entire Department could benefit and which we are just  
7 beginning to address.

8  
9           So, it is not like there are set in stone answers. People are seeking answers to all of  
10 these. So, you must think about how you want to approach it. But, to me, the eight are project  
11 specific. They have the Assistant Secretary's attention and largely they are EM figuring out how  
12 it does its own business. Where the four are much higher level, how does the Department do its  
13 business and service through the stakeholders who live with our results and with the taxpayers,  
14 who frankly support all this. Thank you.

15  
16           MR. AJELLO: Well stated.

17  
18           Sir?

19  
20 [COMMENT BY MR. MICK GRIBEN]

21  
22           MR. GRIBEN: Mick Griben, Consultant.

23  
24           Again, you asked for the input and I certainly know where Betty is coming from. I  
25 would also like for you to think about what are the near-term goals for EM and how is the  
26 Department going to increase its credibility. I think the bottom line is closure in 2006 of those  
27 sites. And I think this is a very concrete area that we are burning daylight on here.

28  
29           When you look at things like at Mound, like some up coming procurements, like  
30 Fernald and Rocky Flats, are the bases covered to ensure closure by 2006? Do you feel that  
31 the path forward is defined so that you know what the risks are? In other words, is EM certain  
32 as to how it is going to get done. I think that would be an incredible milestone, in terms of

1 credibility for the stakeholders at large to say, closure is set for, well, going on for five years  
2 now at least, in 2006 is the date for the larger projects. Let's make that so.

3  
4 I think on another issue, looking at the eight projects that EM has identified, do a triage  
5 on those. I would suggest that you focus on high level waste. That is the biggest cross center  
6 and in my mind the highest risk. Look at that CD-0, the CD-1, the CD-2. Has anything been  
7 left out of the equation there? Because, I have got to tell you my belief is truly if we are going  
8 reduce the mortgage and reduce it significantly other than no action, it is the high level waste  
9 issue.

10  
11 And three, I would strongly encourage a lot of thought on performance metrics.  
12 Funding is limited. People's patience on the Hill is being tried every year that the Department  
13 goes back and asks more for clean-up. And if we can come up with some very definite  
14 objective, quantifiable performance metrics for clean-up, rather than counting the number of  
15 glass logs, or number of containerized waste products that get put in a repository someplace,  
16 then we can actually document a reduction in exposure, in risk, at a particular site and show  
17 some kind of forward progress every year. I think that would be another major contribution.

18  
19 Thanks.

20  
21 MR. AJELLO: May I ask you a couple of questions about that? When I said program  
22 metrics, I really meant the program. I didn't necessarily mean, although, others may have  
23 interpreted it differently, I didn't necessarily mean the specific metrics at site A, B, or C. But, I  
24 was trying to get to the point, how does the program, the overall program, know it is achieving  
25 its goal. One is very different from than the other. You seem to be going in the direction of  
26 more of the specific project by project objectives. If so, how do you think a group like this can  
27 really get, it sounds very technical, very detailed data? Is that what you intended?

28  
29 MR. GRIBEN: Mr. Ajello, looking at the goal sheet that was put up yesterday, where  
30 as I understood what EM-3 [Mr. Golan] was suggesting, was that this was how they were  
31 going to measure progress for the program. I am not convinced that that, where you are  
32 coming from, is what I think needs to be done more than anything else. Because that will satisfy

1 the skeptics as to what is EM doing. Does EM need to be in the waste management business?  
2 Or should that go to a different department? I mean, I think we are getting to a point here that  
3 can DOE actually clean up its own mess. Are they doing it at the most cost? Is the cost benefit  
4 there, or are there other entities in the Federal Government that could do it better?

5  
6 So, to show that this program is moving out, is making progress, I think that is where  
7 the focus should be. The sites can take care of their own, because they need to report up to  
8 headquarters. But, for the Department to maintain, if they want to maintain an environmental  
9 management activity, I think they have got to show some significant progress.

10 MR. AJELLO: Thanks.

11  
12 Any thoughts on that last set of comments before we hear from the next person?

13  
14 MS. SALISBURY: I thought you framed it right.

15  
16 MR. AJELLO: Okay. We are inside the frame.

