

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

ENVIRONMENTAL MANAGEMENT ADVISORY BOARD

PUBLIC MEETING

AUGUSTA TOWERS AND CONVENTION CENTER
2651 Perimeter Parkway
Augusta, Georgia 30909

March 22-23, 2006

VOLUME II

The above-entitled meeting was called to
order at 8:55 a.m. by James A. Ajello, Chairman.

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ENVIRONMENTAL MANAGEMENT ADVISORY BOARD MEMBERS

MR. JAMES A. AJELLO (CHAIRMAN)
Reliant Energy, Inc.

MR. C. STEPHEN ALLRED
Consultant

MS. LORRAINE ANDERSON
Arvada City Council

MR. A. JAMES BARNES
Professor (via telephone)

DR. DENNIS FERRIGNO
CAF & Associates, LLC

MS. JENNIFER A. SALISBURY
Attorney-at-Law

MR. DAVID SWINDLE
IAP World Services, Inc.

MR. THOMAS WINSTON
Ohio Environmental Protection Agency
(not present)

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

2 March 23, 2006

8:55 a.m.

3 JAMES A. AJELLO: This is the continuation of our
4 meeting for the Environmental Management Advisory Board and
5 I welcome you all here this morning.

6 A few administrative announcements. If you
7 haven't signed the sign-up sheet on the way in, this morning
8 or yesterday, if you were here yesterday and didn't sign it,
9 please do so.

10 We have some materials outside from yesterday as
11 well. If you haven't picked any up, those are available to
12 you.

13 Let the record reflect that all members are here
14 save Tom Winston and Jim Barnes. And we have a very short
15 agenda this morning.

16 With respect to the agenda, the first item which
17 is also available to the public is the approval of the
18 September 29th, and 30th, 2005 meeting minutes. The Board
19 had received those in advance in draft and had opportunity
20 to review them. Those are contained at tab seven in your
21 book and do I hear a motion to approve the minutes?

22 C. STEPHEN ALLRED: So moved.

23 JENNIFER A. SALISBURY: Second.

24 JAMES A. AJELLO: The motion has been moved and
25 seconded. Are there any discussion on the minutes of

1 September 29, 30, 2005? Hearing none, the motion has been
2 approved and seconded.

3 We move to the next item on the agenda. The next
4 item on the agenda is new business. Do any of the Board
5 members have any new business they would like to bring
6 forward for consideration?

7 C. STEPHEN ALLRED: Mr. Chairman?

8 JAMES A. AJELLO: Yes, Sir.

9 C. STEPHEN ALLRED: Just a comment that I think
10 the Department is very responsive to our comments of the
11 last meeting, and the briefings we requested I think were
12 completed as we asked them to be, so I really appreciate the
13 support of the Department and those briefings.

14 JAMES A. AJELLO: I agree. I think we've had a
15 very productive session starting with the site, visit, at
16 SRS and the Lab, and I think the sense that I have is that
17 it was a very productive visit, and I think it stimulated at
18 least in my view, some desire to see more of the facilities
19 in the field so that we can get a better understanding.

20 I think the other thing I would say is that over
21 the last two or three years the issues that we've been
22 identifying and focusing on are the ones that have become
23 also the program's focus. I think not coincidentally.

24 I think there's been a concerted effort to address
25 those issues and I was very happy to see the focus. And I

1 look forward to reinforcing some of the points that we've
2 been making. So I too was very happy to see that.

3 And certainly, we appreciate all the support we've
4 gotten to do this. We know it's not very easy but it's
5 very, very helpful to us and helps us do our job a lot
6 better.

7 Other thoughts?

8 C. STEPHEN ALLRED: Jim, I don't want to hog if
9 someone else has some comments, but I would be interested if
10 the Department could do it in a briefing perhaps next
11 meeting as to what the status is of the regulatory
12 relationship and by that I don't mean I'm really looking
13 forward, or where are the conflicts in the complex with
14 regard to regulators.

15 And just kind of an overview of what the issues
16 are if that's possible. That's something we haven't dealt
17 with, but as I look to see what some of the constraints on
18 the Department being able to achieve its objectives,
19 certainly that is one and that is also one where perhaps
20 this Board has some background that could assist the
21 Department.

22 JAMES A. AJELLO: It's a valuable suggestion.

23 DENNIS FERRIGNO: Would you be open to the wording
24 change? I don't think necessarily I would want to know what
25 the conflicts are. I would like to know what the challenges

1 might be in areas that need attention. But I'm not sure I'd
2 want to address the word conflicts.

3 C. STEPHEN ALLRED: I would accept that.
4 Certainly.

5 JAMES A. AJELLO: I would say a balanced
6 discussion. There are probably some challenges throughout
7 the system. But they're probably things that are done very
8 smoothly and very proactively and very productively. So I'd
9 like to get a balanced sense of that. That's the way I
10 would say it. Yes?

11 C. STEPHEN ALLRED: Mr. Chairman, one of the
12 things that I've observed certainly at Idaho is perhaps the
13 Department, even in light of the Court cases that go on,
14 probably has the best relationships it's had with that
15 regulator in at least my experience with regulators. So
16 there are a lot of real success stories out there.

17 And I kind of look at some of these challenges as
18 opportunities. And if utilized to improve and to build upon
19 some of those relationships.

20 JENNIFER A. SALISBURY: In fact, what Steve was
21 saying kind of stimulated my thinking a little bit that this
22 might be an area, I'm assuming, Charlie, you guys are
23 already doing this, but it's ripe for a case study
24 somewhere. You have, I know Lorraine's got wonderful
25 history with what happened at Rocky Flats from a bad

1 relationship that turned ultimately to a good relationship
2 and they got a good result.

3 If you're using that for case studies on maybe
4 teaching your senior staff and other staff on how to deal
5 with the regulators in a way that's productive.

6 LORRAINE ANDERSON: We have also heard throughout
7 the complex that they're sick and tired of hearing about the
8 successes of Rocky Flats.

9 JENNIFER A. SALISBURY: Well, such as Rocky Flats.
10 But I mean there may be some pieces out of that that apply,
11 I mean, this isn't rocket science. I'm sure the
12 Department's doing it to some degree, but - -

13 CHARLES E. ANDERSON: If I may, I mean, it's
14 interesting to hear a little bit of this discussion right
15 now. And what we think is a wonderful regulatory
16 relationship or good successes in regulatory space - -.

