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FERNALD CITIZENS TASK FORCE WEEKLY MAILING OF UPCOMING
EVENTS AND MEETINGS AND REPORT ON CURRENT ACTIVITIES ON THE
SITE, MESSAGE FROM JOHN BRADBURNE ON SILOS PROJECT PATH
FORWARD, NEW RELEASES, FACT SHEET ON RCI SOLVENT EXTRACTION
AND NEWSCLIPPINGS

04/04/97

TASK FORCE TASK FORCE
16
ANNOUNCEME



FRIDAY MAILING

4/4/97

INCLUDED IN THIS MAILING ARE:

- Report on Current Activities on the Site
- Message from John Bradburne re Clarification on Silos Project Path Forward
- News Release: GTS Duratek Cools Down Savannah River Melter for Inspection
- Fact Sheet on RCI Solvent Extraction Project
- Newsclippings

ANNOUNCEMENTS:

- PUBLIC MEETING:** A Public Meeting will be held on Tuesday, April 15, 1997, from 7 to 9 p.m. There will be a discussion of the overall cleanup status by Johnny Reising, and other topics of interest, such as the GAO Report and the IRT Report. The meeting will be held at the Plantation.
- TASK FORCE MEETING:** The next full Task Force Meeting will be held on Saturday, May 10, 1997, at 8:30 a.m. in the Alpha Building.

QUESTIONS:

- Please call John at [redacted] or Doug at [redacted] with questions or concerns. You may also fax or e-mail us at:

John FAX: 281-3331 E-MAIL: john.applegate@law.uc.edu
 Doug FAX: 648-3629 E-MAIL: [redacted]



CURRENT ACTIVITIES ON THE SITE

4/4/97

SITEWIDE EXCAVATION PLAN DELAYED

March 14, 1997

The Site-Wide Excavation Plan (SEP) will establish a consistent approach for planning and performing excavation at the FEMP. The criteria contained in the SEP will be influenced by the Area 1, Phase I Certification Report. Therefore, completion of the SEP is contingent on completion of the Area 1, Phase 1 Certification Report.

U.S. DOE requested extensions for the submittal of the following soil certification milestones: 1) Area 1, Phase 1 Certification Report (March 1, 1997); 2) In-Situ Radiological Characterization Comparability Study Report (March 14, 1997); 3) Sitewide Excavation Plan (March 14, 1997); and 4) Area 2, Phase 1 Certification Report is delayed due to abnormal weather and the potential need for additional sampling and soil removal, and that the other reports, being contingent upon the Area 1, Phase 1 Certification Report, will also be delayed.

The U.S. EPA found that the basis for the request for extension constitutes good cause for delay and justifies a revised submission date of July 1, 1997, for the Area 1, Phase 1 Certification Report. The U.S. EPA has also found good cause for the extension of the contingent reports, including the SEP, until July 14, 1997. U.S. EPA expressly recognized the U.S. DOE may request extension for the contingent reports to the July 14 date.

Support plans to the SEP, such as the Natural Resource Restoration Plan, will continue to be developed. Comments from the trustees are being gathered and addressed.

TURNING LANE ON STATE ROUTE 126 TO BE BUILT

April 2, 1997

To support the Waste Pits Remedial Action Project, Fluor Daniel Fernald will be constructing a turning lane at the original north access road entrance along State Route 126 (Cincinnati Brookville Road).

During turning lane construction, the original north access road entrance (located approximately 0.5 miles west of the current north access road off State Route 126) will be used for material and equipment deliveries by the rail contractor to complete the north railyard.

Eight to ten truck deliveries of materials per day are anticipated during the turning lane construction period from mid-April through June 30, with periodic deliveries thereafter.

Construction will occur between 8 a.m. and 4 p.m., Monday through Friday. During these times, it may be necessary to restrict traffic to one lane along State Route 126.

The establishment of a turning lane will provide the best safety condition for the reopening of the original north entrance road and for traffic along State Route 126. The Ohio Department of Transportation has approved the construction plans.

[54] From: Bulletin Board Admin at FNST-02 3/21/97 2:43PM (2655 bytes: 1 ln)
Subject: Message from J. Bradburne - Clarification on Silos Project
----- Message Contents -----

message from John Bradburne

March 21, 1997

CLARIFICATION ON SILOS PROJECT PATH FORWARD

TO ALL TEAM MEMBERS:

The purpose of this message is to update you on the current situation regarding the Silos Project, which was the topic of today's lead story in The Cincinnati Enquirer. DOE has decided to bring in a vendor with proven success in vitrification to assist with completing the Silos Project. The decision was announced by Thomas Grumbly, DOE Undersecretary, to the Ohio congressional delegation during a meeting yesterday in Sen. John Glenn's office.

It is still under discussion as to whether this vendor would be contracted directly to DOE or under subcontract to Fluor Daniel Fernald. Fluor Daniel Fernald has recommended formally to DOE that we obtain the services of a qualified turn-key subcontractor to complete vitrification work for OU4. Turn-key subcontracting is a strategy whereby a vendor would assume responsibility for the design, construction and start up of full-scale remedial facilities. The vendor would also be responsible for training Fluor Daniel Fernald personnel to operate the facility. Specifically, the strategy would honor all existing agreements with represented labor.

Fluor Daniel Fernald is committed to the successful and timely remediation of the Silos waste and will continue to work diligently with DOE and our stakeholders to achieve consensus on the final path forward with OU4.

DOE has formed a team to look at a variety of issues including contract extension or renewal. This is a routine activity at government projects that are nearing the end of an existing contract. A decision is expected this spring. I will keep you apprised of further developments in this regard.

Fluor Daniel Fernald will continue to move forward in building on the very strong progress which has been made over the past several years at Fernald. I encourage you to remain focused on safely cleaning up the FEMP at an accelerated pace. Together we can be successful.

John Bradburne
Fluor Daniel Fernald President

000003

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Copy: John Bradburne
Bob Heck**Current Press Release**

per DP 3/31/97

*By: Tivina Thompson
(phone request) 3/31*

**** FOR IMMEDIATE RELEASE ****

Date: March 31, 1997

Contact: Robert E. Prince, Pres. & CEO
 Robert F. Shawver, Exec. V.P.
 Diane R. Brown, Investor Relations
 (410) 312-5100
 www.gtsduratek.com

**GTS DURATEK COOLS DOWN SAVANNAH RIVER
 MELTER FOR INSPECTION**

COLUMBIA, Md. - GTS Duratek (DRTK - NASDAQ) management on Thursday March 27, 1997 at 6:00 p.m. made the decision to temporarily suspend processing of radioactive waste and initiate an unscheduled controlled cool down of its glass melter at the U.S. Department of Energy's (DOE) Savannah River Site. This decision was the result of GTS Duratek operators observing over the previous few days increasing warning signs that accelerated wear on certain melter box internal components could be occurring.

The Company determined on Thursday evening that it was prudent to cool down the melter and conduct a detailed inspection and assessment of any repairs or necessary refurbishment required to return to safe, full capacity operations. The repairs could range from minimal repairs, to replacing certain melter components, to possibly replacing the entire melter box. If corrective action results in a delay in completing the processing of radioactive wastes, the Company could incur contract losses on the Savannah River contract in 1997. Under this contract, all radioactive waste processing is required to be completed by October 1997.