17  
18 MR. WINSTON: Just in response to the high level waste [remark]. I think that, you  
19 know, even if we don't set up a formal process to review the recommendations as they come  
20 out of the, the deliverables that come out, I think we want to pay attention to them. And then,  
21 you know, decide to pick them up, even if we haven't decided on a formal process to do so.  
22 And I would say from what Joel was saying, I have got a lot of confidence in Joel and that  
23 group, I have less confidence in the fact that it will be easily implemented, what they come up  
24 with. But, their focus is just on, you know, from a scientific basis, what makes the most sense.

25  
26 You were saying that those recommendations would be coming out around the June  
27 time frame, and I think that is probably something that we do want to be, pay attention to.  
28 Because I do feel that, I hadn't thought of it from that, from the vantage point that you have  
29 raised, but, clearly from an overall cost standpoint, it is a credible component.

30  
31 MR. AJELLO: Yes. Without trying to complicate the topic anymore, I said that there  
32 were two ways to look at this: conduct your critique of the project teams, or take these - this

1 handful, this list, this short list I mentioned -- and maybe [I've spent] too many years as a  
2 banker -- but one of the other things that struck me as I listened to this, is that we should  
3 evaluate those items where the largest amount of money is spent. And let that guide our  
4 priorities. Simply, when you hunt elephants, you go where the elephants are, right?  
5

6 So, consequently, one of the ways to evaluate and provide good service to the  
7 program, could be just to simply look where the money is spent. That is another way to have a  
8 window into the world. So, I do think the first two topics are really the way to go and we  
9 should try to spend more time on it. But, I did have that thought as well.  
10

11 MR. WINSTON: Let me also say that, I think Betty was alluding to this and so did  
12 Mick. I think as I am still having a little trouble with sort of the broad goal of, you know,  
13 accelerated clean-up and because it is not quite as broad as world peace, but it is pretty broad.  
14 At the same time, maybe a different way to look at it, or maybe I will put this on the table, and  
15 I have had this conversation with Roger Butler, that I think DOE has, has a very, very clear  
16 vision. I think Jessie has tried to align everything consistent with that vision. What I am not  
17 sure they have necessarily been on the lookout for is blind spots.  
18

19 I think they are going to find out [what] most of their blind spots [are] from external  
20 parties, whether that it is us or other groups. And so, I think, Mick, one of the ways you had  
21 raised it was that, "Are the bases covered to ensure closure by 2006?" And it was mentioned  
22 earlier, that inter-site shipments of waste, it is easy to sort of chart that out. It is easy to put in a  
23 performance management plan, the waste will leave Oak Ridge to a point undetermined. It is a  
24 much different actual, you know, forward movement to say, yes, the trucks are on the road and  
25 the waste is being shipped. And there are a lot of things that, that just opens up. And maybe  
26 we could also look at that as looking for blind spots in that accelerated closure arena.  
27

28 MR. AJELLO: One way then to think about this, or to restate that is, fatal flaws to  
29 accelerated clean-up. I mean, one of the ways that we can do well here is to point out things  
30 that we think are going to be big issues in the pursuant aspect. That could be a more practical  
31 way, that is a good thought.  
32

1           Okay. There is another comment.

2  
3           [COMMENT BY MR. JIM BRIDGMAN]

4  
5           MR. BRIDGMAN: Hi, Jim Bridgman, Alliance for Nuclear Accountability.

6           I also believe the Board should be commended for sitting through just an unbelievable  
7 onslaught of information here. You, guys, have a huge task ahead of you.

8  
9           I think there are several things in terms of the priorities that you are considering. We  
10 heard Dave Geiser today say that he wishes he could have an end point and then everything  
11 would be much easier. Unfortunately, because of the change in science and technology, I think  
12 what you are going to see is the continual emergence of some of these technologies that could  
13 change that end point. I think perhaps one thing to keep in mind is not just an examination of  
14 those technologies, but an evaluation of what long-term stewardship means. Whether long-term  
15 stewardship is simply the monitoring of contaminants to make sure that they are not hitting water  
16 and air and so forth, or whether there is this constant reappraisal of the technologies that are out  
17 there to see if perhaps standards that were agreed upon before, especially in light of moving  
18 contaminants, might be cleaned up to an additional level that would allow more use in terms of  
19 industrial, residential or recreational or what have you.

20  
21           When I was out at Hanford, I saw an actual PowerPoint presentation that was not  
22 officially released of contaminants moving from the high level waste tanks out to the Columbia  
23 River over a period of several hundred years. So, these are, you know - that is a long time.  
24 Nonetheless, these are concerns that are going to be with us for quite awhile. So, I would  
25 encourage an examination of that.

