

## **EM EMPLOYEE MESSAGE**

December 2007

As 2007 comes to a close, I would like to reflect on all that we have accomplished in Fiscal Year 2007 and then look ahead to the goals that the EM senior management team and I have established for 2008 and beyond. For the EM program, FY 2007 has been an amazing year – we have accomplished a tremendous amount both in terms of institutionalizing management systems and moving forward with on-the-ground cleanup.

This can only have been possible as a result of each of you – your dedication, expertise, and hard work, as well as those of our contractor partners. Obviously, many of you are focused on your specific sites, projects, and tasks. Thus I would like to provide you with this complex-wide view of our successes so you can appreciate how your individual efforts have fit into the collective whole.

### Safety

With safety being our highest priority, we should all be proud that our Days Away from Work, Restricted or on Job Transfer (DART) and Total Recordable Case (TRC) rates have consistently declined throughout FY 2006 and FY 2007. At the end of FY 2007, our DART rate was 0.28 per 200,000 hours worked, half that of DOE as a whole and less than 10 percent of both the waste disposal and construction industries. At the same time, our TRC rate was 0.76 per 200,000 hours worked, two-thirds of DOE as a whole and less than 15 percent of the two industries. This enviable performance is clearly due to the focus we and our contractors place on safety and implementation of integrated safety management principles.

### Project Management

The number of EM projects classified as “red” or “yellow” in the Deputy Secretary’s monthly project status report has decreased from 12 at the beginning of the year to four at fiscal year end (and today, we have only one, a yellow). Once again, the focus we have placed on more rigorous project planning and execution, as evidenced at EM’s quarterly project reviews and in the Deputy Secretary’s report, have led to this success. This focus has included the training and certification of our federal project directors and the execution of our project management best-in-class program.

### Human Capital

We continue to implement our Human Capital Management Plan, which now incorporates observations of the National Academy of Public Administration study on EM’s organization and management. In particular, we are developing workforce plans based on the scope of our program as we go forward. Our first Professional Development Corps class, consisting of 20 members, came onboard this year with duty stations throughout the EM complex. Their initial classroom orientation and training took place late this summer at Hanford. EM executives have been participating in a partnership with Defense Acquisition University at Ft. Belvoir, Virginia, wherein Defense Department case studies focused on program management competencies are used in a workshop format. We have also developed and are providing diversity training for all EM

employees with a unique bridge of diversity's connection to leadership, communication skills, and organizational behavior.

### Acquisition

The EM Acquisition Center has been established with an office director at Headquarters and 14 procurement professionals at Headquarters and the EM Consolidated Business Center in Cincinnati. At the same time, we are on track to award five major procurements – two at Savannah River and three at Hanford. In FY 2007, EM significantly exceeded its commitment to small business prime contractors by awarding \$392 million to small business, 7.15 percent of our procurement base versus a goal of 3.35 percent.

### Tank Waste

As you are aware, radioactive liquid waste stored in below-ground tanks is the program's highest risk. This year we have begun construction on two major waste treatment plants – the Sodium Bearing Waste Treatment Unit at the Idaho National Laboratory and the Salt Waste Processing Facility at the Savannah River Site. At Hanford's Waste Treatment and Immobilization Plant, construction resumed on the High-Level Waste and Pretreatment facilities with the finalization and Secretarial certification of seismic criteria after a nearly 20-month curtailment.

We also continue to retrieve waste from tanks as well as to close them. At Idaho, a Waste Determination was issued in November 2006 that enabled tank closures. During the remainder of the fiscal year, the Idaho Cleanup Project completed grouting all four 30,000-gallon tanks and grouted up to the dome level in all seven cleaned 300,000-gallon tanks. At Savannah River, interim processing of tank waste by a Deliquification, Dissolution, and Adjustment process was begun. This process removes much of the radioactivity, enabling the remaining decontaminated salt solution to be made into grout and disposed onsite as saltstone. Finally at Hanford, waste was retrieved from three aging single-shell tanks, bringing the total number to seven, and was transferred to double-shell tanks.

### Nuclear Materials and Spent Fuel

The Department approved consolidation of weapons-usable plutonium from several DOE sites, most notably Hanford, to the Savannah River Site. This resulted following significant interaction with the Congress and the State of South Carolina, coordination with the National Nuclear Security Administration, and complex technical analysis and project planning. Meanwhile, the Savannah River Site started operation of the K-Area Interim Surveillance project which provides a capability to perform examinations of containers of plutonium-bearing materials awaiting disposition. This is a significant step for the site to maintain its preeminence in the DOE complex for safe plutonium operations. Idaho completed cleanout of two facilities that enable reduced operation and maintenance costs – removal and dispositioning of all special nuclear material stored in Building CPP-602 and removal of hazardous sludge and water from the spent fuel basin in CPP-603, which has been backfilled with 1.4 million gallons of grout.