Robert E. Prince, President and CEO stated, "We are announcing the melter inspection at Savannah River because our shareholders are sensitive to the short term financial impact of meeting the schedule to process the waste under this contract. The condition of the melter does not pose any danger to our personnel or to the public. Cooling down the melter will take several days and only when the melter is cooled down can we complete the inspection. The inspection results will determine the extent of the repairs and the financial impact on completing our \$14 million fixed price contract at Savannah River. The financial impact could be negligible, or it could be large enough to have an impact on our near-term earnings. It is impossible to predict until the assessment is complete.

Whatever the short-term financial impact may be, we are committed to meeting our project milestones on

this first and world's largest scale implementation of vitrification of low-level radioactive waste. GTS Duratek is the only company in the U.S. getting this kind of large scale, real-world, low-level radioactive waste glass making experience. Moreover, we are getting the experience while cleaning up a recognized priority radioactive waste problem. The Company's financial condition enables it to address any possible problem with this melter box. Moreover, because of our success in winning the contracts at Hanford and Idaho we, together with BNFL, have built an integrated technical staff unequalled anywhere in the world for designing and operating waste melters.

We spent approximately \$7 million to build this first of a kind facility on a DOE site. The return on our investment is based on completion of the initial waste stream and the DOE letting the Company handle additional waste streams at the site. We will do what is required to keep the DOE's confidence."

Mario Fiori, DOE's Savannah River Site Operations Manager said, "We remain committed to the long term benefits of vitrification and the technology developed by GTS Duratek. As in any manufacturing operation, technical problems can arise as a normal part of the process. We commend GTS Duratek for dealing with this issue in a straight forward manner and we look forward to working with them on its resolution."

Richard Peebles, Vice President, BNFL Inc., said "We applaud GTS Duratek's prompt pre-cautionary action in suspending operations at M-Area while they investigate the potential problem. That is always the right approach in our industry. We have confidence that the GTS Duratek technology is the right choice for vitrification in the U.S. This was an early design and our joint engineering team is already benefitting from the thousands of hours of experience we have had from this melter operation. The lessons learned from this first of a kind project will improve the quality of the designs for our joint projects at Hanford and Idaho. We attach the greatest importance to our relationship with GTS Duratek and we look forward to strengthening and broadening our alliance."

Robert Prince also said, "In addition to working on processing at Savannah River, we are progressing well with our other projects with BNFL, Inc. for the privatized processing plants at Hanford and Idaho. In some ways, the Savannah River glass melter is a first generation, half-scale implementation of the technology we will be using on those projects. The commercial run time and the experience we are gaining on the Savannah River project is valuable to the success of those large future projects.

We are also working toward completing the acquisition of Scientific Ecology Group (SEG) from Westinghouse Electric which is scheduled to close in April. Integrating SEG with GTS Duratek will give a more mature and diversified customer base, and increase the number of commercial clients."

GTS Duratek is an environmental technology and services firm that uses its proprietary processes to convert radioactive and hazardous waste into environmentally safe forms.

[Go to Home](#)

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(Untitled)

Copy: John Bradburne
Bob Heck

per DP 3/31/97

COLUMBIA, Md., March 31 (Reuter) - GTS Duratek said Monday it had temporarily suspended the processing of radioactive waste at a melter plant after observing possible signs of wear on certain components.

Once the melter cools down, GTS said it would make an inspection to see if any repairs are necessary.

"The financial impact could be negligible, or it could be large enough to have an impact on our near-term earnings," it said. "It is impossible to predict until the assessment is complete."

GTS said the plant, at the U.S. Department of Energy's Savannah River site, would take "several" days to cool down.

"The repairs could range from minimal repairs to replacing certain melter components, to possibly replacing the entire melter box," it said. "If corrective action results in a delay in completing the processing of radioactive waste, the company could incur contract losses on the Savannah River contract in 1997."

GTS said its \$14 million contract obliges it to complete its processing of radioactive waste by October 1997.

The company converts radioactive and other hazardous waste into what it describes as environmentally safe forms.

10:03 03-31-97

*by: Tricia Thompson
(phone request) 3/3*

FACT SHEET ON RCI SOLVENT EXTRACTION PROJECT PREPARED FOR FERNALD CITIZENS TASK FORCE

On Tuesday, April 15, 1997, from 1:00 p.m. to 3:00 p.m., a Ribbon Cutting Ceremony for the Rapid Commercialization Initiative (RCI) Solvent Extraction Project will be held at the Fernald site. The following questions and answers are provided to keep Task Force members informed of site activities and the familiarize them with what this particular project entails.

1) Exactly what type of waste is involved in the RCI Solvent Extraction Project?

The waste streams in the Terra-Kleen Solvent Extraction Project are PCB-contaminated and/or RCRA organics-contaminated low level wastes with matrices including soils, sludges, and debris. We refer to this as tri-mixed waste (PCBs, organics, and rad).

2) How much of this tri-mixed waste is involved?

There are approximately 270m³ of these wastes. Approximately 6m³ will be treated during a demonstration phase. The remainder will be treated under a follow-on contract with the FEMP upon the successful demonstration of the process.

3) Where is this waste currently located and what prior location/process did it originate from?

The waste streams are currently in the drummed RCRA/TSCA inventory. They come from a variety of locations including the fire training facility, various plant and machinery sumps, spills and cleanups.

4) How is the waste presently containerized? How will it be containerized when it leaves the FEMP?

The wastes are all currently in drums or boxes and stored in RCRA storage. The treated wastes will be shipped for disposal in half-high white metal boxes.

5) Where is the waste to be disposed and how will it be transported?

The treated waste will be disposed at Envirocare of Utah, and will be shipped via truck.

6) Briefly describe the treatment process to be used.

The Terra-Kleen Solvent Extraction Process is a non-thermal treatment for the removal of PCBs and RCRA organic contaminants for various solid waste forms. Terra-Kleen received the first Nation-wide TSCA permit for the treatment of PCBs by a non-thermal process. Terra-Kleen Response Group, Inc. had first proven this technology in the USEPA Superfund Innovative Technology Evaluation (SITE)

Program. It has come to Fernald under the President's Rapid Commercialization Initiative and the Demonstration Phase of the project is being funded by EM-50 through the Mixed Waste Focus Area. The process uses a non-toxic solvent to remove the contaminants. The solvent is then distilled to remove and concentrate the contaminants for disposal/destruction at the TSCA Incinerator at the Oak Ridge facility. The cleaned solvent is recycled through the system and reused until it can no longer be adequately cleaned. The spent solvent will also be sent to the TSCA Incinerator.

The treated soils, sludges and debris will be processed into half-high white metal boxes for disposal. If there are free liquids in the material, it will have drying agents added to the box. If it has RCRA metals contamination (not treated by the Terra-Kleen process), the waste will be further treated to stabilize the metals before disposal.