26  
27           The other thing to consider is that as was stated, I forget who, that there are several  
28 different end states depending on the use of the site. And some of these sites have continuing  
29 missions, that means a lot of these sites continue to create contaminants. And so, perhaps the  
30 Board wants to also look at how the continual creation of contaminants may interact or interfere  
31 with the successful clean-up of sites and the abatement of disposal facilities and so forth, to  
32 handle that additional mess.

1           Then in the area of oversight, we heard yesterday a mention of safety is something that  
2 is assumed in a contract. There is no more incentives to make sure this is happening. And I  
3 think this is a general shift that perhaps should, deserves some more examination. Because,  
4 there are a lot of ongoing concerns about safety that need to be addressed.

5  
6           And then finally --

7  
8           MR. AJELLO: Is that health and safety to sites, is that what you mean?

9  
10          MR. BRIDGMAN: Right, and to the public. Right. For example, we have a worker  
11 compensation program that there are a lot of sick people in the community who do not have a  
12 compensation program. I understand there is language in the new Defense Authorization Bill  
13 that do some monitoring, which is an important step forward. Nonetheless, there are broader  
14 concerns about safety.

15  
16          And then finally, in terms of involvement. I appreciate the idea that you mentioned, Ms.  
17 Salisbury, about incorporating some of the broader issues here in a future mechanism to reach  
18 out. And I would say not just to national stakeholders like myself, but also to our regional  
19 group, because they are the true experts in that and I am just a spokesperson for them.

20  
21          And just as an example of that, we heard this morning that, from Mr. McCormick, that  
22 stakeholders were not involved in the plan surrounding the high level waste at Hanford and so  
23 forth. Well, if [as at the] Idaho and Savannah River sites, perhaps if they were there would not  
24 be the current lawsuit that there is brought by NRDC, the Snake River Alliance and the  
25 Yakama Nation regarding the high level waste disposal at those sites.

26  
27          So, you know, once again, I encourage the Board to look at how stakeholders are  
28 involved in the various processes.

29  
30          Thank you.

31  
32          MR. AJELLO: Thanks very much.

1  
2 Any commentary on that or questions for Mr. Bridgman?  
3

4 MR. WINSTON: I was just going to mention, you talked about the continued  
5 generation of waste. That is something that the National Governor's Association has been  
6 working, looking at the inventory. Because, you really have to build your plans on a valid  
7 inventory. And we actually have an external consultant, Ross and Associates, who has been  
8 very good at helping to put together a valid inventory that not only takes a look at legacy, but,  
9 you know, continuing production of waste. So, that is an important issue. I don't know if that  
10 is something this Board will look at, but, I agree that that is an issue.  
11

12 MR. AJELLO: Other comments or thoughts from the group?  
13

14 Okay. I just want to -- Yes.  
15

16 MS. SALISBURY: Could I capture something? Maybe it was [captured] but, I  
17 wasn't sure. It wasn't clear in my mind as to sort of capture the thought of the gentleman here, I  
18 can't remember his name and Tom's with the accelerated clean-up, with the idea that Tom had  
19 about maybe looking at blind spots or the fatal flaws, are geared towards those sites that are  
20 supposed to close in 2006. And that is maybe a way to frame it, put it in a box, that is,  
21 especially for our tenure here, and that is in the foreseeable future that we could probably  
22 identify some things that might be helpful to the Assistant Secretary.  
23

24 MR. AJELLO: Yes. That is really combining then three thoughts, accelerated clean-  
25 up, fatal flaws to the near term sites, near term site focus.  
26

27 MS. SALISBURY: And knowing that transportation will probably be --  
28

29 MR. AJELLO: Be a part.  
30

31 MS. SALISBURY: Big.  
32

1 MR. AJELLO: Big part of that, yes. Good. Okay. Other thoughts or comments?

2  
3 I just want to return, as I said I would yesterday, to this draft mission statement which I  
4 had written and maybe we can go back to Tab 2 for a moment, just to reflect on that, in light of  
5 what we have been learning and talking about, what had been written was:

6  
7 “To provide the Assistant Secretary of Environmental Management information and advice on  
8 corporate issues by advising on key strategies, issuing reports and recommendations, and then  
9 recommending options to the Assistant Secretary to resolve difficult issues for various matters,  
10 including but not limited to work for health and safety, contracting practices, disposition of  
11 waste, regulatory agreements, EM program performance, risk assessment, cost benefit analysis,  
12 and technology applications.”