17 I think, I mean, I'd be real interested to hear
18 your perspective, because what I would say is, there's been
19 some performance successes that eased or overcame regulatory
20 challenges. And I'm, but I can't see they were driven by a
21 regulatory - - something great that regulatory happened and
22 that prompted the challenge. I'm kind of curious to - -

23 JENNIFER A. SALISBURY: That's an interesting
24 perspective, you know.

25 CHARLES E. ANDERSON: And I really do think

1 devoting some attention to this mostly would be, it really
2 would take some action on it because you don't want to think
3 about Rocky Flats. Is there a regulatory picture, isn't
4 that wonderful? I don't remember going in and talking to
5 regulators and them saying we didn't agree with any changes
6 until after performance started coming through.

7 Well, maybe that's okay. I mean, I don't have - -
8 is there a regulatory change, or is it we finally just got
9 6,000 cubic meters out of the state? I mean, - -

10 LORRAINE ANDERSON: That's a great point because
11 that's part of the issue at Rocky. It was the way that
12 people worked together to achieve something. It wasn't that
13 the regulators go out of the way in the beginning. Because
14 we're not done yet.

15 We don't have a right - -

16 DENNIS FERRIGNO: One of the concerns I would
17 have, and this is not just this issue. It's any issue that
18 we address. What outcome do we anticipate. Not what the
19 answer is, but why are we doing this. Okay? If it has an
20 outcome that will be able to provide lessons learned, to be
21 able to streamline other sites, then I think as long as Jim
22 Rispoli, and we serve at his pleasure, feels that that's a
23 space he would really want our commentary on, I think, let's
24 go do it.

25 But I would be putting at least amber flags up

1 trying to get in the space of DOE and regulators so the only
2 caution I would have myself, is that what outcome are we
3 anticipating from this?

4 I just want to draw a lessons learned that we all
5 had in the end states. And we spent two years and all of a
6 sudden we're wondering why are we in this and we don't, we
7 didn't necessarily, as a Board, I don't think we knew why we
8 were in it. But we're in it and of course we were involved
9 because the Assistant Secretary and Paul - - in acting
10 capacity wanted us involved.

11 But I would just, we have a few lessons learned
12 also. And what outcomes are we anticipating from being
13 involved in that study, in that analysis, in those
14 challenges?

15 I mean, that's my personal view and I'm not sure
16 if the Board shares that or not.

17 C. STEPHEN ALLRED: Mr. Chairman, maybe I come
18 from a little different standpoint because of my recent
19 regulatory background, but one of the things I think I've
20 heard while on this Board is that a significant difference
21 in understanding between what I thought I knew as a
22 regulator and what I hear from these meetings.

23 And as we have done during this meeting, I think
24 that the information that's been presented by the DOE has
25 provided an opportunity for the Department to communicate

1 with a lot of people. First of all, us.

2 But what is presented to us generally is available
3 to other people. I think if we can help by communications,
4 that is an important function that we can perform.

5 And I certainly, trust is enhanced by performance
6 on both sides and I think that's important. But I think at
7 least what I see from the sites that I'm familiar with is
8 that there is more, there's more common objective than
9 there's been in a long time.

10 When we have common objectives with the regulators
11 who are to some extent a constituent, you're going to have
12 less conflict. And even when there are things going on as
13 there are in Idaho with the lawsuit, the ability of the
14 regulators to work closely with the Department of Energy and
15 contractors doesn't have to be impacted, and I don't think
16 it is.

17 As I say, I think perhaps on a day-to-day working
18 relationship, that relationship is better than I've seen for
19 a long time. And so as you go around the complex and you
20 look at that sort of thing, that perhaps needs to be
21 recognized.

22 And I know there are all kinds of contacts with
23 ECOS and others, and we should not replace that. But I just
24 think there's an opportunity here to communicate better than
25 perhaps is currently happening.

1 JAMES A. AJELLO: I think a broader topic to me is
2 what Charlie Anderson got us into yesterday which was a from
3 and a to look at the development over time and I think there
4 was probably a reference to the fact that when the executive
5 team meets, they review case studies and they review where
6 they've been to.

7 And I continue to think that there's been more
8 progress made than is generally known out there. And so
9 maybe the point here, just brainstorming, is that we can
10 help facilitate the dissemination of that with our meetings
11 and encouraging the Department to talk more about their
12 successes.

13 I think the from and the to and the successes,
14 whether they be regulatory based or whether they be
15 performance based or science based, or whatever the metric
16 is, is probably not as well known.

17 And I think it would also help the morale of the
18 people in the program. I think it would get to retention
19 issues of people. I think it would get to how the program
20 is viewed. Perhaps in the political process, Capitol Hill
21 as well.

22 So I think there's more wood to chop in terms of
23 explaining where the program has been and where it's going
24 and some of the great things that are happening. So to me,
25 it's one slice of it that we're talking about but I also

1 think there's a lot of good things that have happened
2 compared to four or five-years ago as an example, which is
3 my only reference. Dave?

4 DAVID SWINDLE: Jim, just to reiterate Steve's
5 point, I do endorse, I think that it would be very
6 beneficial to the Board to have the Department come back and
7 give its perspective for a couple of reasons.

8 Number one, if you go back into this historical
9 look at things, having observed this over several years now,
10 the regulators were often much better at communicating among
11 themselves to look at common solutions areas of where it
12 needed to be dealt with in the Department.

13 And that's a lesson learned from one perspective
14 which again at the end of the day, the objectives ought to
15 all be toward the same common goals. And I think if the
16 Department coming in and giving its perspective now that
17 it's putting forth its five-year plan.

18 We know the ability to achieve that plan can only
19 be achieved if the regulators are in support. And if there
20 are areas that as a result of coming back to this Board that
21 do get flagged as areas for - - we've accomplished what we
22 need to have accomplished.

23 And so that's the process I think will be the most
24 beneficial and it is a crucial part of the - - for Jim,
25 Charlie, and the whole team to meet its objectives. And so

1 we would heartily endorse hearing back from the Department
2 from that end.

3 JAMES A. AJELLO: Charlie, is that a case that in
4 the five-year plan and some of the other briefings up on the
5 Hill that have been sort of a list of accomplishments
6 imbedded in some of that communication? I think I recall
7 that, but you'd know better than I.

