



6-710-65 1432

FRIDAY MAILING

5/1/98

INCLUDED IN THIS FRIDAY MAILING:

- Draft Minutes from the March 14, 1998 Meeting
If you have any comments or changes, please notify the office by May 14, 1998.
- Letter from John Applegate to Leah Dever and Jack Craig (Re: Off-Site Disposal, Special Nuclear Materials, and Budget Issues)
- Newsclippings

CAB MEETINGS:

- ON-SITE COMMITTEE MEETING:** The On-Site Committee of the Fernald Citizens Advisory Board will meet on Monday, May 11, 1998, at 6:00 p.m. in the Jamtek Building, 10845 Hamilton-Cleves Highway.
- OFF-SITE COMMITTEE MEETING:** The next meeting of the Off-Site Committee of the Fernald Citizens Advisory Board will be held on Monday, May 11, 1998, at 7:30 p.m. in the Jamtek Building.
- EFFICIENCY COMMITTEE MEETING:** The Efficiency Committee of the Fernald Citizens Advisory Board will meet on Thursday, May 14, 1998, at 6:30 p.m. in the Jamtek Building.
- FERNALD CITIZENS ADVISORY BOARD MEETING:** The CAB will meet on Saturday, May 16, 1998, at 8:30 a.m. in the Alpha Building, 10967 Hamilton-Cleves Highway.

OTHER MEETINGS:

- COMMUNITY REUSE ORGANIZATION MEETING:** The CRO will meet on Tuesday, May 5, 1998, at 6:30 p.m. in the Jamtek Building, 10845 Hamilton-Cleves Highway.
- MAY MONTHLY PROGRESS BRIEFING:** The May Monthly Progress Briefing will be held on Tuesday, May 12, 1998, at 6:30 p.m. in the Alpha Building, 10967 Hamilton-Cleves Highway.

QUESTIONS:

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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
Doug Fax: 648-3629

E-Mail: john.applegate@law.uc.edu
E-Mail: [REDACTED]



Draft Minutes from the March 14, 1998 Meeting

Chair
John S. Applegate

Vice Chair
James C. Bierer

Members
Marvin W. Clawson
Lisa Crawford
Pamela Dunn
Constance Fox, M.D.
Darryl D. Huff
Dan McElroy
Robert G. Tabor
Dr. Thomas E. Wagner
Dr. Gene E. Willeke

Ex Officio
L. French Bell
Jack Craig
Gene Jablonowski
Graham Mitchell

The Fernald Citizens Advisory Board met from 8:40 a.m. until 12:06 p.m. on Saturday, March 14, 1998, at the Alpha Building, 10967 Hamilton-Cleves Highway, Harrison, Ohio. The meeting was advertised in local papers and was open to the public.

Members Present:

John Applegate
Jim Bierer
Marvin Clawson
Lisa Crawford
Jack Craig
Pam Dunn
Jane Harper
Darryl Huff
Gene Jablonowski
Dan McElroy
Graham Mitchell
Robert Tabor
Thomas Wagner
Gene Willeke
Ray Wurzelbacher

Members Absent:

French Bell

Designated Federal Official Present: Gary Stegner

Staff Present:

Tereza Marks
Crystal Sarno
Douglas Sarno

Approximately 7 spectators also attended the meeting, including members of the public and representatives from DOE and Fluor Daniel Fernald.

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1. Call to Order

Chair John Applegate called the meeting to order at 8:32 a.m.

2. Announcements and New Business

Minutes from the January 17, 1998, meeting were noted as being approved.

Applegate welcomed Ray Wurzelbacher to the Board. Wurzelbacher is a member of the Ross Township Board of Trustees. He also welcomed Leah Dever, now head of the Ohio Field Office. Dever explained to the Board that she grew up in western Pennsylvania and spent 13 years in D.C., spending six of those years at DOE Headquarters. She then went to work at the Nevada Operations Office where she managed the Environmental Operations Program. She noted that when the Nevada Community Advisory Board was started, they looked to Fernald as an example.

Applegate stated that part of this meeting would be videotaped since there has been no recent videotape of the Citizens Advisory Board in action.

Connie Fox has retired from the Board due to other commitments. The Board expressed its gratitude to Fox for her outstanding service.

Applegate announced that he will also be retiring from the Board. He has accepted a position at Indiana University and will no longer be a resident of Ohio. Since he is resigning, a procedure needs to be developed for finding and electing a new Chair. Jim Bierer is the obvious choice for a Chair as he is currently the Vice Chair. The Steering Committee made two recommendations to the Board: (1) that a procedure be established in which the Steering Committee brings a recommendation for Chair and Vice Chair before the Board and (2), following that procedure, that Jim Bierer be nominated as the Chair. Bob Tabor made the motion that a procedure be established in which the Steering Committee brings recommendations for the Chair before the Board. Tom Wagner seconded the motion. The vote was unanimous in favor. Bob Tabor made the motion that Jim Bierer be appointed Chair. Lisa Crawford seconded the motion. Bierer was unanimously elected Chair. Applegate suggested the Board consider candidates for Vice Chair and that action be taken for nominating a Vice Chair at the May CAB meeting.