13  
14 The reason why I am repeating that or going back to that, is two part. Number 1, does  
15 that sound to the Board like that covers the right territory? And number 2, as we review our  
16 short list and as Ray said we will continue to refine it, do we feel that we are moving in the right  
17 space here? Does it feel like this captures the mission and are we moving in the right direction?  
18 At least on the first day.

19  
20 MS. SALISBURY: Yes.

21  
22 MR. AJELLO: Okay. That was just a gut check. Okay. All right. Let’s, well, let me  
23 ask if the group has anything more of substance to discuss before we review calendars, next  
24 meetings, next steps and so forth?

25  
26 MR. WINSTON: I mentioned something yesterday. At some point in time I think, you  
27 know, we need to just assess either do we have the appropriate membership or are there other  
28 mechanisms to involve people without necessarily having them as formal members? And I just  
29 wanted to, I guess on the record, say that I have had some criticism of the communication of  
30 the, you know, the existence of the new board. I had suggested yesterday to Jessie that there  
31 be an effort to do a better job of getting the information out through all the mechanisms that  
32 DOE has. Martha’s office, for example, is a good avenue because they involve, you know, so

1 many groups.

2  
3 I had sent a couple of days before the meeting, because I know a lot of folks in the  
4 stakeholder community, agendas to several people, and they sent back thank-you's. I got one  
5 last night from Lisa Crawford, who is with the Fernald (FRESH) Group, Susan's group. And  
6 she thanked me and she said there had been a commitment by the Assistant Secretary to get  
7 word out on this and she is hoping that it is just some growing pains at the beginning. And that  
8 we do a much better job of getting out agendas, getting out information. I sent it out to NGA  
9 Task Force and it turns out, I think, Martha may have just sent it out, her office sent it out as  
10 well around the same time, it was a day or two before.

11  
12 So, I know that we have just been gearing up for that, but, if we are going to be  
13 criticized, I want us to be criticized on the content of our substantive recommendations and not  
14 over our visibility and process. I think we can certainly pass the test on that.

15  
16 MR. AJELLO: You know, I think you raised two very good points. How we achieve  
17 outside, how do we get outside view points, how do we obtain them and then how do we  
18 communicate notices of meetings better, who is on the Board and so forth? You know, with  
19 respect to the meetings, I guess the Federal Register is the prescribed notice mechanism to get  
20 the word out. But, in, we were saying this yesterday, it just, in this day and age, with the  
21 popularity of the Web, that you would think and I would recommend that we would have,  
22 website notices that are, you know, folks who, and just about everybody now has an access  
23 clearly, you know, could track the comings and goings of the program, the meetings of the  
24 Board and so forth. So, I think that is a real easy one to fix. And my guess is we could very  
25 easily do that.

26 MS. SALISBURY: Yes, I am wondering, Jim, do you put the notice up on your DOE  
27 website, because it probably has, I think, if I remember right, it has a hot news or a news, that is  
28 fairly dynamic part of the page, that changes frequently. I don't know what the public looks at,  
29 when it is looking at DOE, if that is one of the things.

30  
31 MR. AJELLO: Yes.

1 MR. MELILLO: Jennifer, I was waiting until we got pass this point here, the first  
2 meeting at this stage. There is a big note on my desk and we have had several discussions as  
3 well on it: one of my next things now is to completely upgrade the website. I have not been  
4 able to do that at this point simply because we were in the state of change going on, didn't have  
5 the members, didn't have a first meeting, etc., etc., that kind of thing.

6  
7 You are absolutely right, it is well planned at this point and that is one of the things that  
8 is on my calendar. I have talked about it with the staff at this point to move forward on that very  
9 quickly, so that we can put that mechanism out there, because it has always been one that we  
10 have paid a great deal of attention to and to place all the information on there at all times. And I  
11 will try to design it so that it was friendly and so forth and so on. So, yes, I will get back to it.

12  
13 MR. AJELLO: Is there a sort of a master mailing list that the program keeps of known  
14 interested parties, e-mail addresses and so forth?

15  
16 MR. MELILLO: Yes, yes.