8 CHARLES E. ANDERSON: Yes, there have been, there
9 are some of those accomplishments. I think one of the key
10 things we have to do is make sure we're describing our
11 accomplishments against plan. So that it doesn't sound like
12 it's just a sales, this is what all we've accomplished.

13 And we've got to be clear about what our five-year
14 plan is. If you notice, you heard me yesterday when I said
15 our budget profile went from an 01 to an 07. In our five-
16 year plan - - I'd like to make it where we're looking at not
17 just a budget profile but then our plans and accomplishments
18 would be like from an 01 to 2011, 2012.

19 We can get a view with where the program's coming
20 from and also where it's headed. Not just next year. So in
21 fact, I spent almost the entire drive over here on the phone
22 related to 08, 09, 10-type activities. How to communicate.

23 LORRAINE ANDERSON: I think it's just natural that
24 there's a tension between the regulators and the Department.
25 It just has to be that way. And I think in order to

1 achieve that kind of clean up the public expects, you have
2 to have that tension. So I don't see disagreement between
3 regulators and the Department as a bad thing.

4 C. STEPHEN ALLRED: Mr. Chairman, one of the tools
5 I think has been most effective in improving that
6 relationship is, at least the ones I'm familiar with, has
7 been the baseline cost and schedule. Because that has
8 allowed the regulators to see an overall picture, not just a
9 snapshot in time.

10 And I think that's increased an awareness and
11 understanding and achieved some common goals that were not
12 possible before.

13 JAMES A. AJELLO: I mean, to me that's kind of
14 echoing what Charlie says. It's all about performance
15 against objectives. And I think people can clearly identify
16 against that and it also enhances credibility too. So
17 that's a lot of what we're talking about.

18 So it sounds like there's a sense that a
19 perspective on the regulatory progress or the challenges,
20 just a snapshot there as well as a continuation of
21 discussing accomplishments and maybe the theme is that we
22 can help facilitate that with our presence and - -

23 DENNIS FERRIGNO: Would it be acceptable to maybe,
24 since Steve kind of started this, to have Steve, if he's
25 willing to just write up what we would potentially do and

1 what outcomes we would try to expect over a certain period
2 of time? A mini little what's the scope of the activity and
3 what's the results?

4 Before we go into this, I would like to know where
5 we're headed. Would that be something that's possible?

6 C. STEPHEN ALLRED: Well, Mr. Chairman, I don't
7 mind doing that, but I don't think it's too complicated.

8 DAVID SWINDLE: I think the bottom line is, that
9 the exercise, I call it the exercise that the Department
10 will go through to status its interfaces will in fact bring
11 out the desired results. Which, are there open issues, are
12 there open areas of disagreement, are there disconnects
13 relative to for example, the Federal Facilities Compliance
14 Agreement, and what those are, and a good snapshot of that,
15 once that's presented, then we can then turn to Dennis if
16 there are other, call it residual issues that the Board
17 should pursue then in more detail.

18 DENNIS FERRIGNO: Immediately, I draw, are there
19 systemic issues that are parallel, or are we talking about
20 individual initiatives that might have road blocks? We
21 heard a few in Savannah River that came. I mean, and there
22 were workarounds. It's just typical progress on a project.

23 Where are we headed? Are we looking at across the
24 board, some sort of, maybe I'm making too much out of this.

25 But I just feel that if we're going to do something like

1 this, we need to know where we're going.

2 JAMES A. AJELLO: You know, if I can rephrase my
3 thinking, the initial suggestion was, it's basically to get
4 an update on where this topic is. Without prejudging or
5 presuming any depth of activity. It's really just a status.
6 Do I have that right, Steve?

7 C. STEPHEN ALLRED: That's correct.

8 JAMES A. AJELLO: So I'd be in the camp of making
9 basically a request to do a brief update on where that is,
10 because I think that we've focused on a couple of threshold
11 items such as acquisition strategy, human capital, goal
12 chart, metrics, things of that nature. And so I think
13 Steve's quite right. When you assess all that, you realize
14 that what you get about the regulatory process is pretty
15 anecdotal if we've not really had more vertical look at
16 that.

17 So I'm simplifying it for the purposes of
18 conversation, but I think I have you right.

19 CHARLES E. ANDERSON: Let me try to summarize. If
20 I go to the next meeting and the Department provides a
21 regulatory status, also opportunities and challenges. More
22 case studies. I think there's some case studies, when I go
23 through all the case studies here.

24 I'm not forced to kind of summarize all of that
25 and then maybe go into a case study or too. I think an

1 immediate outcome or what we'd be looking at, I see two
2 outcomes. One may be a topical area that we might want you
3 to pursue more. Another might be just simply some
4 recommendations or advice on how to better manage our
5 regulatory interactions. Could that be?

6 JAMES A. AJELLO: That's a good summary, I think.

7 CHARLES E. ANDERSON: Now also here I see a
8 different topic that we haven't requested you to do this
9 yet, that I know of. But I hear a topic of about just the
10 Department communicating its program. That's a broad
11 statement there. Because what I'm hearing and what I would
12 admit is we've not been very successful in doing that. And
13 so how best to do that might also be something that we might
14 want to ask you all to provide some advisory - -

15 JAMES A. AJELLO: Yes. I think, Charlie, you mean
16 beyond governmental regulations.

17 CHARLES E. ANDERSON: Governmental and regulatory,
18 public, just how are we and how could we better communicate
19 our program. And getting, we're probably looking for
20 information that might be getting pretty specific.

21 JAMES A. AJELLO: In fact I remember it was you,
22 yesterday during Frank's conversation about Oasis Falls, is
23 whether the plan, what's his position, plans or contingency.
24 I think you said and can this be used as a communication
25 tool? I think it was either you or Frank that said that.

1 There seemed to be a question posed about how can we use one
2 of these vehicles to communicate our objectives out more
3 publicly and so I took that down. So I think that's a good
4 point.

5 DENNIS FERRIGNO: You know, the only thing I keep
6 coming back to, Charlie, our mission is policy and
7 oversight. For the same way we would not come in and tell
8 you how to design the Glassifier of the high-level waste
9 treatment in Savannah River, I'd be as much concerned about
10 telling you how to go through the regulatory approval
11 process of XYZ. So as long as it's under our mission, and
12 I'm not telling you this, I'm saying this to myself here.