The Nevada CAB is still going to hold a Low-Level Waste Forum. However, the forum has been delayed from early April until late May. The Nevada CAB has been very responsive to Fernald's offer to help with the conference. Fernald hopes to have a strong presence at the conference. Dale Shutte, Chair of the Nevada CAB, will be in Fernald on Tuesday, March 17.

3. Corrective Action Plan

At the last meeting, the Board sent a letter to DOE expressing specific concerns about the leaking white metal boxes. Jack Craig presented the general ideas outlined in the Corrective Action Plan, which should address many of the CAB's concerns. Craig handed out a flow chart outlining the steps involved in approving the Corrective Action Plan. Two things have

happened since February: Fluor Daniel Fernald responded to the Type B Investigation with a draft report and DOE-FEMP submitted a draft response. Craig will have the plan to DOE-Ohio by March 23rd. The Nevada office will also receive copies. The plan will need to be approved by the Assistant Secretary of Environmental Management.

The acquisition and approval processes will be improved as a result of the white metal box incident. There are going to be substantial systems changes. From now on, both a QA person and an engineer will sign off on any changes to design. Any time there is a waiver on project quality assurance, an engineer and contract manager will have to agree to it.

DOE-FEMP is going to readdress sending this material to Nevada; the waste may not need to be shipped. They are also obtaining better information about the absorbents. Adding absorbent is not treatment. Perhaps a waste containing that much moisture should be treated on site and possibly even solidified. DOE also wants redundant systems in place. Currently DOE-FEMP is working closely with the Nevada office; they will be meeting with them at the end of the month and will have a representative at the April Nevada CAB meeting. DOE will ship dry materials from the site first before shipping more moist waste.

The WCS Injunction is preventing DOE from awarding a contract to dispose of waste at a commercial facility. A hearing is scheduled for April 6th. No alternative to NTS exists at this time. Although DOE is self-regulated, it has chosen to require state licenses.

Bob Tabor asked, if the WCS injunction is not resolved and commercial disposal of the OU1 wastes cannot occur, will the waste be able to go to Nevada by rail. Craig says they have tried to look at possible alternatives for disposal of this waste. The ROD would have to be changed because it specifies commercial disposal. Shipping the waste to NTS would add over \$400 million to the cost of the project, and it is currently not possible to send waste by rail. Another alternative would be to ship the waste to Hanford. However, Hanford does not have rail access right now and the state of Washington does not want to the waste sent there. This alternative would also result in significant cost and schedule impacts.

Jane Harper asked if this waste could end up in the On-Site Disposal Cell. This material exceeds the site waste acceptance criteria. Not only would the ROD have to be changed in this case but also the public would have to agree to the change. In the worse case scenario, the whole project would be put on hold.

Lisa Crawford would like to see work on the Waste Pits continue even though there is a chance that it cannot be completed. Craig stated that they would continue with the contract as if the first waste shipments will be made in March of 1999. The contract will be halted next March if there is not a decision from the courts. If the contract is terminated, there will be contract termination costs.

Applegate suggested that the committees monitor progress on the injunction. Craig suggested that the injunction be put on the agenda for the May meeting. Tabor suggested embarking on a campaign to get people involved.

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Applegate was then asked to give a brief overview of the appeals process. The time between a decision and an appeal is normally about a year. The government has gotten the court to hear the appeal in a much shorter time frame. Applegate has read the DOE argument to the court of appeals and indicated that it is well written and explains both what is wrong with the lower court's decision and the effects of the decision. It is conceivable that the appeals court could reach a decision within a month. The appeals court could decide that the original judge was completely wrong and overturn the decision. The court could also allow DOE to continue to ship wastes until the case is decided, or the court could ask the judge to rethink his previous decision.

Tom Wagner asked why the previous leaks in the white metal boxes did not indicate to the department that there was a problem. Craig stated that the original inquiry focussed on the absorbents and not on the boxes. Also, leaks contained inside the trailer were not that big of a deal in Nevada. Fernald was relying on Nevada's reactions to determine if their approach was right or wrong. The notification and approach processes have been improved. Wagner also pointed out that the first leaks were not pointed out to a large group of people.

Wagner then asked Craig for the status of the Nevada Intermodal Transport Study. Craig stated that he would find out for Wagner.

There is a need to communicate clearly and freely on waste transportation issues to the public. Willeke wondered if the CAB should focus some of its attention on communication with the public. The emergency response people might be easier to reach than the general public. There was some discussion on whether addressing the public was an issue for the CAB to consider.

3. Review of Past Recommendations

Each member of the CAB was provided with a chart of recommendations made by the CAB. The 1995 Recommendations are the recommendations contained in the July 1995 report. The 1995 recommendations on site remediation levels and waste disposition have been followed. Recommendations on priorities for remediation have received a mixed response. These recommendations call for a shift in the overall approach to remedial actions. Craig stated that there has been a shift in the way work is done on site. Work is being divided into projects each of which has a cost, plan, and schedule. FDF is still trying to reduce mortgage costs, but some progress is being made.