17  
18 MR. AJELLO: So, it would seem to me that, again, using the web, it would be easy to  
19 get out a notice. I know that doesn't cover the Federal Register notice because that is required,  
20 but [a mass email] supplements [it].

21  
22 MR. MELILLO: Yes, we traditionally have always done that.

23 MR. AJELLO: Okay.

24  
25 MR. MELILLO: But, maybe not as well this time as in the past. Again, all part of that  
26 same speeded up process, we maybe truly get everything else done, but, good point.

27  
28 MR. AJELLO: Okay.

29  
30 MR. MELILLO: I appreciate it.

31  
32 MR. AJELLO: We will expect to do that.

1  
2           The other one, I think is a very good point about how do we get outside views. And  
3 part of that is administrative and part of that is substantive, I think. The administrative part may  
4 be just that meetings are held in ultimate locations. So, that is an idea I have really just to make  
5 sure that people have increasing access. If you think about the way that virtually any of the  
6 Board meets, it tries to circulate, if you will, to make sure that other parties can have access,  
7 those that may be at a distance and so forth. So, that is one topic that we might want to  
8 consider.

9  
10           The other topic that we may want to consider is, while today and yesterday were  
11 dedicated to hearing the view points, the formal view points, although the floor has been open to  
12 other DOE folks, I do think we need an approach to get other view points from non-  
13 departmental folks. And that may go hand in hand with pushing the Board meetings around a  
14 little bit. Or simply taking other written or other materials that we might receive from time to  
15 time from other groups. Because they don't wait for Board meetings, the issues don't wait for  
16 Board meetings. They come up virtually all the time. Just a couple of thoughts.

17  
18           MR. WINSTON: Jim, I think at our first conversation, I promised not to be the, you  
19 know, the perennial historian who talked about, "Well, back in the old days of the Board, we  
20 did..." but, back in the old days of the Board, we actually did hold meetings outside of  
21 Washington. It was, and I am so committed to stakeholder involvement, and I thought it was  
22 such a good thing at the time, but it really kept us from doing our business. In part because if  
23 you are going to go out and we went to Oak Ridge, we went to St. Louis and to some  
24 FUSRAP [Formerly Utilized Sites Remedial Action Program] sites.

25  
26           We went to many different locations. We had to spend hours upon hours listening to  
27 people's testimony. And, I can say it was excellent information, but I think we need to -, what  
28 it did was raise expectations of what we could do compared to what our charge is. And I think  
29 it was in a time when there was probably less confidence in DOE's ability to interact with the  
30 public. So, we may have been hearing more of that, but, it is an excellent idea. I think we need  
31 to be very cautious about doing that, because if we are going to be focusing on some  
32 programmatic issues, and sort of big picture strategies, we sort of need to be where we can

1 interact with the DOE structure. But, we then need to come up with another mechanism to get  
2 that input. I don't know what that is. But, I would just say, even though I was a strong  
3 proponent of us going out on these road shows, you know, sitting through three days of  
4 hearings, sometimes it would go on to 11:30 or 12:00 at night and then not knowing what this  
5 Board was able to do with the input that we received. It was, "Be careful what you ask for."

6  
7 MR. AJELLO: You are saying it has been proven to be not very practical.

8  
9 MR. WINSTON: Well, that model had some downside, let me just say that.

10  
11 MR. AJELLO: Okay.

12  
13 MS. SALISBURY: Maybe the way to do this, is to not make a decision on where  
14 meetings will be held until we have sort of identified in more specificity what we are going to be  
15 doing. And that may lend itself to having a meeting outside of Washington and it may not. I  
16 don't know.

17  
18 MR. AJELLO: Wherever we have the meetings going forward, what I think is a very  
19 good thing to do is to settle in on our priorities and then ask for opinions on those topics.  
20 Because I think once we have set those goals, that lead to recommendations, we will want to  
21 make sure we get a lot of input on contracting practices. And I would like to hear from  
22 contractors and I would like to hear from a lot of different people on the topic. So, I think we  
23 want to make perhaps this whole process practical in that sense.

24  
25 MR. MORAN: Which we have done in the old days.

26  
27 MR. AJELLO: Which we have done in the old days. Historian number two.

28  
29 MR. MORAN: And it worked very well.