7) **Who is Terra-Kleen?**

The subcontractor, Terra-Kleen Response Group, Inc. is a small company which developed the solvent extraction process to be used in the project at Fernald. Alan Cash is the company's president and founder. The company has recently relocated from Oklahoma to San Diego, California. Terra-Kleen is a rapidly growing company with current contracts at the FEMP, Cape Kennedy, Naval Air Station North Island (San Diego), Naval Air Station Stockton, Alaska (Corps of Engineers), and several contracts pending.

The Ribbon Cutting Ceremony on the afternoon of April 15th is designed to give interested stakeholders an opportunity to see the treatment equipment close up and to hear about the process and the project prior to loading of the wastes into the equipment for the startup of the demonstration phase. It is anticipated that the demonstration will begin the week of April 21, 1997.

Input prepared by Dennis Cook/Tisha Patton
April 2, 1997

000008

RAPID COMMERCIALIZATION INITIATIVE RIBBON-CUTTING CEREMONY
Tuesday, April 15, 1997
1:00 - 3:00

AGENDA

Arrive at Alpha Bldg., Classroom D		1:00 p.m.
Distribute Badges & TLDs		
Welcome & Introductions	Jack Craig	1:10
RCI Mission/FEMP Tri-Mixed Waste	Rod Warner	1:20
Terra-Kleen Technology	Alan Cash, President T-K	1:35
Safety Briefing	Stu Hinnefeld	1:50
Board Bus		2:00
Enter Controlled Area		2:10
Drive By Plant 6		2:15
Drive By Bulking Areas		2:20
Get off bus at Bldg. 80		2:25
Ribbon Cutting Ceremony		2:30
Equipment inspection/ Technology Review		2:35
Board bus to Alpha Bldg.		2:50

April 3, 1997

Cincinnati Enquirer

Metro, C2

"Wife loses body part case"

Associated Press

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Wife loses body parts case

The Associated Press

COLUMBUS — A Cincinnati woman who sued after her dead husband's organs were taken for government research lost her appeal to the Ohio Supreme Court on Wednesday.

The court ruled in the case of Diane Hicks, who sued the former operator of the Fernald uranium processing plant near Cincinnati, where her husband worked.

Government documents show that National Lead Co. of Ohio (NLO), which ran Fernald for the U.S. Department of Energy, began obtaining and testing body tissue from dead and living plant employees in 1956.

Larry Hicks died in 1985 at age 33, just 12 days after being exposed to radioactive substances during an accident at Fernald.

Several of his internal organs were taken during an autopsy.

After the Ohio Industrial Commission denied her wrongful-death claim, Mrs. Hicks sued and lost in state court.

Mrs. Hicks alleged that the government arranged for coroners to quickly take the organs of dead workers in order to destroy evidence and protect against lawsuits.

Lawyers for NLO argued that Larry Hicks' death from heart failure was not work-related.

000010

April 3, 1997
Cincinnati Post
Local Report, 16A
"Appeal denied"
Reporter:

Courts

APPEAL DENIED: A Cincinnati woman who sued after her dead husband's organs were taken for government research lost her appeal to the Ohio Supreme Court Wednesday. The court ruled in the case of Diane Hicks, who sued the former operator of the U.S. Department of Energy's Fernald plant, National Lead Co. of Ohio, where her husband had worked as an inspector. Larry Hicks died in 1985 at age 33, just 12 days after being exposed to radioactive substances during an accident at Fernald.

000011

April 4-10, 1997

Everybody's News

Media Watch, pg. 6

"GAO finds "no support" for many of the most serious allegations made in *The Cincinnati Enquirer's* epic investigative series on Fernald"

By Randy Katz

GAO finds "no support" for many of the most serious allegations made in *The Cincinnati Enquirer's* epic investigative series on Fernald

"No support for the allegations."

The above phrase figures prominently in a March 14 report by the United States General Accounting Office (GAO) regarding a series of over fifty *Cincinnati Enquirer* articles purporting to uncover massive, sustained and premeditated fraud as well as a pattern of "life-threatening" safety violations committed by the sub-contractor hired by the U.S. government to clean up its former uranium enrichment plant at Fernald, Ohio. The *Enquirer* articles, most of them bearing a formatted red and yellow "warning" graphic with the head "Danger & Deceit," began appearing on the paper's front pages in February of last year and prompted a call for the GAO investigation from Ohio Senators Glenn and DeWine and congressmen Portman and Boehner. Now, the official report requested by those officials is out, and it states unequivocally that many of the most serious charges made in the *Enquirer's* voluminous investigative series are "overstated" or simply had "no evidence to support the

allegations."

Not surprisingly, the *Enquirer* presented readers with a very different characterization of the GAO report in a self-congratulatory March 19 story which implied, contrary to fact, that the GAO had fully confirmed its Fernald investigation. The Government Accounting Office is not a media critic. The agency's job was to investigate the Fernald cleanup and its oversight by the Department of Energy (DOE), but the implications of the GAO report for the *Enquirer's* journalistic reputation are difficult to ignore (not that the *Enquirer* hasn't tried). According to the GAO's findings, many of the most alarming charges made by the *Enquirer* in bold, dramatic front-page headlines ...simply have no basis in fact.

Here are some key examples:

- "Fernald workers' safety threatened" blared the *Enquirer's* February 12, 1996, front-page headline, under which, in very large type, the paper claimed it had uncovered "a pattern of life-threatening mistakes by the company hired to clean up the former uranium processing plant." Inside, readers were given the alarming news that more than a thousand

[1,000] serious safety-related incidents had occurred on the cleanup site since January of 1993. Not so, says the GAO.

"We did not find evidence to support the number stated in the allegation," says the GAO report of the *Enquirer's* February 12 story. In fact, says the GAO, there were only 317 "unusual occurrences" at Fernald during that period and "of these 317, only 1 [one] was categorized as an emergency." Moreover, the GAO points out (as the *Enquirer* did not) that many of the incidents cited between February and May 1996 by the *Enquirer* as "allegations about health and safety problems at the Fernald site ...were taken from DOE's Occurrence Reporting and Processing System (ORPS)". The *Enquirer*, in other words, led readers to believe it had ferreted out its "evidence" of "life-threatening" safety violations when, in fact, much of the information its articles cite—mistakenly, according to the GAO—was freely available in the DOE's public reading room.

- The *Enquirer* also said there had been seven recent "critical-ity incidents" at the plant which, the paper claimed, could possibly have led to "a nuclear

April 4-10, 1997

Everybody's News

Media Watch, pg. 6

"GAO finds 'no support' for many of the most serious allegations made in *The Cincinnati Enquirer's* epic investigative series on Fernald"

By Randy Katz

chain reaction." The GAO report defines a criticality incident as "the release of energy as a result of accidentally producing a self-sustaining or divergent neutron chain reaction." No such "criticality incidents" had occurred at the Fernald site during the period covered in the *Enquirer* series, the GAO reports. Moreover, said the GAO, the likelihood of such an occurrence was small due to the nature of the waste stored there.