Tabor, who works at the site, said that things have really improved. Moving to a project base has really helped; safety is being maintained and things are done more efficiently. However, he has some concerns regarding ongoing maintenance.

Plant 2/3 is currently undergoing safe shutdown. Plant 9 is being demolished. Plant 5 safe shutdown has been completed and the building is ready for demolition. Safe shutdown is being planned for Plant 6. These projects could be completed quicker if more employees were involved; however, FDF has decided to do the job with fewer employees and so it will take a little longer. Craig stated that he would examine each of these recommendations and attach dollar amounts of savings that have occurred. The efficiency committee will track these recommendations.

In 1997, the CAB made a request to DOE to "provide a detailed analysis comparing effectiveness of vitrification and cementation, risks of transportation, and compliance of waste acceptance criteria" for Silos 1 and 2 wastes. Craig said that this information would be provided as part of the procurement process.

Bierer said that the Natural Resource Restoration Plan's early action to contour and plant the buffer zone had been submitted to DOE in February, but no response has been received. Sarno explained that the trees should be planted concurrent with remediation so that some trees are mature when remediation is complete. Craig said that a plan has been drafted and reviewed by Ohio and the Department of the Interior. He offered to provide Bierer with a flow chart of the review process for the Natural Resource Restoration Plan.

Generally, when requests for information have been made, DOE has responded quickly and thoroughly. The weekly newsletter and monthly progress briefings have been very helpful in keeping stakeholders informed about progress at the site. Applegate reminded the Board members that it is important that they try to attend the monthly progress briefings. These meetings provide an overview on all the site happenings and discuss a different topic each month. The meeting also provides a chance for CAB members to hear the views of the rest of the public.

Sue Walpole offered to provide Ray Wurzelbacher with copies of past monthly progress briefing handouts.

Crawford requested that a brief presentation on the reinterment of Native American remains be given at the next meeting. Joe Shoemaker has written a book on the subject and things are evolving at the site on this issue. She also requested that Johnny Reising brief the CAB on the FY2000 Priorities List.

Applegate suggested that the CAB review the recommendations annually.

5. Conflict of Interest Statement

A conflict of interest statement was put together by the steering committee. The statement reads:

"The CAB will not visit potential vendors, except for existing projects or demonstrations already funded by the federal government. Individual members must make their own judgment on personal trips, but they should make clear with any potential vendor that they do not represent the CAB for these purposes. Members should be aware that by discussing a proposal privately or accepting anything of value from a potential vendor, their objectivity or appearance of objectivity may be compromised."

Applegate asked for comments and changes from the Board. There were none. Tabor made a motion that the statement be adopted as drafted. Bierer seconded the motion. The statement was unanimously approved. The statement will be added to the bylaws/groundrules.

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6. 1998 Priorities and Schedule

The CAB has adopted a new committee structure. Since DOE is holding monthly meetings to update people on activities at the site, the Board wants to have its committee meetings during the same week. The schedule through September would be:

| <u>DOE Meeting</u> | <u>Committee Meetings</u> | <u>FCAB Meeting</u> |
|--------------------|---------------------------|---------------------|
| April 14 | April 13 and 15 | |
| May 23 | May 13 and 14 | May 16 |
| June 9 | June 10 and 11 | |
| July 14 | July 16 | July 15 |
| September 8 | September 9 and 10 | September 12 |

On April 1, there will be a public meeting on the Silos project. At the April 14th Monthly Progress Briefing, the topic of the month will be the Corrective Action Plan.

Sarno then asked members of the CAB if they were happy with their committee assignments. Members of other organizations were also encouraged to join the committees.

A discussion ensued to outline the priorities and areas of interest for the committees over the next several months. The results were as follows:

Off-Site Committee

Members: Tom, Gene, Marvin, Darryl, Pam, Bob, Sandy, and Lisa

Topics:

- WCS Injunction/Contingency Planning
- Rail Transportation Awareness
- Silos
- Special Nuclear Materials
- Status of Intermodal Transport
- Corrective Action Plan

On-Site Committee

Members: Pam, Jim, Jane, Edna, Carol, and Bob

Topics:

- Native American Burials
- Copper Recycling
- Aesthetic Barriers
- Natural Resource Restoration Plan
- Land Use
- Sitewide Excavation Plan
- OSDF
- Environmental Monitoring
- Groundwater

Efficiency Committee

Members: Lisa, Bob, Dan, Ray, Pam, and Vicki

Topics:

- Special Nuclear Materials
- 95 Priorities Recommendations
- 2000 Budget Priorities
- Closure Report
- Special Nuclear Materials
- Mortgage Reduction/Savings
- Corrective Action Plan

All three committees will meet in April. The Off-Site Committee will meet on April 13 at 6:30 p.m. to discuss WCS Injunction, Silos, Special Nuclear Materials, and the White Metal Box Corrective Action Plan. The On-Site Committee will meet on April 15 from 6:30 to 7:30 p.m. to have a briefing on the Natural Resource Restoration Plan, the Sitewide Excavation Plan, and D & D. The Efficiency Committee will meet on April 15 from 7:30 to 9:00 p.m. to discuss the closure report and the corrective action plan. The Efficiency Committee will also schedule a conference call in a week or so to develop recommendations on the FY2000 Priorities List.