30  
31 MR. AJELLO: It just goes to show you good ideas are lasting.  
32

1 MR. WINSTON: The other thing we can do is solicit information. I think that was part  
2 of that, but, certainly the groups that are going to watch what we are doing, it is not a huge list,  
3 but the groups that are going to be watching, if we can get information about what we are  
4 working on, and if we can solicit information from them, then I think that just makes our  
5 discussion all the richer, and makes us all the more informed. So, I would rather put our  
6 energies into trying to get the word out as to what we are working on, soliciting some input and  
7 then reviewing that input rather than -, what I don't want to do, and I think that we talked  
8 before about trying to help the Department develop a stakeholder interaction on the national  
9 level - I don't want to be that stakeholder interaction forum, I guess is kind of what I am saying.  
10 I still think that needs to be done by DOE, but not by this Board.

11  
12 MR. AJELLO: Right. No, our job, again, is to advise the Assistant Secretary on these  
13 key strategies. So, it is not to be the sounding board of the program. I think if that is what you  
14 are saying, I think that you know, we need to keep grounded on what we are supposed to be  
15 doing. So, I completely agree.

16 There is a, there is a value of getting input, so we can be effective in making the  
17 recommendations. But it is not to be the sounding board of the program. Okay. History is  
18 important, if you do not heed it, you will be doomed to repeat it, right? Okay.

19  
20 Let's talk about the next formal meeting. There is a prompt in the books, we have been  
21 given some calendar entries. The notion is obviously we are nearing the year end. We have  
22 some work to do in terms of setting priorities at our respective places of work. I think my  
23 suggestion here would be to think about a meeting date in the future that is not so far away, but  
24 not too close on the other hand, estimated to be enough time for us to make some progress in  
25 our priorities, really. And so we can think about some interim reports that we would come  
26 back with and whether that includes hearing view points from others or not.

27  
28 So, I will just throw out sort of in the March, maybe March-April time frame may make  
29 sense. Again, we don't have to pin an exact date today. And if we need to go back to our  
30 offices and check to be specific, but, I guess what I wanted to hear is whether or not that too  
31 late or too soon, given the direction that we are heading, whether that is the right time frame in  
32 general. Any thoughts on that?

1  
2 DR. LOEHR: I think one can only do so much by e-mail and there will be a need [to  
3 meet]. That time frame seems okay, whether it is March or April or May. But, some time  
4 frame where we can sit down, look at each other in the eye, and say now this is what we really  
5 want to do, and this is the schedule by which we decide that we are going to accomplish that.  
6 Because, I think that is the other part of this.

7  
8 MR. AJELLO: Right.

9  
10 DR. LOEHR: Not only going through and identifying which are the topics, but how are  
11 we going to get it done in a timely fashion. I don't know what timely means, but I think the  
12 group can probably discern that.

13  
14 MR. AJELLO: After we set priorities, something we didn't talk about, but I think is  
15 obvious to all of us, is what is our work plan? And once you get together a work plan and you  
16 put it on a time line, and then once you have it as a function of time, you then know what  
17 resources you might need. So, I think very quickly after setting priorities, we will be going  
18 about the task of putting together a work plan and then working with Jim in his office to figure  
19 out what resources might be available. So, I think there is a lot of wood to chop, between now  
20 and the next meeting, you know, in that category. Okay.

21  
22 MS. SALISBURY: Just one comment. I think whatever we do, we should try to wrap  
23 it up before the next election. I think that is sort of probably the ultimate end date, in 2004.  
24 And so, that may militate in favor of having a meeting earlier, so, we can really start, because  
25 that will, if we have a meeting in May, that will only give us really a year and a half to finish up  
26 everything we need. I don't know, maybe that adds two months if we have the meeting in  
27 March, rather than May. But, I am just trying to think, there is a lot of work that needs to be  
28 done. We don't really have a very long time in which to pull all of this together.

29  
30 MR. AJELLO: Right.

31  
32 DR. LOEHR: And your point is a good one to the elections and well before --

1  
2 MS. SALISBURY: Well before.

3  
4 DR. LOEHR: -- November.

5  
6 MS. SALISBURY: You are probably talking the June, July, April, May time, so we  
7 may only have a year, really.

8  
9 MR. AJELLO: So, if you are setting an end date to this work plan, for deliverables,  
10 what you are saying is mid year '04 to deliver all the recommendations that we might make.

11 MS. SALISBURY: And it may coincide nicely with Jessie's early 2004, that she  
12 mentioned yesterday.

13  
14 MR. AJELLO: Right, good point.