•The *Enquirer* repeatedly accused the DOE sub-contractor, Fluor Daniel, of attempting to defraud the government of millions of dollars by falsifying reports, making charges to non-existent accounts and other deceptions. As the four Ohio congressmen say in their cover letter to the report, however, "The GAO's investigation did not uncover any criminal wrongdoing or a willful pattern of fraud and deception on the part of the contractor." Moreover, the congressmen said, "GAO was *not* able to substantiate most of the allegations concerning serious safety and contamination problems."

•Concerning an *Enquirer* charge that Fluor Daniel intimidated workers to prevent

them from reporting safety concerns. GAO says "We did not find evidence to support this allegation." Nor did GAO find merit in the *Enquirer's* allegation that "workers who were impaired by drugs or alcohol and repeat offenders were allowed to keep their jobs." On the contrary, said the GAO, such repeat offenders were terminated and Fluor Daniel, moreover, has "an effective substance abuse program." The GAO also said that, contrary to the *Enquirer's* assertions, workers at Fernald were *not* "forced to wear torn, ill-fitting or improper protective clothing," nor was it true, as the paper had charged, that radiation training was decreased and full radiation treatment was eliminated for most subcontractor employees.

•One of the key themes to which the *Enquirer* often returned in its Fernald series was the notion that Fluor Daniel "repeatedly made false performance claims to DOE" in an effort to bilk the government out of money to which the cleanup firm was not entitled. According to the GAO report, however, the paper's stories on this point represent an outright distortion of the truth:

"No incidents were identified

where Fluor Daniel Fernald made false performance claims to DOE. On the contrary, Fluor Daniel Fernald's status reports on the UNH project seem to accurately present the progress or lack of progress being made on the project," says the GAO

What did the *Enquirer* get right in the course of its 50-plus articles? The fact that Fluor Daniel encountered enormous difficulties attempting to build a plant designed to encase low-level radioactive waste in glass—something no one has ever done before—and the DOE's oversight of the project could have been better. However, the GAO notes, construction problems at the so-called "vitrification" plant "do not appear to have seriously compromised safety."

In short, there is a good deal in the GAO report to support the conclusion offered in these pages when *Everybody's News* analyzed the *Enquirer's* Fernald series last year.

To the dismay of those interested in learning the truth about these matters, *The Cincinnati Enquirer* has deposited some low-level hazardous waste of its own.

000013

March 31, 1997

Journal-News

A1

"Many study, few agree on Fernald statistics"

Reporter: John Nolan

Many study, few agree on Fernald statistics

By John Nolan
The Associated Press
ROSS TOWNSHIP

Seven years after workers stopped processing uranium at the Fernald plant, neighbors still worry about what toll radioactive contamination from the plant might have taken.

'How do we tie all this together? I don't think anybody really knows.'

Lisa Crawford,
Fernald Residents
for Environmental
Safety and Health

is capable of answering residents' questions about whether a uranium-tainted environment might have increased incidents of cancer, lung diseases and other ailments.

(Please see FERNALD, Page A5)

Fernald _____

(Continued from Page A1)

"How do we tie all this together? I don't think anybody really knows," said Lisa Crawford, president of Fernald Residents for Environmental Safety and Health and a longtime Fernald neighbor.

The CDC is trying to reconcile differences between a consultant's project to estimate radiation exposure and a peer-review report that criticized the project's methods.

James Smith, a health physicist and chief of radiation studies for the CDC, said those differences over mathematical estimates and theoretical error margins may be resolved in April.

He said the differences were expected.

"The science just isn't there for precision in this type of dose reconstruction," Smith said.

That is unsettling to residents, who get conflicting information about whether cancer incidence rates were higher there than in the general population. Crawford said.

"Six months ago, it was, 'Well, you have a higher rate of rate of cancer. Now it's, 'You don't have a higher rate of cancer,'" she said.

The U.S. Department of Energy, owner of Fernald and other processing sites around the country, asked the U.S. Department of Health and Human Services in 1990 to handle radiation-exposure studies. The Energy Department formerly did that work, but was regarded with suspicion because, having operated the sites, it had an interest in how the studies turned out.

Department spokesman Ken Morgan said it is a challenge for science to try to determine whether a relatively common disease such as cancer can be conclusively attributed to nearby uranium-handling operations.

"People who believe that they have been exposed, deeply believe that, and want science to vindicate it," Morgan said. "That may be beyond the powers of science."

Edwa Yocum, who raised three children since moving to a house near Fernald in 1970, worked with her husband in the late 1980s to compile an informal map showing incidents of cancers, leukemia and other diseases within a five-mile radius of the Fernald ~~plant~~.

000014

March 31, 1997

Journal-News

A3

"Fernald road project to start in July"

Reporter: Nicholas G. Johnson

Fernald road project to start in July

By Nicholas G. Johnson
Journal-News

ROSS TOWNSHIP

Construction of a new access road from Cincinnati-Brookville Road to the former Fernald uranium-processing plant will begin the first week of July, Fluor Daniel Fernald officials announced.

The current road, which runs from Cincinnati-Brookville Road into the northwest corner of the site, will be rerouted around the eastern perimeter to make room for a disposal facility on the site.

The facility — a chain of eight storage cells, each 700 feet by 400 feet and 65 feet high — will store low-level radioactive waste.

Dennis Carr, vice-president of Fluor Daniel Fernald's soil and water conservation project, said access from Cincinnati-Brookville Road will be closed for 3 to 3½ months. The only access to the site will be from Willey Road, off Hamilton-Cleves Road, he said.

"Our intent is to build the first cell with three feet of soil over the top of the cell lining and excavation for the second cell done by December," Carr said.

Carr said the lining system of each cell will be below ground, with the radioactive storage unit above ground and covered with three feet of soil. When the project is completed in 10 years, the area will resemble an American Indian mound, Carr said.

"We've tried to organize all the citizens groups involved and get everyone's opinion," Carr said. "We're doing everything we can and we know the traffic is a major concern."

Carr said project engineers are meeting with Butler County and state officials to determine the best way to proceed with the construction and alleviate any traffic problems.

Fluor Daniel also has concerns, Carr said.

"We want to ensure that people have access to the site as well as the safety of our people and the residents," he said. "We also want to maintain a mutual-aid response for local fire units to deal with any emergencies."

Fluor Daniel spokeswoman Kathy Graham said residents should address their concerns to U.S. Department of Energy spokesman Gary Stegner at (519) 648-3153.

000015

March 28, 1997
Cincinnati Enquirer
Editorial Page, A18
"1,050 Acre Money Pit"
Tony Lang

1,050 Acre Money Pit

The radioactively contaminated Fernald plant 18 miles northwest of Cincinnati is looking more than ever like a bottomless federal money pit. A March 18 General Accounting Office report found contractor Fluor Daniel Fernald is more than \$55 million over budget and 19 months behind schedule on its most critical project — a vitrification test plant to encase radioactive waste in glass pellets.

The GAO confirmed Fluor wasted millions of dollars and grossly overbilled, as an *Enquirer* series since February 1996 has exposed. The GAO also found the Department of Energy's oversight severely lacking. Two days after the GAO report, DOE announced it was stripping Fluor Daniel Fernald from the pilot plant project. At last. It's not yet clear if a new contractor can salvage any of Fluor's flawed design.