Sarno suggested that the committee meetings be announced during the Monthly Progress Briefings. He also explained that the lease on the Jamtek Building will be up in July so the CAB will have to find another location for committee meetings.

7. Committee Updates

Natural and Cultural Resources Committee: The committee has had no recent meetings. They are monitoring the progress of the Supplemental Environmental Projects for OU4 Dispute Resolution. Three universities are involved in research grants. The wetland mitigation plan has been submitted to DOE.

Waste Transportation Committee: The committee has to review and make recommendations on the White Metal Box incidents.

Monitoring and Recycling Committee: The committee is currently developing recommendations on copper recycling.

Waste Management Committee: The committee has met to discuss the Silos 1 and 2 Proof of Principle Request for Proposal, the Accelerated Waste Retrieval Project, and the Silo 3 RFP. The committee was also involved in a joint workshop with FRESH on procurement practices. The committee is continuing to monitor progress on the WCS Injunction, the Silos Project, and will participate in the low-level waste forum in Nevada.

Steering Committee: The steering committee is continuing to work on the low-level waste forum in Nevada.

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April 27, 1998

Ms. Leah Dever
U.S. DOE
PO Box 3020
Miamisburg, OH 45343

Mr. Jack Craig
U.S. DOE
PO Box 538705
Cincinnati, OH 45253

Dear Leah and Jack:

A number of issues in the past months have raised serious concerns within the Fernald CAB about DOE's ability to achieve Fernald's remediation objectives. We can all be proud of the intensive effort to bring stakeholders, regulators, and decision-makers together to develop a balanced approach to remediation and to create dramatic cost-savings through accelerated progress in remediating the site. However, after everyone agreed to all the difficult decisions, it is the government's inability to coordinate its activities, frivolous outside lawsuits, and continuing budget pressures even in the face of federal surpluses, which now threaten to slow progress to a crawl.

There are three specific issues that are of major concern at this time. The CAB will devote the majority of its May 16 meeting to discussing these issues and developing recommendations. We hope that you will both be able to attend and that sufficient support will be available from both local and headquarters offices to answer the specific questions of the CAB with regard to what DOE is doing about these issues.

1. Resolving the Logjam on Off-site Disposal

The combination of delays in the silos project, the WCS injunction, Tennessee's halt on accepting waste to the TSCA incinerator, the lack of buyers for uranium, and the leaking white metal boxes incident have resulted in the virtual halt of waste shipments from Fernald. Approximately 25% of waste materials generated at Fernald do not meet the site's waste acceptance criteria and must be disposed off site. The Fernald community has already agreed to accept on-site disposal for the vast majority of waste volumes and we do not wish to see materials left on site that cannot be safely managed in the environmental setting present at Fernald. Contingency plans have not been developed and the resumption of shipping is facing several serious obstacles.

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Chair
John S. Applegate

Vice Chair
James C. Bierer

Members
Marvin W. Clawson
Lisa Crawford
Pamela Dunn
Constance Fox, M.D.
Darryl D. Huff
Dan McElroy
Robert G. Tabor
Dr. Thomas E. Wagner
Dr. Gene E. Willeke

Ex Officio
L. French Bell
Jack Craig
Gene Jablonowski
Graham Mitchell

2. Accelerating Disposition of Special Nuclear Materials Stockpile at Fernald

In its July 1995 recommendations, the Fernald Citizens Advisory Board asked DOE to make and implement an immediate decision to move special nuclear materials to a more appropriate location. The inventory at that time was 16.8 million tons. Since that time, some progress has been made in finding buyers for enriched uranium, while similar progress has not been possible for depleted uranium. Today, there is still over 15.2 million tons to be dispositioned. Fernald is now a closure site and all resources must be focussed on site remediation and closure. The continued presence of special nuclear materials is both an expense and a complication to planning effective remediation. It is long past time that these materials be removed from Fernald. The Off-Site Committee will present to the full CAB a recommendation that immediate attention be given to special nuclear materials such that all of this material is removed from Fernald within the next twelve months. We believe this is in keeping with current plans, but want to see it become a level of priority as to actually be achieved. We recognize that this requires the designation of depleted uranium as waste, but it is time that this was done. As for materials that may still prove to have some commercial value, we recommend that Defense Programs take their rightful ownership of these materials and move them to storage at a facility with a continuing mission. Fernald can no longer be held hostage to the fate of these materials.