15  
16 DR. LOEHR: There certainly is a lot that can be understood and transmitted before the  
17 final report. So, that whereas one might set as a goal to have a polished report that we all sign  
18 off on, the discussion, the hearings, the information flow will be sending ideas that can be  
19 handled well before that. But, that is a good goal to have it around that summer time of 2004.

20  
21 MR. AJELLO: In addition to the articulation of the priorities and draft and the other  
22 things we mentioned, I will sketch out a timetable as well. And I think we can then start looking  
23 at the deliverables as a function of time and as we have said earlier today to a number of the  
24 presenters, if you don't know where you are going, the end state, we won't get there. So, we  
25 don't want to be guilty of the same issues.

26  
27 MR. EVANS: Mr. Chairman, just as a point of information, also a reference point to  
28 the meeting too, the EMAB charter, I am sorry.

29  
30 Just as a reference point to your planning, the EMAB charter -, EMAB is chartered on  
31 a two year basis and the EMAB charter that this Board is currently operating on and as defined  
32 as Ms. Roberson said, when she revised it, was chartered this past January and that charter

1 remains in effect until January of 2005, 2004. So, that is –

2  
3 MR. AJELLO: So, we turn to a pumpkin you are saying in January '04.

4  
5 MR. EVANS: Well, no, it can be extended, but it just, but it is in keeping also with this  
6 kind of early 2004 that she is talking about. I think it is January, February time frame. The  
7 charter has been renewed. Yeah, your appointments are two years. Yeah, these charters I  
8 have, are routinely, have been historically routinely re-chartered. But, this particular time, the  
9 Assistant Secretary did make very specific provisions in that charter, so your current charge is  
10 through 2003 and into early 2004.

11  
12 MR. AJELLO: We will work as fast as we can.

13  
14 MR. GRIBEN: Also just for a point of information, as you all know, we are operating  
15 under a continuing resolution right now --

16  
17 MR. AJELLO: Yes.

18  
19 MR. GRIBEN: -- will be through 11 January. And probably the Department will not  
20 see its budget much before the February time frame. So, and that may very well drive a lot of  
21 the activities or what activities EM will do. So, you probably have a much better appreciation  
22 of what will be happening sometime in February and then getting together in March to see, you  
23 have a much more concrete idea of what you should be looking at.

24  
25 MR. AJELLO: The substantive question has been in the back of my mind as I listen to  
26 everyone speak here, as to how a protracted budget process impacts what they are proposing  
27 to do. And I obviously know it is deleterious. I just, it is maybe too soon to tell because  
28 October 1 was the beginning of the fiscal year. But, of course, since then we have been under  
29 this resolution. So, obviously negative, we are now almost two months into a continuing  
30 resolution. So, I am more concerned about how it impacts the projects and the programs that  
31 we heard about than anything else. But, maybe you are just telling us to get our expenses in  
32 quickly. I am not sure what the point is, but I will, I note it.

1  
2 MR. MELILLO: I think probably John and Tom know this, but I don't think we put a  
3 note in there for the rest of the members. These calendars, it is on an exception basis in case  
4 we didn't say anything about that. You are "x-ing" out what dates you can't make. So you  
5 don't have to go through the whole darn thing trying to say what is available. That will tell us  
6 when you are available in the, how many months do we have on there, February, March and  
7 April? Actually March, April, May.  
8

9 MR. AJELLO: Just for the historians, how long have these meetings gone in the past,  
10 typically? Was this a long meeting?  
11

12 MR. MORAN: Average.  
13

14 MR. AJELLO: This is average.  
15

16 MR. WINSTON: And in many respects, it seemed quicker. We had so much material  
17 to cover.  
18

19 DR. LOEHR: It was fun, right?  
20

21 MR. WINSTON: Yeah.  
22

23 MR. AJELLO: The expertise.  
24

25 DR. LOEHR: This is about, as much as I could normally take, a two day meeting, I am  
26 gone.  
27

28 MR. AJELLO: That is all right.  
29

30 DR. LOEHR: In a few minutes I am gone anyhow.  
31

32 MR. AJELLO: That is right.

1  
2 Are there any other, as I grab the gravel, are there any other thoughts or questions of  
3 the group?  
4