Fluor's total cleanup contract, budgeted at about \$2 billion, is up for review in November. Last spring, a speeded-up, 10-year plan was approved locally (but not in Washington) amid great hoopla about saving taxpayer dollars. Now quick cleanup is dead in the water, and officials are talking 13 to 15 years at a cost of billions extra.

Fernald is Fluor's second attempt at a vitrification solution. Its other try was halted at Hanford, America's most contaminated nuclear plant site. Yet last August, DOE handed Fluor a \$5 billion contract to team up on that cleanup in Washington state. Fluor's political action committee spent hundreds of thousands of dollars on campaign donations last year, and was the top construction-firm giver of soft money to the parties.

DOE should find a new contractor with proven vitrification expertise such as used in France, and it may need to reconsider encasing waste in cement as a cheaper, quicker fall-back solution.

— Tony Lang

March 26, 1997

Weapons Complex Monitor

Page 2

"DOE Seeks Contractor to Replace Fluor Daniel on Fernald Vit Project"

DOE SEEKS CONTRACTOR TO REPLACE FLUOR DANIEL ON FERNALD VIT PROJECT

*Begins Review of Site Contract
Consideration of Alternatives to Vit Project*

The Department of Energy has decided to seek a new contractor to take over Fernald's vitrification project following the release of a General Accounting Report called for by an Ohio Congressional Delegation. The GAO report upheld many of the allegations made by the Cincinnati Enquirer in 1996 that the project was mismanaged by the department and Fluor Daniel. DOE Under Secretary Tom Grumbly made the commitment to award a new contract March 21 while meeting with Ohio Senators John Glenn (D) and Mike DeWine (R), and Representatives Rob Portman (R) and John Boehner (R) all of whom said the "Fluor Daniel contract should [not] be extended...unless DOE and the contractor can demonstrate the [vitrification] project is effectively managed." In a follow-up interview, DOE-Environmental Management Assistant Secretary Al Alm explained that once the

March 26, 1997, *Weapons Complex Monitor*, "DOE Seeks Contractor to Replace Fluor Daniel on Fernald Vit Project" No

independent technical review team commissioned to study the Vit project and the failure that occurred Dec. 23 has completed their study in April, "if it says OK with Vit, we could recompet[e] [the contract] in four months or so, [and] certainly get out the RFP by then."

The Ohio delegation issued their recommendations after with the release of the GAO report which was requested to specifically review all the allegations levied by the *Enquirer* in the series of articles published in '96. And, while GAO supports many of the charges of mismanagement and poor oversight by both DOE and Fluor Daniel Fernald on site cleanup activities—many admitted to by DOE—it does not support any of the newspaper's allegations that Fluor Daniel was involved in any "criminal wrong doing or willful pattern of fraud and deception." The report, however, does offer a different perspective on the *Enquirer* allegations than the review conducted by an internal DOE team which generally concluded that there was "no evidence of lax or inadequate oversight by DOE." The GAO report also does not consider the recent rupture of the Vit plant that has completely stopped operations (*WC Monitor*, Vol 8 No 1). This is now under review by technical team of outside experts which is expected to complete its report in April.

Overall the GAO report, supported for the most part by the Ohio delegation and local stakeholders, has led DOE not only to commit to hiring a new Vit project contractor, but to question the use of vitrification to treat the waste at Fernald's Operable Unit 4—the site's silos—and to begin a review of Fluor Daniel Fernald's site contract which is up for renewal in November '97.

Fluor Called For Using Vit Subcontractor

Fluor Daniel officials, responding to the Congressional delegation's call for hiring a new Vit contractor, told *WC Monitor* it had made an identical recommendation to DOE some time ago. According to documents provided by a company spokesperson, the recommendation stated:

A vendor would assume responsibility for design, procurement, construction and start-up of waste retrieval, treatment and preparation for waste shipment. FDF would retain overall project responsibility, focusing on subcontract management. The vendor would also train FDF personnel for systems operations, consistent with all existing agreements with represented labor.

When the company made the recommendation is not clear. It calls for a subcontractor to operate the vitrification facility and to train FDF personnel once it was constructed. The DOE decision and the recommendation from the Congressional delegation, however, appear to go beyond what FDF recommended—to hire a subcontractor to be in complete charge of the Vit facility.

Companies Ready to Bid on Vit Project

DOE will not have to search long for companies to take over the Fernald Vit project if it decides to continue to use that technology. GTS Duratek President Bob Prince did not hesitate to express his desire to take over the work following the recent failure of the Vit facility (*WC Monitor* Vol. 8, No. 1) and ENVITCO President Irving Williams said, "absolutely." Duratek fabricated the Fernald pilot melter, but was not involved in its reassembly or operation by Fluor Daniel.

OAK RIDGE, SAVANNAH RIVER, INEEL, PNNL HEADS JOIN EM'S CLYDE FRANK, OPS MANAGERS, DOD, EPA OFFICIALS AT APPLIED R&T COLLOQUIUM

Oak Ridge National Laboratory Director Dr. Alvin Trivelpiece, INEEL Director Dr. Bart Kravetz, SRL Director Dr. Susan Wood and PNNL Associate Director Dr. Bill Shipp will discuss the national laboratories' role in supporting technology development to meet the 10 year plan objectives and the new technology deployment initiative at a Friday, May 2 session of the **Eighth Annual Exchange/Monitor Publications Applied Research and Technology Colloquium**. The lab directors will join an impressive array of key decisionmakers from DOE, DOD, EPA and the private sector to discuss topics in line with this year's colloquium theme *A "Corporate" Appraisal of the Investment in Cleanup Technology; New Deployment Initiative: What's Working, What Isn't & Why -- Future Needs.*

The Colloquium will be kicked off by Dr. Clyde Frank, EM-OST head, followed by DOD-SERDP Chief Brad Smith, Bob Olessey from EPA and Rita Bajura, director of the Federal Energy Technology Center. They will be joined on the opening day by key industry officials, including Dr. David A. Sanders of 3-M, who will give a real-world perspective of the return on investment of his corporate research dollars.

Alm in a telephone interview with several reporters would not speculate on Duratek's possible involvement in future work. He did say that if:

Vitrification is the course chosen, procurement would lay out the technical aspects and I would not want to speculate whether the Duratek melter would meet specifications, because the specifications have not been developed yet.

The cleanup chief then went on to tout the success of French and British vitrification facilities:

Certainly both the British and the French vitrify their waste, so companies [from these countries] have the experience and they both have U.S. subsidiaries. We still want to go through the rest of the companies in the U.S. who have vitrification, because there are various kinds of melters. We're going to conduct a world-wide search. We'll have several or more American vendors as well some from Europe. It will be a competitive procurement with a technical panel. The advice we get from our independent technical review committee will shape the procurement.