3. Establishing a Steady Budget Sufficient to Achieve Success

The completion of the Fernald project is dependent upon steady-state funding and management stability. The constant threat of reduced funding and the enormous resource drain of continuous budgeting exercises. There were significant expectations that last fall's designation by the Congress as a closure fund facility would alleviate much of this frustration; however, this appears not to be the case. It is very unclear to the CAB at this time what, if any, advantage the closure fund is providing. The familiar approach to budgeting and the cuts Fernald has taken in the FY2000 budget certainly appear counter to what the Congress had in mind.

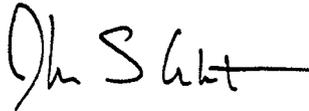
We recognize that many of these issues are not of DOE's making, however, the Fernald CAB believes that DOE needs to be more aggressive in resolving these issues, creating contingency plans, and seizing every opportunity possible to remove materials from Fernald. The Fernald CAB wants to be a positive force in ensuring the successful remediation of Fernald.

The Fernald CAB believes that the resolution of many of these issues will require national political will and long-term relationships among the many states involved in transport and disposal. Without such arrangements, the site will be constantly at the mercy of special interest groups and isolated political actions and Fernald remediation will not be achievable. Beginning with local political leaders, the CAB would like to begin a dialogue for understanding the issues and creating an environment for achieving success of the balanced approach for remediation at Fernald and ultimately the DOE complex. The Fernald CAB will be discussing the approach to such a dialogue

at its May 16 meeting. We would appreciate your involvement in that discussion as well as any other DOE employees who could contribute to our understanding of the current activities and options regarding closure fund sites, funding issues, disposition of special nuclear materials, and off-site disposal of the various waste streams at Fernald.

We look forward to working with DOE in addressing these crucial issues and creating an effective dialogue to begin raising Fernald issues to appropriate audiences. Please feel free to contact me if you would like to discuss these issues further.

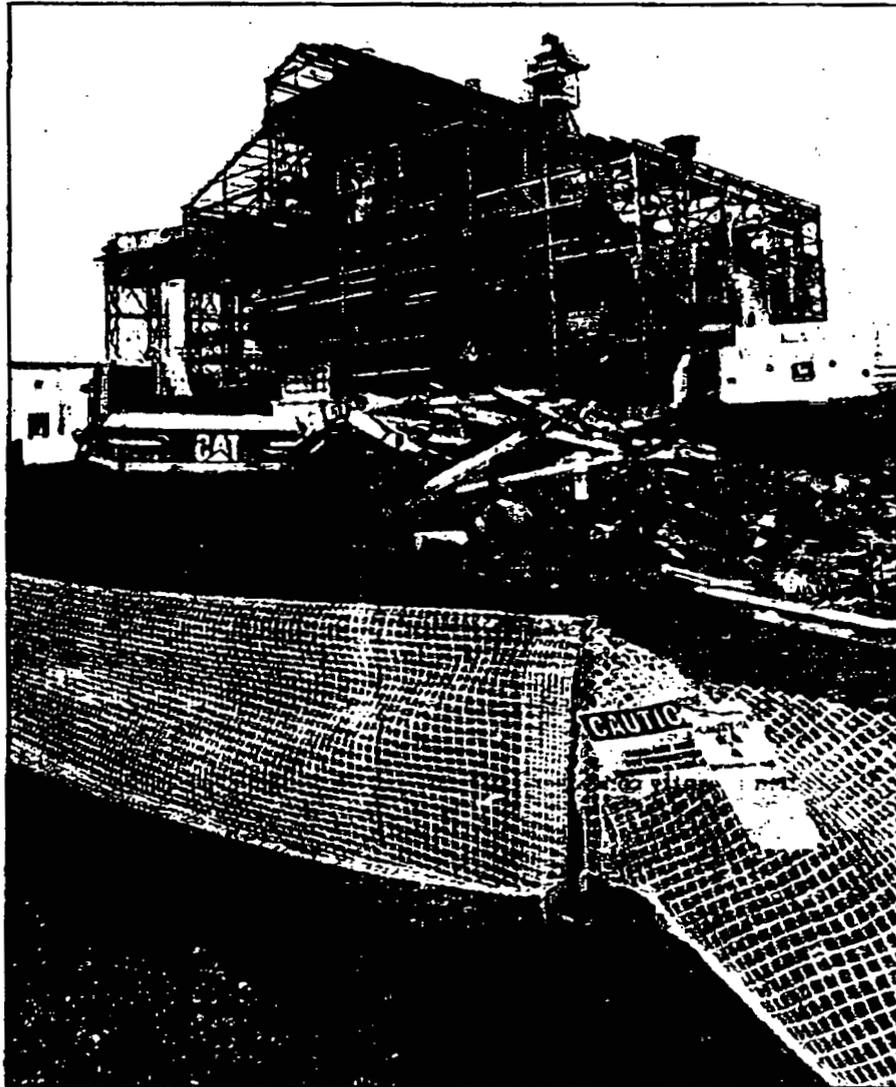
Sincerely,



John S. Applegate
Chair

cc:
Fernald CAB Members

Fernald boiler plant set to come down



Jim Donney/Journal-News

Construction workers continue to strip away most of the remaining metal from the former boiler plant.