## Other Radioactive Waste

The Waste Isolation Pilot Plant obtained a key permit modification allowing for the disposal of remote-handled transuranic waste and began receiving shipments from the Idaho National Laboratory, which has steadily ramped up its number of shipments per week. Also, the Los Alamos National Laboratory began shipping its high-activity transuranic waste to WIPP and had shipped 25 percent of its inventory by fiscal year end. Brookhaven National Laboratory completed its transuranic waste cleanup with support from Carlsbad's Central Characterization Project. At the Oak Ridge Reservation, the Transuranic Waste Processing Center has now operated for five years without a lost-time accident.

The Portsmouth Paducah Project Office completed the removal of more than 49,000 containers of hazardous and mixed waste from the Portsmouth Recycle and Assembly Building, supporting the complete turnover of the facility to the United States Enrichment Corporation for industrial reuse. At Paducah, more than 30,500 tons of radioactively contaminated scrap metal that had been stored outdoors for more than 30 years has been removed. The piles of scrap metal were the single largest source of surface water contamination at the site. The West Valley Demonstration Project shipped the last of 19,686 drums of grout-filled "drum cell" low-level waste to the Nevada Test Site for disposal, a campaign that was a significant acceleration from original plans.

## Environmental Remediation and Decontamination and Decommissioning

As I reported previously in the year, we completed the cleanup at the Fernald and Ashtabula Closure Projects. However, for large sites, it will be many years until we are able to complete cleanup. Nonetheless, Savannah River completed its first "area cleanup," a concept endorsed by the regulators. At the T Area, 28 buildings covering 128,000 square feet were demolished and a 10-acre geosynthetic cover was installed over the area. The project was completed 4 years ahead of the regulatory schedule and represents the cleanup of a significant industrial area at the site. At the East Tennessee Technology Park, significant progress continues to be made on the decontamination and decommissioning of the numerous large buildings with 500,000 square feet having been demolished in FY 2007. At the Hanford Site, multiple innovative technologies to address groundwater plumes have been tested. They include biostimulation and geochemical reduction of chromium, electrocoagulation for the treatment of chromium, in situ vadose zone treatment of strontium-90 using sequestration, and sequestration technology for uranium; strontium-90 sequestration was deployed at full scale.

## Recognitions

With this success comes much recognition. Most notable were awards conferred on the Fernald and Rocky Flats Closure Projects. The Fernald Closure Project received the Project Management Institute's Project of the Year. The award represents the highest recognition given by this worldwide organization and is the second year in a row an EM project has won, with last year's award going to the Rocky Flats project. Frazer Lockhart, on behalf of the Rocky Flats team, received the 2007 Science and Environment Medal as part of the Service to America Award presented by the Partnership for Public Service. These awards recognize highly select federal employees for significant

contributions to the Nation. I had the pleasure of attending the event with Deputy Secretary Sell to see Frazer and some of the Rocky Flats team accept the award.

David Hepner, the Community Affairs/Small Business Program Manager for DOE at the Savannah River Site was honored as the Federal Small Business Manager of the Year for his dedication and high achievement in encouraging small business participation. Several EM senior executives received or were notified of receiving Presidential Rank Awards this year including Mark Frei (Headquarters) and Bill Murphie (Portsmouth Paducah Project Office) for FY 2006 and Inés Triay (Headquarters) and Shirley Olinger (Office of River Protection) for FY 2007. At this past year's annual Security Protection Officer Training Competition, the Fluor Hanford team won the overall competition and Allen Ford from Wackenhut Services at Savannah River was named 2007 Security Protection Officer of the Year. Finally the EM Consolidated Business Center's Diversity Council was recipient of the 2007 Secretary of Energy's EEO and Diversity Best Practices Award.

### The Future

Now the question before us is how do we sustain this progress? In early October, I invited the EM Field Managers and Deputy Assistant Secretaries to join Inés Triay, Jim Owendoff, and me for a day to identify those major initiatives that we as the senior management team want to focus on in FY 2008 and beyond. The initiatives fall into seven major categories – safety and quality assurance, project management, procurement/acquisition, budget, human capital, engineering, and management analysis.

There are approximately 40 individual initiatives within these categories. They can be viewed on the EM Portal with associated leads and completion dates. However, I would like to summarize them by saying that they all focus on institutionalizing many of the management systems and processes we all have been working on the past several years. They also deal with acquiring the appropriately trained and qualified personnel, contractors, technologies, and funding. Taken in total I believe that with all of us pulling together, these initiatives should position EM well for the challenges that lie before us and make EM an even higher performing organization.

On a different but equally important note, I have heard from several field managers and have seen here at Headquarters that we have had a very successful Combined Federal Campaign. It is wonderful to know the generosity that prevails across EM. I want to thank those of you who have contributed and have been CFC key workers as well as those who have donated to and volunteered for organizations outside of the CFC sphere.

I apologize for the length of this message but as you can see there is a lot to celebrate and a lot to look forward to. After such a busy year, please make time to relax over the holidays and to spend time with friends and family

May you have a safe and happy holiday season – I extend to you all the best for a healthy and fulfilling New Year.

With warm regards,  
Jim