13 As long as it is within the confines of policy and
14 oversight, let's have at it. But to get past that, I would
15 probably draw the line.

16 JAMES A. AJELLO: Right. Let me just clarify that
17 for those who maybe interested. We're not making the plans,
18 we're basically commenting on them for the benefit of policy
19 and oversight. That's right. It's really advice. That's
20 really what it is.

21 So it's not a detailed how you do it. So I think
22 at this table, it's probably generally well understood. For
23 those who may be observing or reading, that's just a
24 sensible confirmation of what our mission is. Steve?

25 C. STEPHEN ALLRED: Mr. Chairman, there's another

1 function we can help with the Department and that is the
2 perception. I was going to comment to Charlie that the use
3 someone has at the Department kind of depends on what part
4 of the elephant you're touching. And when you look at these
5 sites where there are multiple organizations like ENM and
6 SSA, and but anyway, when you look at the overall
7 organization, I think it is hard to understand what is DOE's
8 overall mission or goal.

9 And again, you look at some of these sites where
10 EM is so prominent, the success of EM isn't, won't just
11 affect EM. It will really impact the ongoing mission. And
12 so I think we can assist in some of those communications or
13 suggestions, it's how the Department does that that deals
14 with that perception.

15 Because nobody outside of - - organizations know
16 what EM is. They know what the Department of Energy is.
17 And so when you talk about EM, they're thinking DOE. When
18 you talk about NE, they're thinking DOE. And I think that's
19 a real challenge the Department has.

20 JAMES A. AJELLO: So is the implication, Steve,
21 that in the communications that it be clarified as to its
22 mission and identity and so forth to get that done?

23 C. STEPHEN ALLRED: I think what the challenge the
24 DOE has is to, and this is true of any organization that has
25 multiple parts. Is how do you, when the public views you as

1 the total organization, how do you accomplish your part of
2 that mission in a way that they then relate to the overall
3 organization?

4 I mean, we sit around here and talk about EM, but
5 what we talk about certainly will have a significant impact
6 on the rest of the organization. And I don't have a secret,
7 I don't have any secret formula for that. But I think
8 sometimes we lose even ourselves, the understanding that
9 we're really talking about to some extent, the future of the
10 Department of Energy; not just EM.

11 JENNIFER A. SALISBURY: Jim, just very quickly.
12 Obviously communications is very important. Charlie, I'm
13 assuming your communications function, I'm just looking back
14 over your - - chart that Jim presented to us yesterday. And
15 I don't see a communications function anywhere. I'm
16 assuming it's in your office or it's in the Assistant
17 Secretary's office.

18 But maybe I just didn't look at it right. It's
19 not in the program area. So - -

20 CHARLES E. ANDERSON: Probably the reason I
21 mentioned communication this morning, as I was driving into
22 here, based on two phone calls I received before I could get
23 into the car to get here. I was thinking just that. Along
24 that same topic. Because I don't think it's clear. And we
25 have communications office prior to this. And I think by

1 default, it kind of goes in and out of our strategic
2 planning group. It may not be appropriate and one of the
3 things I want to do in getting back is sit down and think
4 about, wait a minute.

5 Let's think about this function. And do we need
6 to be more specific about that function. Have we missed a
7 function area that needs to be culled out separately.

8 DENNIS FERRIGNO: The caution I would say is, it's
9 not just EM. The very point Steve was saying, DOE and its
10 structure has a communication box. Are you essentially
11 getting that service? If it was a company, it would be G&A,
12 general administrative service that you're paying for.

13 CHARLES E. ANDERSON: But it's more than public
14 affairs.

15 DENNIS FERRIGNO: Let me finish. You're looking
16 for a box, you know. That box, what we're looking at is
17 just EM. We're not looking at DOE as a whole. And Megan
18 was here yesterday and the day before. And she's public
19 relations.

20 JAMES A. AJELLO: There's a staff function in DOE
21 that responds to queries, but I think what I'm hearing is
22 that there's value in potentially clarifying the mission,
23 being proactive, talking about the plans and the baselines,
24 and laying things out in a way that is just not answering a
25 letter or responding to a query or complaint.

1 DENNIS FERRIGNO: But are we smart enough at this
2 point to know that that's not being done? We don't know.

3 JAMES A. AJELLO: I don't know. I don't know
4 that.

5 CHARLES E. ANDERSON: Part of the whole reason to
6 have it is dialogue. It's not being done well. There's a
7 lot of room for improvement in this area.

8 LORRAINE ANDERSON: And I think even from my
9 perspective, and what I hear from local governments and
10 SSABs, this is a huge problem and it may be communicating
11 with some people, but not probably the right people, and it
12 goes back to perception then of what the Department's about.

13 So it's not a narrow issue. I think it's a huge, broad
14 issue.

15 CHARLES E. ANDERSON: I don't want us to leave
16 this thinking, oh, Charlie's going to end up with a new box
17 - - communication, and that's why I intentionally - -
18 function, not organization. Because the function is
19 important how we end up doing that. It may not be multiple,
20 this is also an integration issue. Because even from the
21 Department's standpoint, you know we have Congressional and
22 governmental affairs that communicates on a certain role we
23 have. Public affairs that communicates on a certain role.

24 But there are a multitude of communications in
25 trying to look better at broad perspective and bring all

1 that together, speech writers that are in various
2 organizations throughout the Department. How do we bring
3 all that together and say that we're looking at the overall
4 communication process?

5 DAVID SWINDLE: One other thing, just picking up
6 on what Lorraine said. Is that a - - community as one of
7 the issues this Board has had discussions of this with
8 previous Assistant Secretaries is that EM just limiting it
9 to EM, has suffered from the fact that there's been changes
10 of leader in a very short window of time. And what's the
11 policy today, the history has shown is not the policy
12 tomorrow.

13 Consequently, the confidence in the ability of EM
14 to deliver is always in question. And so part of the
15 communications, call it strategy, functionalities, et cetera.

16 What are the requirements that need to be put forth so that
17 the consistent way of delivering that image and if you want
18 to call it the public space, the regulatory space, whatever
19 it may be, is I think part of the missing element of getting
20 it all put together.

