



Department of Energy

Washington, DC 20585

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MEMORANDUM FOR THE SECRETARY

THRU ROBERT CARD,
UNDERSECRETARY
ENERGY, SCIENCE, AND ENVIRONMENT

FROM JESSIE ROBERSON, *Jessie Robe*
ASSISTANT SECRETARY FOR
ENVIRONMENTAL MANAGEMENT

When you first came into office, you stated publicly that you were appalled by program estimates as high as \$300 billion and 70 years to complete cleanup at our sites. You therefore directed me to initiate a comprehensive Top-to-Bottom review to analyze and determine the fundamental problems with the Environmental Management (EM) program, and to fix them. The review is now complete and the Review Team's report is attached for your consideration.

Since the creation of the EM program in 1989, over \$60B has been spent, yet little real risk reduction has occurred. Surplus nuclear material remains unconsolidated across the country, spent reactor fuel remains in wet storage and at Hanford the fuel still sits less than a quarter mile away from the Columbia River, and the high-level liquid waste inventory has grown, not been reduced. These are only a few examples of a program that has failed to significantly reduce the largest and most pronounced risks to the environment and public. Cleanup schedules continue to show it will take longer and cost more each year. In FY01 alone, the estimate to complete the EM cleanup increased by more than \$10B. In the two year time period between 1998 and 2000, one-third of the EM sites slipped their cleanup schedules by more than one year. If the program is left on its current path, it will never complete its cleanup mission.

The EM program has not lived up to expectations in significant measure because the Department tried to solve the wrong problem and used the wrong set of indicators to measure success. Over the last decade, as our name implies, EM has focused on managing risk rather than reducing and eliminating it. We have avoided many tough decisions, rather than confronting them. We have not held ourselves accountable to deliver real risk reduction. The program did not have a sense of urgency and slowly devolved into a program that held itself and its contractors to a lower and lower set of performance standards. One important example of the problem in this program is our own indicators and milestones. EM can accurately report that over 90% of our regulatory milestones have been met



and that our contractors routinely receive over 90% of the available fee. Yet, these “successes” take place without significant progress in cleanup or risk reduction. In short, our indicators measured process, not progress, opinions, not results. Obviously, a program that reports high success rates in its internal indicators while failing to deliver to the public has a serious problem.

The lack of measurable progress is further exacerbated by ineffective management of our prime contracts. Our cleanup strategy was not based on an accurate technical assessment of the public health risks posed by the complex and going after the most significant risks first. Our internal processes similarly did not support a risk based approach to clean up. We became distracted by activities and programs that had little to do with cleanup and closure. In short, we have not managed this as a program directed to reduce risk to the workers and communities at our sites and do not have measurable risk reduction as a national goal that is both understood and supported by headquarters and field units.

While change is needed, it is important to note that there have been many individual successes and important developments in our program. Hanford has begun work on a vitrification plant for its most important high-level waste and it is also making solid progress on spent nuclear fuel management. Rocky Flats has made significant progress toward an accelerated closure. We can make progress at bringing other closure sites back to a 2006 schedule. WIPP is receiving waste at a substantially higher rate than just last year. Savannah River is closing high-level waste tanks. Oak Ridge cleaned up the gunite tanks. INEEL has started the movement of spent nuclear fuel into dry storage. Previous reform efforts, the Ten Year Plan and Paths to Closure, made solid contributions, but were insufficient in making fundamental change in the focus of the environmental cleanup programs. While nearly every site has done work that it can justifiably be proud of, the program as a whole is not working and will not deliver unless significant reforms are made.

There are many things that we can and will do to put the EM house in order. We plan to work closely with our regulators, our elected officials, our communities, and our stakeholders to realize measurable progress on many of these initiatives. I will carefully consider each of the review team’s recommendations and with your approval, as appropriate I will move out on several fronts. Each initiative is detailed in the report, but I will focus on six key areas:

- ✓ Significantly improve management of performance-based contracts
- ✓ Move EM into an accelerated risk-based cleanup strategy
- ✓ Restructure EM’s internal processes to focus on the accomplishment of measurable cleanup and closure
- ✓ Shed scope and programs not aligned or supporting accelerated risk reduction

- ✓ Implement an effective human capital strategy that extends beyond the next year
- ✓ Restructure science and technology program to focus on critical path and our highest and most urgent risks

The changes that I envision are not changes in the margin or around the edge, rather it requires a complete retooling and overhaul. The attached report provides the framework for our pathway forward. We will use a risk-based approach to cleanup that is mindful of resources, respectful of our environment, and responsive to the taxpayers and our neighbors alike. More will need to be done as we implement. I propose to move forward expeditiously to develop the key elements of our implementation strategy. I will provide you routine updates as we deliver more real cleanup.

Attachment