Alternatives to Vit Being Considered

Although Grumbly committed to a new contractor for dealing with OU-4, it is somewhat unclear at this point whether this will be a new contractor to construct and operate a vit facility or utilize an alternative technology. Acting Deputy Assistant Secretary for Environmental Restoration Jim Fiore told *WC Monitor*, "An independent review team is evaluating alternatives for OU-4 at Fernald. [One] of the alternatives under review includes vitrification." Environmental Management Assistant Secretary Al Alm confirmed the review of alternatives, but made it clear that "vitrification is the leading technology at the site." He added a decision will be based on the findings of the 11-member, independent technical review team formed to study waste stabilization options at the site. However he stressed that the ultimate decision will be based on "a judgement by the technical panel, [one] the stakeholders and regulators feel comfortable with. It's not [a decision] DOE would or could consider doing unilaterally."

Complete Contract Review Begun

Another fallout from the GAO report and the ensuing reaction of the Ohio delegation was DOE's revelation that a team was being put together to review the Fluor Daniel site contract. As stated by the Ohio Field Office:

Consistent with the GAO report and the statement from the Ohio Congressional Delegation, the Department of Energy has established a team to review the contract options available at the Fernald site. The team will evaluate the current Fluor Daniel Fernald contract, new DOE contract reform initiatives, and the contractor's effectiveness in managing OU-4 activities.

According to DOE officials, contract review is a general practice since the company's contract is up for renewal in November 1997. However, some former department officials point out that ordinarily a managing contract review team would have started their work one year prior to a contract's expiration or the date to recomplete a contract. Starting the review now begs the question of whether the department planned to conduct any critical review or already decided that the Fluor Daniel contract would be renewed.

Is a New Site Contractor Needed?

Though the Ohio Congressional delegation called for a new contractor on the Vit project it did not call for replacing Fluor Daniel. In fact the delegation's press statement does point out that:

We should not lose sight of the fact that Fernald's accelerated cleanup plan is saving the taxpayer billion of dollars when compared with earlier plans. Also it is important to note that five of the six major site activities are on or ahead of schedule and within budget. We pledge to do all that we can to make sure this accelerated plan is implemented, keeping the safety and health of the workers and the community as the top priority.

The leadership of the local oversight group FRESH is also not seeking to supplant Fluor Daniel. "A new contractor [at Fernald] would create more problems than it would solve," said FRESH spokesperson Lisa Crawford who also expressed relief the GAO showed "no criminal activity or intentional wrong doing at the site. "We would like to sit down with DOE and Fluor Daniel and identify the many problems that exist and find out how they will be corrected," she said. "We have a perfect opportunity now to initiate some contractor reform at the site."

When asked about specific reform objectives, Crawford cited the GAO report and DOE's publication of a "contracting policy adopting a standard of full and open competition, developing strategic goals and issuing new requirements for managing major projects. It is too soon to assess the overall effectiveness of these reforms [but] their implementation at Fernald will be a real test."

March 26, 1997, Weapons Complex Monitor, "DOE Seeks Contractor to Replace Fluor Daniel on Fernald VII Project"

GAO Agrees, Disagrees With Enquirer Articles

Though the Cincinnati Enquirer is taking credit for exposing DOE and Fluor Daniel mismanagement and feeling quite vindicated by the GAO report, several of its allegations were not upheld by the Congressional watchdog agency. As was previously pointed out the GAO did not find any criminal wrong doing as was charged by the local newspapers. Further the allegations that FDF used defective leak-proof pumps to transfer Uranyl Nitrate Hexahydrate (UNH) solution between tanks and that the company repeatedly made false performance claims to DOE regarding the UNH project by stating that it had successfully completed various studies and equipment testing, were found to be unsubstantiated. GAO did agree with the Enquirer, however, that FDF eliminated or reduced inspection requirements of equipment being built for the UNH project.

GAO also could not substantiate the "more than 1,000 serious safety related problems" that the Enquirer alleged to have occurred since January 1, 1993, because the paper would not release documents it obtained. The paper's allegation of 78 contamination incidents according to GAO was also overstated. Furthermore, GAO did not find any evidence to support the allegation that FDF intimidated workers to keep them from reporting safety violations nor did they find evidence that workers were forced to wear torn, ill-fitting or improper clothing.

In the financial management arena, the GAO did not support the Enquirer's charges that Fluor Daniel charged against accounts that had no budget. But the agency did find that "from 0.9 percent of the charges in FY94 to 2.4 percent in FY96 occurred when accounts were not properly opened. The dollar value of these charges, ranged from \$905,902 to a credit of \$8 million." The GAO team also discovered that several recommendations made by DOE's Office of Field Management to improve FDF's financial and performance systems, had not been implemented.

An area where GAO generally agreed with the Enquirer's findings was in the site's safety procedures:

Although the Fernald Area Office oversight programs have improved, they still have weaknesses that limit DOE's ability to ensure that Fluor Daniel Fernald is fulfilling applicable safety and health requirements. Problems include weak planning of assessment activities, slow progress in ensuring oversight staff are qualified, and weak processes for ensuring that identified safety problems are corrected.

And though GAO points out the number of DOE assessments have been increased, the Department has not yet enacted a process to ensure FDF corrects problems. ◀

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"Fluor Daniel Fernald Gets 72% of Rating, Awarded 64% of Available Fee in '96"

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**FLUOR DANIEL FERNALD GETS 72% RATING
AWARDED 64% OF AVAILABLE FEE IN '96**

Despite a recent GAO finding that Fluor Daniel Fernald (FDF) and DOE were responsible for wasting tens of millions of dollars on the vitrification pilot plant project the last two years, the Ohio Field Office awarded the contractor \$6,885,000 out of a possible \$10,800,000 in the fee pool for performance between April 1, 1996 and September 30, 1996 (see related story). DOE's Ohio Field Office reported that FDF earned 51 out of 71 possible points during the award period, but Ohio Field Office Manager Phil Hamric was consistent with the GAO report in criticizing the company for missing regulatory milestones on the vitrification project. In comments to FDF President John Bradburne, Hamric said "[These missed milestones] are of serious concern to the Ohio Field Office. [They] have led to...[only] informal dispute resolution with the United States Environmental Protection Agency. I expect FDF management to focus attention on this project over the next six months."

FDF Scores Itself High On Vit Project

Although the vitrification project was admittedly over budget and suffered several delays, Fluor Daniel, in their self assessment process, rated company performance high—giving itself four out of five possible points. DOE officials, however, disagreed and ended up allowing the company zero points for the award period. FDF also scored itself a five to DOE's three in a "subjective evaluation of safety and health programs." Out of a total 71 points (DOE deferred nine to be rolled into a subsequent fee period), FDF gave itself 69 for an 18 point difference between the company's own assessment and DOE's final score of 51.

Praised for Safe Cleanup, But...

Notably, although the just-released GAO report agreed with the allegations that Fluor Daniel Fernald did not conduct work according to site safety procedures, the Ohio office credited the contractor with excelling in "safe cleanup of the environment [for] the public and the worker." This includes "reduction of site worker radiation dose," an area where Fluor Daniel's self assessment agreed with the DOE review and the contractor received the full available three points. In the area of "reducing

radiological occurrences," however, Fluor Daniel did not give itself any points and DOE also agreed.