21 JAMES A. AJELLO: Good. There's a little bit to
22 chew on there, so we'll, I think Charlie's summary was right
23 about the next step at the next meeting and then I think we
24 should decide whether to recommend that this be something to
25 be clarified. I think it's probably the sense of the group

1 that it's an important issue.

2 Thanks for bringing that up, Steve. Appreciate
3 that.

4 DAVID SWINDLE: Jim, one other item of potentially
5 new business. At our last Board meeting we had an update on
6 the acquisition program's status. Now that Jack's on board,
7 and the newly tooled role in acquisition strategy is such an
8 integral part of being able to deliver on mission's success
9 the five-year plan and the like, just would invite an
10 update, a descriptive informational update on the
11 acquisition strategy and approach because Jim made a key
12 point of the ability for his program to be successful as he
13 comes - - his tenure. And he's put an awful lot on
14 establishing and putting in place this new function. And I
15 personally would welcome that. I think it would help us
16 crystallize the ability to - -

17 DENNIS FERRIGNO: We, the working committee on
18 contract and acquisition had some very specific thoughts and
19 obviously having the DAS an accountability is a box and a
20 function.

21 However, I think we probably should reiterate that
22 those issues are things that we spent a lot of time
23 reviewing and if it can be of any help to the new
24 Department, they could surely be made available.

25 JAMES A. AJELLO: I think that probably, to me it

1 goes without saying but maybe it does bear emphasis that we
2 ought to package up the materials that we spent a fair
3 amount of time and then make them available to Jack. I
4 think that's a good thing. I think Terri can help us make
5 that available because that's all pretty transparent.
6 Actually much of it's on the website.

7 Other topics for discussion?

8 I've got one on governance of the Board itself.
9 We have had generally speaking by historical standards a
10 relatively small Board. Today, those present plus two who
11 are not here, while we typically don't have any trouble
12 getting a quorum together and communicating, I'm finding
13 personally that my time is limited, increasingly limited
14 with my own challenges.

15 And so what I'd like to propose is that we have a
16 vice-chair position that we could establish to share some of
17 the work that I find myself doing pretty ordinarily with
18 Terri in order to make sure that the communications are on a
19 timely basis; that we're getting updated periodically with
20 all current information.

21 Terri does a great job with doing that, but
22 typically presents information from me and asks me to
23 respond to things that I'm finding increasingly that I am
24 not as timely as I would like to be.

25 So I think it would help to put someone else on

1 point to assist me to try to get that done. Dennis has
2 volunteered to do that and I want to make sure that the
3 Board is comfortable in doing that and also I want to make
4 sure that I'm thinking through all the other options if
5 there are other governance approaches, if there are other
6 people who want to be more actively involved, I certainly
7 have an open mind to that.

8 So I'd like to discuss that and get any opinions
9 or thoughts from you as well, Terri, because you're really
10 on point for us. I think it would assist Terri as well in
11 lubricating the communications we've gotten. It makes it
12 more timely. So I just want to throw that up in the air.

13 DAVID SWINDLE: I certainly think the division, or
14 at least some fall back and responsibilities of this is
15 always good. And as the Board becomes utilized more
16 effectively by Jim, Charlie and staff, it helps to us to
17 insure some double coverage.

18 JENNIFER A. SALISBURY: Ditto.

19 JAMES A. AJELLO: Other thoughts?

20 The other topic on governance is whether or not
21 another open question whether or not we need any other skill
22 sets on the Board that we might feel when we self-reflect on
23 the members of the Board that we don't now have.

24 We've talked to the Assistant Secretary about
25 having a Board of maximum ten people. The feeling that on

1 balance, the benefit is with a relatively smaller group that
2 had again, by historical standards been two and three times
3 that size.

4 So I could get your views on whether or not we
5 have any skills that are absent given what we know is the
6 direction of the program, are there backgrounds or skill
7 sets or unique individuals that we might consider and we
8 don't necessarily have to have all the answers today, but we
9 can follow up on this relative to our Board?

10 I mean, I think it's a very productive group. I
11 think as I look around, I see an awful lot of skills and
12 diversity, geographic and otherwise. But still, I wanted to
13 pose the question.

14 DENNIS FERRIGNO: You know, getting an
15 appreciation of Savannah River site, and some of the
16 challenges they've had and some very important projects and
17 especially with some of the renewal of some of the nuclear
18 energy type projects, we have great representation in Steve
19 and in Tom from state regulator perspective. And obviously
20 we get double coverage with Steve from engineering
21 contracting and construction.

22 Would it be helpful to have somebody, former
23 person without a conflict of interest, obviously, either NRC
24 retire, or DNFSB. Somebody who has been in that capacity to
25 get their perspective, not from a regulator or stake holder,

1 obviously, we've got local; we've got state.

2 But somebody who is more in the oversight from the
3 technical review at a NARC-type level in commercial or a
4 DNSB type.

5 JENNIFER A. SALISBURY: I want to come at it
6 slightly from a different angle. I think we're going to go
7 over a list of items that we may want to take up over the
8 course of the next couple or three years while this
9 President is still here and our Assistant Secretary is still
10 here.

11 And I was thinking maybe once we have that list,
12 that you might want to look at the skill set against the
13 list and see if there are any gaps there. That might be a
14 way to go at it.

15 JAMES A. AJELLO: Other thoughts?

16 C. STEPHEN ALLRED: Mr. Chairman wonder if
17 Charlie's thought, or if the Department has looked at skill
18 sets that are available here versus what they think they
19 might need.

20 JENNIFER A. SALISBURY: That's a way to look at it
21 too.

22 CHARLES E. ANDERSON: We have done some of that.
23 I mean, the feedback both leading up to prior to when Jim
24 came on board - - I think it's one of the things we continue
25 to look at, look at what we're asking them to do. Right now

1 we've not identified any real holes.

2 LORRAINE ANDERSON: I'm wondering if we shouldn't
3 be looking to have somebody who has a more futuristic
4 outlook just for new ideas, thinking outside the box. It
5 seems to me that when you've got your nose to the grindstone
6 and trying to clean up something that maybe you need
7 somebody that has a more futuristic look at what we might be
8 doing. That's just one thought.

9 And I keep thinking about that block and screen
10 that we saw out at the lab the other day, the one that
11 survived in a high radiological atmosphere. I just think
12 that there might be some things out there that we need to
13 look at.