By Nicholas G. Jonson
Journal-News

ROSS TOWNSHIP

It stands today as a mere shell of what it once was.

The sides have been stripped away, revealing a maze of steel superstructure.

But during the production years, the boiler plant at the former Fernald uranium processing facility supplied heat and steam to power uranium refining activities on the site.

During its heyday, the plant was manned 24 hours a day, seven days a week by a staff of 17 people who worked in shifts.

In June, it's coming down.

The preliminary work already has begun.

Last June, nearly three dozen workers wearing respirators and protective clothing filed into the building to begin the first major phase of demolition. Their job was to remove about 355 tons of asbestos lining from the inner walls and pipes throughout the plant.

The first task was to remove free-standing equipment inside the building that had been left from the production years.

Afterward, workers laboring in sweltering, stagnant air dampened the asbestos with water before tearing it away and stuffing it into polyethylene bags.

The bags were then placed inside other bags, before being taken to a scissor lift for transport to a roll-off box.

Although the task was not especially difficult, the amount of asbestos posed a challenge.

"It's one of the biggest projects I've been involved with," said labor foreman John Greco, who has worked (Please see FERNALD, Page A7)

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04/27/98

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PUBLIC AFFAIRS → DOUG SARNO

NO. 744

P002/003

4 1 432

April 26, 1998

Journal-News

Front Page

"Fernald boiler plant set to come down"

By: Nicholas G. Jonson

Fernald

(Continued from Page A1)
with asbestos-removal projects
for 10 years.

The dangers of working
with asbestos have been well
documented. But Greco said
his workers were confident
about the job because of their
training.

"For somebody who's never
worked on these kinds of pro-
jects, it may be a little scary.
But we're well-trained," he
said.

"As long as you keep (the
asbestos) wet, you don't have
much of a problem. And the air

monitor would always tell you
your exposure."

Because of the heat, the
workers could stay in the build-
ing for only 15 to 20 minutes at
a time. They would then need
to go to a cooling-down area,
shed their respirators and outer
clothing, and drink plenty of
cool liquids.

Cleanup crews, following
closely behind the asbestos
workers, would wash, survey
and spray each area with a
lock-down agent to prevent
particle emissions during
demolition.

The asbestos removal and
decontamination were finally
completed last week.

Pat O'Neil, construction con-
tract manager for Fluor Daniel
Fernald, the U.S. Department
of Energy's principal cleanup
contractor at Fernald, said the
next phase — demolition — will
pose even more of a challenge.

The four plant boilers are
located near the center of plant.
Construction crews using heavy
equipment will have to pull the
superstructure away from the
boilers.

Some of the scrap will be
recycled, while other materials
will be disposed of at a facility
currently being constructed on
the Fernald site.

Each of the four boilers mea-
sures about 30 feet long by 30
feet wide by 40 feet high. Once
the superstructure is pulled
away, shearing equipment will
tear the metal from the boilers.

Before that can be done, the
boilers will have to be decon-
taminated, O'Neil said.

Contamination occurred after
the steam, pumped to various
refining plants around Fernald,
became mixed with uranium par-

ticles. The steam then was recir-
culated through the boiler plant.

Fear of further contamination
forced work crews to survey the
entire plant, O'Neil said.

If all goes well, demolition
should be completed by late
June, said Rock Ferd, project
manager for Foster Wheeler,
the subcontractor overseeing
demolition.

But a problem already has
surfaced.

In late March, construction
crews using excavating equip-
ment tried to pull away parts of
the off-gas breaching system

located at the north end of the
plant.

Like a stubborn mule, the
girders refused to budge.
Fernald engineers later discov-
ered that construction crews
failed to make critical cuts
along certain beams.

Demolition activities resumed
two days later.

When it's all over, construc-
tion crews will have stripped
away more than 1,600 tons of
steel from the plant, said John
Trygier, facilities closure and
demolition project manager for
the DOE.

04/27/98

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PUBLIC AFFAIRS → DOUG SARRID

NO. 744

P003/003

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April 28, 1998
The Cincinnati Post
Page 8A

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"Fernald's restructuring was too costly, feds say"

Fernald's restructuring was too costly, feds say

From staff and wire reports

Restructuring the work force at the former Fernald uranium plant eliminated 398 workers but cost at least \$7 million more than it should have, according to the U.S. Department of Energy's inspector general.

There has been an overuse of temporary workers, according to the April 1 report.

Officials at Fluor Daniel, the

cleanup contractor, and the Energy Department's Fernald office would not comment because department officials were reviewing the findings.

The report quotes Energy Department officials as pledging to require Fluor Daniel to end the practice of replacing permanent employees with temporary workers, and to include temporary subcontractor costs in future restructuring plans.