The Ohio office also gave Fluor high marks for addressing stakeholder concerns and achieving "least-cost, earliest and final cleanup in the areas of waste management, mixed waste treatment projects, waste disposal, and the thorium overpacking project." ◀

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March 31, 1997

Engineering News-Record

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"Off Schedule and Over Budget, Fluor Asks for Help at Fernald"

Contracts

**OFF SCHEDULE AND OVER BUDGET,
FLUOR ASKS FOR HELP AT FERNALD**

THE U.S. DEPT. OF ENERGY IS TAKING A second look at the vitrification pilot plant at its Fernald, Ohio, site after contractor Fluor Daniel and the state's congressional delegation asked for help from a more experienced subcontractor.

Fluor Daniel Fernald has had difficulty getting the pilot plant to work and recommended that a highly qualified, world-class company be hired to get the project back on track, says a company spokeswoman. The project is one piece of Fluor's \$1.9-billion, five-year environmental restoration contract at the former uranium production plant.

In a report released March 18, the General Accounting Office says the vitrification project is 19 months behind schedule. Original estimates to design and build the plant totaled \$14.1 million, but now the turnkey cost of the plant is around \$255 million, say officials. DOE

blames the overruns on the project's technical complexity and on leaving technical and managerial expertise to the contractor. But the GAO blames DOE for having limited involvement in the early design. It blames both parties for accelerating the project's pace without having fully tested the feasibility of the technology. Concurrent design and construction at the plant caused 225 design changes for just one piece of equipment, the report says.

DOE Assistant Secretary Al Alm says it's obvious from the GAO report that a more qualified contractor is needed. "What we've got here is a design and technical problem. The best way to deal with it is to get a contractor with a lot of experience," he says. But before acting, he wants to read an independent review panel report, due in early April.

Some experts have questioned the

need to vitrify the 20 million lb of low-level radioactive waste stored in three silos at the site. Alm says the review panel is looking at other technologies.

Only one U.S. firm, Columbia, Md.-based GTS Duratek, which is successfully operating a vitrification plant at DOE's Savannah River site, has the expertise to take over the project. The British firm BNFL and the French firm Cogema are the only companies with extensive experience in vitrifying radioactive waste.

No questions have been raised about Fluor Daniel's performance on five other tasks at the site. "Overall the Fernald cleanup is going well," says Alm. But the Ohio delegation recommends scrapping Fluor Daniel's contract in November unless the vitrification plant is brought under control.

DOE has problems elsewhere. The agency has been fined \$970,000 for missing two project milestones at the Idaho National Engineering and Environmental Laboratory. Lockheed Martin, which is a subcontractor to itself there, must submit a new plan by March 31 for cleaning up buried plutonium waste. Company officials think the new plan will be acceptable. "But if we reject it they will be terminated for default," says a source. □

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March 24, 1997

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"DOE to Replace Fluor at Fernald Project"

DOE TO REPLACE FLUOR AT FERNALD PROJECT

DOE, having lost confidence in its Fernald Site contractor's ability to complete a pilot waste vitrification project, last week said it will bring in a new contractor to manage that portion of the cleanup.

DOE made the announcement after a meeting late Thursday between Under Secretary Thomas Grumbly and members of the Ohio congressional delegation, including Democratic Sen. John Glenn and Republican Sen. Mike DeWine, who earlier last week released a General Accounting Office report that criticized both DOE's management of the Fernald Site cleanup and the performance of Fluor Daniel Fernald, the contractor.

Alvin Alm, assistant secretary for environmental management, told reporters that DOE decided to switch contractors in part because of the GAO report, which documented a series of cost overruns and schedule delays at the vitrification pilot plant, which was designed to test the feasibility of converting 20 million pounds of low-level radioactive waste in glass-like forms suitable for disposal in a geological repository.

Both GAO and the Ohio lawmakers, Alm said, suggested that DOE consider replacing Fluor with a contractor that has

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"Replace Fluor at Fernald Project"

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a "demonstrated record of success" in vitrification technology. "We plan on doing just that. We want to get the most experienced contractor anywhere in the world to do this work," he said.

Alm said he believes the department will be able to issue a request for proposals within the next four months, but he declined to estimate when a new contract would be issued. The number of companies experienced in vitrification work, he added, is "modest," and includes U.S. subsidiaries of British and French firms that first deployed the technology. Alm had no estimate on the value of the new contract.

The contract, Alm said, could call for a treatment technology other than vitrification. A special review team established by Fernald officials is examining the question and is expected to report to Alm sometime next month.

Alm declined to lay all of the blame for the vitrification plant's problems on Fluor Daniel, saying that the work is "technically complex" and that DOE bears some of the responsibility. A spokeswoman for the company said it was withholding comment until DOE released more details on its decision, but she added that the company has long recognized problems with the vitrification plant and recommended earlier this year that the agency bring in a "turnkey subcontractor" to take over the work. In addition, she said, the company agreed with Alm's characterization that it was "understanding" of the situation and will not object to the decision to bring in a new contractor.

A spokesman for DeWine Friday said the Ohio delegation was pleased with DOE's response to the GAO findings, adding that the senator and other members were "adamant that changes had to be made at the site. . . . We all had an opportunity to discuss the report and we sent a pretty strong signal to DOE and the contractor that there will be a significant amount of oversight from Congress," he said.

GAO found that DOE's failure to adequately oversee the work of its Fernald Site contractor had resulted in cost overruns of \$65 million and delays of nearly six years for two waste treatment projects.

The report was requested last spring after a series of articles appeared in the *Cincinnati Enquirer* alleging that Fluor Daniel, had inflated progress reports, billed the government for millions of dollars in work it did not perform and repeatedly violated health and safety rules. The site is located less than 20 miles from Cincinnati.

GAO found that DOE did not adequately manage or oversee the company's work on the vitrification plant, and the uranyl nitrate hexanyrate project, designed to process some 200,000 gallons of uranium ore dissolved in nitric acid.

DOE, the report said, "provided limited oversight during the early stages of the two projects and did not prepare many of the required project management documents for the uranyl project. These and other DOE oversight weaknesses contributed to a total of \$65 million in estimated cost overruns and almost six years of schedule slippages for the two projects."

GAO also scored the department for its failure to ensure that Fluor Daniel was complying with safety and health requirements. For example, the report said that from 1993 to 1995, DOE "did not have adequate plans to supervise the contractor's activities and was not conducting the required safety and health assessments."

Although the report noted that the department improved safety and health oversight at Fernald last year, "continued weaknesses limit DOE's ability to ensure that the contractor is adhering to requirements. They include weak planning of formal inspections and weak processes for ensuring that identified safety problems are adequately corrected."

The study also found that some of Fluor Daniel's practices for maintaining performance and financial systems make it difficult for the department and contractor to control costs and activities. As an example, GAO said the contractor's requests to change the costs and schedules of projects "do not always provide the required information for DOE's approval. In addition, charges are routinely made to closed financial accounts and accounts are routinely reopened without the responsible account managers' knowledge. Consequently, assurance that only appropriate costs are being charged to accounts is weakened," the report added.