14 DENNIS FERRIGNO: I think Lorraine has a point
15 there and immediately I'm thinking somebody who doesn't have
16 a conflict of interest in the chemicals business, maybe a
17 retired or current executive that is at a chemicals
18 operations company that gets into biochemistry,
19 biotechnology chemicals production, petrochemicals,
20 whatever, that might, that's a good suggestion.

21 JAMES A. AJELLO: I'd say we're all a little more
22 humble after visiting that lab the other day.

23 Let's, why don't we take that up in working
24 session and we can review that. Again, my summary is that
25 the group is not too big. I want to make sure that we have

1 all the skill sets, I want to make sure that we can support
2 the advice that we need to give the program, and we've got
3 all the backgrounds that are required. Yet we want to be
4 nimble and productive.

5 And that's kind of my summary of it, so we can
6 take that up.

7 TERRI LAMB: Jim, I might add to that, we have
8 quite a few candidates from the Secretary's advisory board
9 that was just closed down. Disbanded. But they have a lot
10 of those skill sets that you were discussing and pointing
11 out. So what I'll do, I mean, I have copies of some of
12 their bios and I'll share that with Jim and we'll go over
13 those.

14 But I did mention to Rispoli, and when Melissa and
15 I briefed Rispoli, we mentioned that and he is very
16 interested in seeing the backgrounds of those former board
17 members. And then we also had some former EM employees that
18 retired that have quite a bit of experience we might want to
19 consider too.

20 JAMES A. AJELLO: Good. So something specific to
21 review. Thanks. Other topics of a roundtable nature which
22 we might bat around before we move on? Anything else from
23 the group?

24 Charlie, Melissa, anything that you've got?

25 The next topic then is the issue of the next

1 meeting which is to say date and location. Let me begin by
2 saying that I think that we'll probably walk out of here
3 today and in some conversation with the topics list of
4 things to follow up on.

5 The Assistant Secretary wants us to summarize our
6 viewpoint of what we have heard. That's only appropriate
7 and fair given the Department has spent a lot of time
8 hosting this meeting, preparing for it and briefing us so
9 the return request has been summarize the key issues that
10 you think you might feel you can follow up on.

11 And then leave enough time to do some work on
12 those topics and then set a date for the next Board meeting
13 where we can come to some conclusions or at least update a
14 brief if it's also to include further briefings by the
15 Department as we've already mentioned here this morning.

16 So my proposal in that regard, if you follow or
17 agree with that framework is that we stage the next meeting
18 in the September timeframe. It's been traditional that
19 we've done that, which means that we have to do it again,
20 but that's typically before the fall where activities get
21 very active in the planning and budgeting cycle for the
22 Department as well as it's just after August where there's a
23 traditional vacation season.

24 So my proposal would be that we try to plan a date
25 in September.

1 With respect to, and this will of course, be a
2 proposal because we'll want to do what we've done this time
3 around which is to say coordinate with the Department as to
4 feasibility and schedules and that sort of thing.

5 So it will be our proposal.

6 And then I think as I polled you, each
7 unofficially, I think we all feel there was great value in
8 getting out to one of the major sites such as Savannah
9 River. And so the next question for the group is, knowing
10 what we know about the program and what we've been briefed,
11 if we were to have the next meeting at another major site,
12 where would that be?

13 So summary, date, and location and I've already
14 heard some grist for topics. But let's just work for date
15 and locations now for a moment. Are there any other
16 suggestions? Is September a generally a good timeframe to
17 work?

18 DENNIS FERRIGNO: Traditionally, it's been good
19 for us. We've had a good response. As long as we don't
20 leave it around Labor Day.

21 JAMES A. AJELLO: I would say closer to the middle
22 of the month of September, but again, subject to the
23 availability. And if we go to a site of course, you've got
24 to, my experience, and I'm sure yours is too, that you want
25 to make sure you accommodate the things that are going on at

1 the site. Because you don't want to be disruptive. You
2 want to make that a productive experience for all concerned.

3 So just looking at a calendar here, is somewhere
4 the week of the 11th through the 18th is what I would
5 propose. And so if you could send Terri an e-mail when you
6 go back and look at your specific calendars, if you know of
7 any off-bound states let us know, but try to block a two day
8 period on the week of the 11th or the 18th, I would say.

9 Which one are you preferring?

10 LORRAINE ANDERSON: Jennifer, do you have a
11 conflict - -

12 JENNIFER A. SALISBURY: Yes, it will probably
13 tough for me to make it. I'm going to be out of the
14 country.

15 LORRAINE ANDERSON: Maybe the last week in August,
16 would you be here the last week in August?

17 JENNIFER A. SALISBURY: I would be available the
18 last week in August. I promise, I'm just going to be in
19 Europe, so - -

20 JAMES A. AJELLO: So shall we just expand the
21 request to give availability for the week of the 28th?

22 Let's do that. I think - - has got a good point.

23 Let's check your calendars for the week of the 21st, and
24 not the week of the third, because that's the holiday week.

25 The 11th and the 18th. Feedback calendar to Terri.

1 DENNIS FERRIGNO: The only concern I would have in
2 August, and it's not a person concern because I'm open to
3 either one is, would the Department be ready knowing we have
4 a couple of issues or not issues but topics that might
5 require like acquisition, you know, the new DAS is on board.

6 It's going to take a while before he's even going to want
7 to talk about it or what his plan and strategies are. Is
8 that too early?

9 CHARLES E. ANDERSON: It better not be. I'll
10 answer for him.

11 DAVID SWINDLE: As far as location, Mr. Chairman.

12 JAMES A. AJELLO: Yes.

13 DAVID SWINDLE: Again, looking at the information,
14 just as a reminder of what Charlie - - a status report on
15 yesterday, the other site that's probably got the most
16 challenging opportunities but positive steps is Hanford.
17 And I think there's a utility given some of the matters out
18 there and significance in the Department that would at least
19 get my vote first in contrast.

20 JAMES A. AJELLO: Charlie, what's your view of
21 that particular idea?

22 CHARLES E. ANDERSON: I think Hanford would be a
23 good choice for the next - - I think I mentioned yesterday
24 that I'm doing kind of an east/west alternation. It's
25 probably good and it's first the Savannah River, Hanford,

1 following that maybe something like Oak Ridge. Something
2 like Idaho. Would give a good, we'd begin to get a good
3 overview of the sites and issues. As you look at the not
4 only the issues but the amount of funding that are also
5 related on those lines. You're really looking at the larger
6 sites and that's where we have a lot of the focus of what
7 we're trying to accomplish over the next three years.