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April 28, 1998

Cincinnati Enquirer

Front Page/B1

"Fernald cost-cut backfires"

By: Paul Barton

METRO/BUTLER

Fernald 'savings' cost \$7 million

A work force restructuring at Fernald aimed at saving tax dollars ended up costing \$7 million more, a government report says. The report said the site's cleanup contractor used too many temporary workers. B1

NO. 763 P003/003

1432

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Fernald cost-cut backfires

\$7 M rise blamed on temporaries

BY PAUL BARTON

Enquirer Washington Bureau

WASHINGTON — Far from saving taxpayers dollars, a work force restructuring effort at Fernald has cost at least \$7 million more than it should and cut the number of employees by only 398, the U.S. Energy Department's inspector general says.

The problem has been an

overuse of temporary workers, the inspector general's report said. The report, dated April 1, became available to the news media Monday.

Officials at Fluor Daniel and the Energy Department's Fernald office say they are not commenting on it because department officials are still reviewing its findings.

However, the report quotes department officials as pledging to require Fluor Daniel to end the practice of replacing permanent employees with temporary workers and to include temporary subcontractor costs in future work-force restructuring plans.

Key to cost rise

The cost to taxpayers for temporary workers during the Fernald restructuring efforts went from \$2.8 million annually to \$9.8 million.

Fluor Daniel, the California-based contractor managing cleanup at the former uranium processing plant, had 2,412 permanent employees before restructuring efforts were started in 1994.

As of Dec. 31, 1997, the report said, the company had 2,014 permanent employees, a

reduction of 398.

Moreover, the inspector general said, a major portion of the savings which would have flowed to the Energy Department for a reduction of 398 was offset by a \$7 million increase in the cost of temporary workers.

The report said Fluor Daniel did not use temporary workers in "an economical and efficient manner" nor in accordance with Energy Department goals for work-force restructuring.

"Therefore, instead of paying \$13.7 million to reduce the

work force by 1,007 employees, as reported, the (Energy) Department actually paid more than \$20 million to reduce Fluor Daniel's work force by only 398 employees," the inspector general said.

In addition, the Energy Department reimbursed Fluor Daniel for at least \$405,000 for questionable employee separation costs.

For instance, Fluor Daniel paid \$278,000 to separate 14 employees when temporary service subcontractors in the same job classifications could have been released at no cost.

And too often, the report said, Fluor Daniel uses supposedly temporary workers for long-term jobs.

At least 39 temporary workers hired during one phase of the restructuring were placed in jobs with identical job classifications as the permanent employees.

"The (Energy Department's) Ohio Field Office did not effectively monitor Fluor Daniel's restructuring activities or its temporary service subcontractors to ensure that Fluor Daniel complied with department policy and contract terms," the report added.

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REGION 5

EPA assesses Penalties at Fernald: In July 1997, EPA Region 5 resolved a dispute with the Department of Energy over DOE's Fernald facility. In September 1996, DOE requested an extension to complete the design of a waste treatment facility, raising questions about future treatment of radioactive silo materials. EPA denied the extension request and DOE invoked dispute resolution procedures as provided in the Fernald Consent Agreement. The resulting dispute resolution agreement addresses schedule revisions, submittal of a "lessons learned" document from DOE, implementation of five environmental projects that will benefit the Fernald site, and a cash penalty of \$100,000 to be paid by DOE. Overall DOE will pay approximately \$1,100,000 to resolve the issues with this dispute through implementing the projects and the monetary penalty.

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"Fluor Daniel Hanford president steps down"

By: John Stang

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Fluor Daniel Hanford president steps down

By John Stang
Herald staff writer

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Fluor Daniel Hanford President Hank Hatch has resigned his post to take a position with an undisclosed East Coast-based organization.

His replacement apparently will be Ron Green, who is president of Fluor Daniel Power in Greenville, S.C., according to information posted on the Internet by Fluor Daniel.

Hatch's resignation becomes effective May 29. He and his wife, Shelley, a retired Army lieutenant colonel, expect to leave the Tri-Cities for his new job in the fall.

"It was totally my choice to set the timing of my departure," said Hatch, who has been the subject of resignation rumors for several months.

John Wagoner, the Department of Energy's Hanford manager echoed that the departure is Hatch's decision.

Hatch, 62, said he received "an attractive, but unsolicited" job offer from an East Coast-based organization that "has been around for a hundred years" - and decided to accept that offer Monday.

He declined to elaborate on the offer, citing an agreement

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with the organization for it to make that announcement eventually.

"It's an opportunity to engage on a more national and global basis my engineering profession and to work with a number of colleagues that I've worked with for decades," Hatch said.

A West Point graduate, Hatch is a retired Army lieutenant general who was the head of the Army Corps of Engineers.

A veteran of a nomadic life, Hatch never expected to be at Hanford for more than two or three years - citing the normal turnover and transfer rates among executives in national and multinational engineering corporations.

His new job guarantees five years in his new slot - or longer if he wants.

Hatch, Fluor Daniel and DOE said they are not ready to announce Hatch's replacement. However, U.S. Sen. Patty Murray's office and other sources indicate it would Ron Green, president of Fluor Daniel Poser in Greenville, S.C., a company that focuses on operating power plants using nuclear fuels and coal gas, according to company information on the Internet

Hatch presided over Hanford's complicated and rocky transition from a "maintenance-and-operations" contract to the current "project management" contract.