5 MR. WINSTON: Are we getting anymore public input?

6 MR. AJELLO: Is there any other public input that we, yes? That is right, he had a  
7 question yesterday. Good point. I will just mention Dr. Loehr has to leave in a few minutes to  
8 catch a plane, but --  
9

10 DR. LOEHR: I won't stop you.  
11

12 MR. BRIDGMAN: Well, I promise --  
13

14 MR. AJELLO: You can carry on.  
15

16 MR. BRIDGMAN: I promised yesterday to bring some packets for you, so I have  
17 done that today.  
18

19 MS. SALISBURY: Oh, good.  
20

21 MR. AJELLO: Thanks.  
22

23 (Pause.)  
24

25 MR. BRIDGMAN: Okay. And I just want to make a couple of general comments  
26 about what is in here and generally my perspective. I think we deal, you know, I am one staff  
27 person here in D.C. with two interns, trying to cover, you know, work that is being done by  
28 hundreds of and thousands of people actually. And I think, you know, in terms of EM versus  
29 NNSA or Plutonium Disposition, I think it has been relatively easier to work with EM than  
30 NNSA. We generally, on the ground, are working with the site people on the ground, in the  
31 Community Advisory Boards, Advisory Boards and so forth, but it hasn't always been easy.  
32 And I think particularly after the change in the Administration, we have noticed a significant

1 change in tenor in terms of being able to access information and have input. And, you know,  
2 that is why I was particularly surprised not to get an invite -, we actually applied to be on this  
3 EMAB, so my name and e-mail was with the Office. So, I heard about it, heard about this  
4 meeting through Lisa Crawford, who heard about it from Tom. And then we found it on the  
5 Federal Register after that, and we did look at the website and didn't see it.

6  
7 So, I think there are some ongoing concerns that I want to share. One of them is about  
8 how this Top-to-Bottom Review came into place. We are still waiting for a response to our  
9 FOIA request. That is why the first item you see in this packet is actually a letter that is being  
10 sent today with press releases regarding unfortunately. We have to talk about the possibility of  
11 a lawsuit to get this information, just as NRDC did in trying to pry loose the information around  
12 the Cheney Energy Plan.

13  
14 And then, just one other anecdote, I was talking to the Senate about the numbers that  
15 came out of the Defense Authorization Bill, regarding the money for the clean-up reform  
16 projects at the various sites, the PMPs. There were some misunderstandings about how the  
17 money was being allocated. They had a list that they had received from DOE from EM  
18 regarding how this was being allocated, since they had already made the allocation, they threw  
19 away their list. So, I called DOE and asked for this list, and they said, well, that is funny, we just  
20 got a call from Armed Services Committee, they lost their list. They are trying to get it back.  
21 So, I said, well, can you save me some time, can you fax over that list and they said, we are  
22 sorry, that is an internal document. They didn't say it was a classified document, it was internal  
23 document. But, this is simply budgetary numbers about how the fiscal year, which we are  
24 supposedly already in, is being allocated. This is not, you know, very super secret information.  
25 So, why am I still getting all this static and having roadblocks in my way which takes away from  
26 my time to be able to more carefully understand what you all are doing in EM, and to do all the  
27 other work that I need to do?

28  
29 And so, yes, there are ongoing concerns about the process and the way that  
30 stakeholders interact. And I hope that EMAB continues to forward this dialogue that I heard  
31 today in terms of reaching out to stakeholders, both nationally and locally, so that we can work  
32 together to get all this mess cleaned up. Thank you.

1  
2 MR. AJELLO: I will just note that the Federal Register notice was published on  
3 October 28, which is about three weeks ago. So, I do think there was proper notice given to  
4 the meeting. I think we have been hearing that, we need to supplement that. That is really the  
5 key thing here.

6  
7 MR. WINSTON: It was legally proper. It wasn't necessarily effective. I think it is  
8 clearly -, there is no talk of violation or anything like that.

9  
10 MR. MORAN: Well, the other part of it, EMAB hasn't really been an active entity for  
11 some time --.

12  
13 MR. AJELLO: Right.

14  
15 MR. MORAN: -- new Board is starting up.

16  
17 MR. AJELLO: Right.

18  
19 MR. WINSTON: Growing pains.

20  
21 MR. MORAN: So, we can anticipate some of that.

22  
23 MR. AJELLO: Is there any other further business?

24  
25 Okay. Meeting is adjourned.

26  
27 (Whereupon, at 2:32 p.m., the meeting was concluded.)