8 DENNIS FERRIGNO: If we were going to do a site
9 tour, which I would hope we would consider, they have a lot
10 more programmatic things, I mean River Protection and then
11 Hanford. We may have to allocate more than a day for a site
12 tour.

13 JAMES A. AJELLO: Well, I think what I've learned
14 this time around and I got a very useful suggestion from
15 Melissa yesterday, which is to say in response to our saying
16 that it was a very rushed visit but productive. We may want
17 to look at the activities there and focus in on a particular
18 project or activity where you would really get a deeper dive
19 than just a flyby if you will.

20 And so if we're careful about that, I think we can
21 make that visit very productive. The other thing is, I
22 think in the course of the meeting here in the last two
23 days, we've met a number of people that we talked to that we
24 found very productive in conversations. And so I think
25 perhaps we can be proactive in our visits to local citizen's

1 advisory board or whatever the input group might be to have
2 conversations and take input that way.

3 Because I think our meetings, although we try and
4 give ample opportunity, there's just typically not a lot of
5 public input. So I think it's incumbent upon us to reach
6 out. So I think with a particular focus on the site as to
7 what we would want to see, both technically operationally as
8 well as communications, as to whom we might want to talk to,
9 we can plan that trip with precision.

10 This trip was very productive. But I think we
11 learned that we can be even more precise and productive. So
12 that would be my vision.

13 CHARLES E. ANDERSON: One caution there. As one
14 who's been on a lot of these site visits with different
15 people. If it is your first time, it would be worth trying
16 to get a good broad perspective particularly since that's an
17 EM site for all practical purposes. Since we're a little
18 bit of - - with Hanford, too, you'll limit doing that on a
19 rather small tour bus, and what ends up happening as far as
20 interaction with people is you add on and take off people on
21 there.

22 So because there's a lot of driving time. So you
23 get an opportunity with some poster boards, actually during
24 the driving time. One exhausting day tour there can
25 probably be as much as you can absorb.

1 But it does give you a good view then overall of
2 the River Corridor and Central Plateau. It winds kind of
3 segmented that way and then - -

4 JAMES A. AJELLO: That's a good suggestion. So
5 we'll work with Terri to try to sort out how we can best do
6 that. Let us know your dates within those frames. Hanford
7 I think is a very useful suggestion. At least I'm hearing
8 no objections. But I think it's a very useful suggestion.
9 And we'll make that a productive visit.

10 Terri, this is a note actually probably to us. We
11 should try and get administratively organized with badges
12 and even if we need to get any sort of safety briefings, if
13 we can get that ahead of time so it doesn't limit our
14 ability to get in and out, that might be helpful.

15 TERRI: Sure. We can handle that.

16 JENNIFER A. SALISBURY: One suggestion, Jim. If
17 we go to Hanford, is that we tie, whatever areas we're going
18 to pick to delve into, that the Assistant Secretary wants us
19 to look at, we'd really like a way to tie that with our site
20 visit somehow. Really focus on those areas that we're
21 specifically looking at. We're aware if the tie in and
22 that's where the briefings would concentrate on that.

23 JAMES A. AJELLO: Personally I think, although
24 we've yet to hear from Jim and Charlie specifically, I've
25 been getting a very clear message, Charlie, that these five

1 areas, just to repeat for the benefit of the record, safety,
2 risk reduction, project execution, organizational alignment,
3 feedback, lessons learned, are really areas if we were to
4 fold in under and there's a lot you can do whether it's
5 acquisition strategy, which is under execution, you know,
6 pick your topics.

7 I think this framework, if that's a framework that
8 you're going to use to think about your business, and the
9 way you do things and your metrics and everything you do and
10 your staff to report and drive by, I think that's a useful
11 framework for us to follow.

12 So that's a good suggestion, Jennifer.

13 Any other topics that we'd like to discuss?

14 TERRI LAMB: Jim, regarding the meetings, do we
15 still plan to have a meeting back at headquarters as well,
16 or I know Charlie mentioned Hanford, Idaho, Oak Ridge. Are
17 we going to meet at headquarters in between all of that as
18 well?

19 Do you still want to keep all the meetings off
20 site?

21 DENNIS FERRIGNO: What is our guideline on number
22 of meetings? Obviously our workload drives that, but do we
23 have a guideline of how many meetings a year?

24 TERRI LAMB: Two.

25 DENNIS FERRIGNO: That's budgetary constraint?

1 JAMES A. AJELLO: A target of two. There's not a
2 restriction to do more, I guess, but there's a target of
3 two. I think that was a budget consideration as well as
4 just to make sure that we had some regularity.

5 MELISSA NEILSON: What about the intergovernmental
6 meeting in Washington in November?

7 JAMES A. AJELLO: I'm not sure I follow. Which is
8 the, which meeting is that?

9 MELISSA NEILSON: That's the intergovernmental
10 meetings of the Attorneys General of states, the - -

11 This is five organizations that we work with, and
12 - - associations - - encodes, EPA, and - - and they meet
13 separately in the spring, and in the fall they have a joint
14 meeting generally in November. We, the Department does a
15 lot of presentations bringing them updates the same way they
16 would you.

17 It might be something that you could attend if for
18 no other reason that to hear the most current information.

19 JAMES A. AJELLO: This feels to me like what we do
20 at the small business effort. In other words covering it,
21 having a representative there, circulating a note to the
22 group letting us know what the key points were, maybe
23 providing any of the materials that one would pick up.

24 Is there any objection to that, or is that a plan?

25 I think Melissa's office covers this, I mean,

1 that's right within her responsibility in the organization.

2 So we, generally we have good channels of communication on
3 those kinds of meetings. Does that make sense?

4 LORRAINE ANDERSON: That would kill two birds with
5 one stone.

6 JAMES A. AJELLO: Especially if there's an energy
7 around external relations. I think that's a good gauge.

8 DENNIS FERRIGNO: We would be sending a couple
9 people from the Board? Is that what you're thinking?

10 JAMES A. AJELLO: One or two. And it's, I think
11 Lorraine has already attended frankly, so we have two
12 members of the Board in other capacities who attend that
13 meeting.