That is the shift of the old lead contractor Westinghouse Hanford Co. and two major subcontractors into Fluor Daniel Hanford and its two-tiered network of 12 subcontractors.

Fluor, the subcontractors, DOE, Hanford's workers and Tri-Citians all had to go through difficult adjustments.

Meanwhile, cleanup work posted a mixed record.

On the plus side, day-by-day accidents dropped significantly, and cleanup work at B Plant and Plutonium Uranium Extraction plant zoomed ahead of the original schedules.

On the minus side, the Plutonium Finishing Plant was hit with a chemical tank explosion and plutonium movement problems, and the spent fuel removal project at the K Basins struggled with escalating costs and timetables.

The final grade for Hatch's tenure will be the performance fee Fluor will earn for its first year. DOE is in the final stage of evaluating 246 objectives to determine Fluor's grades and fee.

"Change is never easy. Hank saw Fluor Daniel Hanford through the rocky start-up and difficult transition to the government's new way of doing business at Hanford. ... It's not been easy for any of us. We've all had to learn new roles

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and ways of doing business, and there have been many successes under the new (contract)," Wagoner said.

"I've rarely worked with anyone who has demonstrated more commitment to the job at Hanford than Hank has done," he added.

Wagoner cited Hatch's integrity, saying "he's never ducked a problem." And he noted Hatch set up the first critical and public self-review of a major contractor anywhere among DOE's sites, "and published it for the world to see."

U.S. Rep. Doc Hastings, R-Wash., said: "I'm sorry to see Hank leave Hanford. ... He's played a key role in shifting to performance-based contracting, and I'm confident that is the right direction for our cleanup efforts." Murray, D-Wash., also praised Hatch for being a "strong leader" who worked well with the community.

Meanwhile, Todd Martin, staff researcher for the Hanford Education Action League, said Hatch's departure is not surprising, considering Fluor's rocky history at Hanford.

"I can't say if it is a good thing or a bad thing. The question is what do we do from this point on," Martin said.

Martin said Hanford might have been a difficult management task for a former general, noting Hanford's political and technical problems can be ambiguous and confusing - needing a finesse type of leadership.

"I'm not sure if the problem has been with who is in charge or with the nature of contract or with the nature of contractor," he said.

However, Hatch said he has been in charge of operations equal in complexity with Hanford - and said Fluor has built an increasingly strong team at Hanford.

Meanwhile, Sam Volpentest, executive vice president of the Tri-City Industrial Development Council, isn't sorry to see Hatch leave.

"All I can say is he hasn't lived up to expectations," Volpentest said last week, before Hatch's resignation was announced but long after rumors of his departure had begun circulating.

Volpentest, a powerful force in the Tri-Cities business community who never became friends with Hatch, said the former military man "did not work well with people."

Meanwhile, Hastings noted that other openings also exist in DOE's cleanup hierarchy as well - with the upcoming departure of Energy Secretary Federico Peña and the lack of a permanent DOE cleanup czar since January.

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When Fluor Daniel won the Hanford contract in 1996, part of its bid package included Hatch and several other senior officials.

Now, of the original seven presidents in Fluor's seven-company team - three will be gone after 20 months into Fluor's five-year contract.

Retired Navy rear admiral Arthur Clark recently replaced B&W Hanford Co. President Bill Heer, who was transferred to a Pennsylvania site. And Tony McConnell replaced Dave Rehn last year as the head of DE&S Hanford Inc., which handles the troubled K Basins project.

Meanwhile, Linc Hall, president of Lockheed Martin Hanford Corp., remains on site but was transferred to head Lockheed's tank waste glassification team of 10 companies - leaving vice president Fran DeLozier as acting president.

Wagoner and Hatch said the turnover reflects the normal shifts in engineering and cleanup firms.

DOE has contractual approval over at least 30 high-ranking Fluor team posts, including the new team president.

Hatch said he is proud of Fluor being able to keep cleanup momentum going with a short transition period of less than two months between Fluor winning the contract in 1996 and it taking over Hanford.

And he praised Hanford's workers for keeping that momentum and making improvements since.

"The thousands of people here are a superdedicated group," he said, adding they have not been adequately recognized for their accomplishments.

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CONGRATULATIONS GREATER HAMILTON SAFETY COUNCIL AWARD WINNERS!

Fluor Daniel Fernald applauds the following companies on their outstanding safety performance in 1997 and for the recognition they received at the Greater Hamilton Safety Council's annual Safety Awards Banquet held on April 15, 1998:

- Seilkop Industries, Inc.**
- Fraser Paper Inc.**
- First National Bank of Southwestern Ohio**
- International Paper Company**
- Miami Valley Industries, Inc.**

Fluor Daniel Fernald, a 10-year member of the Greater Hamilton Safety Council, encourages other companies to join in the pursuit of safety excellence and education in their workplace and communities. Remember - *SAFETY FIRST!*

***For information about the council contact
Merrill Barrick, Hamilton Safety Council Manager;
(513) 896-5333.***

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