While GAO said DOE has made some improvements in the areas cited and has ordered Fluor Daniel to make changes designed to fix problems in its financial and performance management, "It is too early to

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"DOE to Replace Fluor at Fernald Project"

assess" what effect the changes will have. Fluor Daniel's original contract with the agency is set to expire in November, but the agency has the option of extending the agreement each year for the next three years. GAO recommended that DOE "fully integrate" contract reform initiatives in the contract and urged the agency to strengthen its oversight at the facility.

Alm said he has assembled an internal review team to make recommendations on whether DOE should extend Fluor's contract or seek a new contractor. Alm expects to receive the recommendations next month.

In a joint statement accompanying the report, the Ohio congressional delegation said the report makes clear that both DOE and the contractor are responsible for the "tens of millions of taxpayer dollars that have been wasted at Fernald over the past two years, primarily as a result of the problems with the vitrification pilot plant."

The lawmakers added, however, that *Enquirer* allegations of possible criminal wrongdoing and willful fraud and deception by Fluor Daniel were not substantiated by GAO.

Despite this, the congressmen said that "[g]iven the serious nature of this situation, we do not believe that Fluor Daniel Fernald's contract should be extended or renewed unless and until DOE and the contractor can demonstrate that [the vitrification plant] is being effectively managed."

The delegation said DOE should consider hiring a contractor with a "demonstrated record of success" in vitrifying low-level radioactive waste; ensure that major design and procurement decisions made by the contractor are appropriate before permitting any changes; and review current staffing levels to ensure that "right number and mix of properly trained federal employees are working" at the site.

The members also urged DOE to follow GAO's recommendations that contract reform initiatives be integrated into the extension or renewal of the existing contract or the award of a new cleanup contract and that the agency strengthen its oversight at the facility.

Although the congressmen said Fernald's accelerated cleanup plan is saving the taxpayer billions of dollars when compared to earlier plans, "we are concerned that the management problems by both DOE and the contractor could put into jeopardy continued, steady funding for Fernald and the accelerated plan."

In a statement released the same day as the GAO study, Fluor Daniel Fernald stressed that the GAO audit found no evidence of criminal wrongdoing or fraud, and said it will "remain vigilant about improving safety systems and overall performance." The report, the company said, "puts to rest the allegations of 'danger and deceit' as characterized by one Cincinnati newspaper."

DOE, which last year conducted an internal investigation in the *Enquirer* allegation's that found Fernald has "one of the stronger [safety] programs, among the sites being cleaned up, also issued a March 18 statement saying it agreed with GAO's recommendations and is beginning to implement them.

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"DOE Seeking New Fernald Vitrification Contractor"

By George Lobsenz

DOE Seeking New Fernald Vitrification Contractor

BY GEORGE LOBSENZ

The Energy Department, responding to complaints from Ohio lawmakers, said last week it would seek a new contractor to take over a waste vitrification project at its Fernald plant that has been botched by the prime site cleanup contractor, Fluor Daniel Fernald.

Alvin Alm, assistant Energy secretary for environmental management, told reporters Friday DOE wanted a company with strong vitrification experience to get the project back on track. He said the department had promised the Ohio delegation at a meeting late Thursday to move promptly on seeking a new vitrification contractor, possibly issuing a request for proposals within four months.

Alm said Fluor Daniel Fernald officials were "understanding" of DOE's decision, a characterization that was confirmed by Fluor officials, who said they had recommended months ago that

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Vitrification Contractor Sought For Fernald... (From page one)

a specialized subcontractor be brought in. Fluor officials said they would prefer that the new vitrification operator be brought in as a subcontractor to Fluor, but that they were prepared to work with an independent contractor as well.

As for the rest of Fluor's cleanup contract at Fernald, Alm said DOE had convened an internal review panel to make recommendations on whether the department should negotiate a three-year extension with Fluor or seek outside bids. Fluor's current five-year, \$1.9 billion Fernald contract expires in November.

DOE acted after the Ohio congressional delegation released a General Accounting Office report last week detailing continuing management, financial and safety problems at the former uranium processing plant, with DOE field officials and Fluor sharing the blame.

Beyond the overall sitewide deficiencies, the GAO report focused on massive delays and cost overruns at two key cleanup projects. One involved construction of a pilot vitrification plant to test technology to melt some 20 million pounds of low-level radioactive wastes into a stable, glassified form for final disposal. The other concerned stabilization of 200,000 gallons of uranyl nitrate hexahydrate, consisting of uranium ore dissolved in nitric acid. Both projects were to eliminate risks posed by storage of those materials in aging silos and tanks at Fernald.

Fluor was responsible for managing the projects, but GAO said DOE's lax oversight allowed early mistakes by Fluor to mushroom into damaging setbacks.

"DOE provided limited oversight during the early stages of the two projects and did not prepare many of the required project management documents for the uranyl project," GAO said. "These and other DOE oversight weaknesses contributed to a total of \$65 million in estimated cost overruns and almost six years of schedule slippages for the two projects."

But while slapping DOE and Fluor for their performance on those two projects, both GAO and the Ohio lawmakers noted that virtually all other Fernald cleanup work handled by Fluor was proceeding on schedule and within budget. Fluor also was praised for substantially accelerating cleanup plans, greatly reducing overall projected Fernald cleanup costs.

Furthermore, GAO did not substantiate allegations

published last year by the Cincinnati Enquirer charging that Fluor sought to cheat DOE by exaggerating its performance claims. GAO also found no evidence to support allegations by the newspaper that Fluor showed flagrant disregard in exposing its workers to severe health and safety risks.

GAO said its investigation was not broad enough to definitively dismiss the newspaper's claims, and it said some of the allegations about poor safety and financial management proved essentially correct.

But in regard to the newspaper's claims of "danger and deceit" at Fernald, GAO said it found no evidence of false performance claims by Fluor, no evidence of festering, life-threatening health and safety threats to workers and no evidence that workers were "forced" to wear torn, ill-fitting or improper personal protective clothes. Overall, GAO said that while the newspaper rightly pointed out some poor safety practices, its allegations were "overstated."

On the troubled pilot vitrification plant project, GAO faulted DOE and Fluor for deciding to proceed with design and construction at the same time. Among other difficulties, Fluor wound up having to make 225 design changes because final plant components delivered to the site did not match up with preliminary designs. Following operational problems early this year, DOE has the pilot plant project on hold pending multiple reviews about whether to proceed with vitrification or switch to alternative waste stabilization methods: a decision is expected by June.

The uranyl nitrate hexahydrate project was completed in September 1995, but only after being plagued by expensive design, equipment and radiation contamination problems. GAO cited poor planning by Fluor and lax oversight by DOE as the causes.

More broadly, GAO said DOE and Fluor had improved sitewide safety and financial management, but that significant shortcomings still existed. It expressed particular concern about weak controls on Fluor's spending and the lack of documentation on operational changes proposed by Fluor—both issues hampering effective DOE oversight.

Alm said the department was responding to those GAO concerns and had promised Ohio lawmakers it would beef up DOE oversight staff at Fernald.

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