14 But we would at least want one person to be able
15 to write a report to E-map. And if they're going - - well.

16 LORRAINE ANDERSON: So you're coming, Dennis, so
17 you can write the report?

18 DENNIS FERRIGNO: No, I'm not coming. But I was
19 thinking, maybe - -

20 JAMES A. AJELLO: I will approach Lorraine and Tom
21 with that. I don't think there's any reason to spend any
22 more resources given that we've got that representation. So
23 - -

24 JENNIFER A. SALISBURY: So to go back to Terri's
25 question about do we need to meet in Washington, can we

1 leave it to the Chair and Vice-Chair to kind of get a sense
2 of if there's a need for another meeting, and - -

3 JAMES A. AJELLO: My sense is that we have a
4 little catch up to do with understanding what's happening at
5 the sites, so I'd put in first priority, make sure that we
6 get another couple of sites in and we can conduct these
7 kinds of administrative meetings anywhere you're visiting a
8 site presuming there's a facility.

9 So we'll, that would be my sense, but we'll talk
10 more about that.

11 Other topics? Is there anyone who has comments or
12 questions from the public that we could take? Offer that
13 one last time before we adjourn for the session?

14 Yes, Sir, please state your name and affiliation.

15 LARRY HARRISON: My name is Larry Harrison. I'm
16 here as a private citizen. I just retired from the Savannah
17 River site in December.

18 JAMES A. AJELLO: Congratulations.

19 LARRY HARRISON: Thank you. I'm enjoying it. And
20 had opportunity to come to this meeting. First of all, I
21 want to commend the Board for coming to the I guess it's
22 Aiken area. I think it's unfortunately, I was not able to
23 be here yesterday, but having worked at the site, I'm fairly
24 familiar with what's going on out there.

25 I guess what I would like to make a comment on,

1 let me back up. My particular duty at the Savannah River
2 site was an engineer at DWPF, Defense Waste Processing
3 Facility. And specifically for the most of the 14 years
4 that I worked at the site, I was responsible for the spare
5 glass melters at DWPF.

6 And using that as an example, and I want to
7 stress, that's an example. What one of the concerns I have
8 about setting priorities in Department of Energy and
9 specifically EM is the fact that there's always the
10 potential for some show stoppers.

11 In other words, if there is a failure of a system
12 or a particular piece of equipment, that it can be
13 catastrophic from the standpoint of being able to accomplish
14 the goals that - - meet schedules. And in particular again,
15 just using the glass melter as an example, there is a spare
16 melter currently in storage at Savannah site. It's ready to
17 go in to process if the current melter fails.

18 Now what a lot of people do not know is that if
19 there is a very long lead time in procuring the components,
20 assembling and testing this particular piece of equipment.
21 And typically, we're talking a timeframe of four, five, six
22 years.

23 For the next spare melter that will be procured,
24 there is some special materials that have to be procured.
25 They're long lead items. And also in, for this particular

1 melter, a lot of the venders that provide services for the
2 first three melters are either no longer in business or do
3 not have the capability. So it would be new venders.

4 What I'm trying to stress is, just because you set
5 up a schedule for previous pieces of material as far as
6 procuring it, and assembling it, doesn't necessarily mean
7 that you'll have any significant decrease in time. In fact,
8 it may actually an increase.

9 And my point is, I really think that EM, - - to
10 look at priorities, and obviously funding is a major issue.

11 But what I would recommend is that EM take a long hard look
12 and look at these particular cases and identify. Because I
13 know man can always - - let me know what the risks are.

14 So I don't want this Board or anybody else to be
15 surprised by the fact that if there is a failure of a major
16 piece of equipment, why didn't you tell me, or why didn't
17 you make me aware of what this risk is.

18 I guess my message, my bottom line is in day-to-
19 day operations, obviously you tend to look at the very
20 immediate concern. My point is, look at the longer-range
21 concerns, the risk such that if we do have a failure, what
22 are the consequences, and what's in place? What can be
23 done.

24 Because for instance on this particular piece of
25 equipment, just because you throw five times the level of

1 effort in terms of personnel, and funding it, doesn't mean
2 you can reduce that five-years down to one year.

3 There are just some inherent limitations in how
4 fast you can do it. And also the other fact is, if that one
5 particular piece of equipment goes down, it has a ripple
6 effect because everything else has to shut down. There's no
7 reason to operate the rest of the facility if you can't
8 operate, can't get to the heart of the process.

9 And then you get into problems when you shut that
10 equipment down, what's it going to take to bring it back up?

11 And what are the consequences to other parts of the process
12 as well as the area where you had the failure?

13 I appreciate your consideration of that.

14 JAMES A. AJELLO: I appreciate that very much.
15 First of all, it was a very thoughtful comment. And I think
16 some of us around the table have worked on large projects in
17 the past and appreciate what you're saying, and we're all I
18 think impressed by our visit knowing how unique and
19 challenging these sites can be.

20 And although we did the brief tour, our level of
21 understanding and depth isn't quite what yours is, so I
22 appreciate your input.

23 Does anybody have any comments regarding that
24 statement?

25 DAVID SWINDLE: Fully recognize the point.

1 Critical path items. Very key.

2 JAMES A. AJELLO: My assumption is that those
3 kinds of matters are addressed with vendors and in contacts
4 and in operational arrangements and so forth. But it is
5 sobering to hear that, but it is also an indication of the
6 kind of business that this is, which is highly complicated.

7 So I appreciate your input.

8 Any other comments or questions?

9 First, I want to thank everybody for their
10 participation in the meeting. Excellent cooperation in the
11 community from the DOE, Charlie and your team was great to
12 get updated. I think our understanding is miles ahead of
13 where we were previously. And we really appreciate that.

14 I want to thank Terri Lamb again for coordinating
15 this again and making sure the Board is up to speed and
16 organized to do this. This is all the more difficult than
17 what it looks on the surface and really appreciate your help
18 in doing that.

19 So is there a motion for adjournment?

20 C. STEPHEN ALLRED: So move.

21 DENNIS FERRIGNO: Seconded.

22 JAMES A. AJELLO: We're adjourned. Thank you very
23 much.

24 (OFF THE RECORD)

25 (Whereupon, the meeting in the above entitled matter

1 was adjourned at 10:15 a.m.)

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