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**FERNALD CITIZENS TASK FORCE WEEKLY MAILING OF UPCOMING  
EVENTS AND MEETINGS AS WELL AS COPIES OF NEWS RELEASES AND  
NEWSCLIPPINGS**

**03/28/97**

**TASK FORCE      TASK FORCE**  
**11**  
**ANNOUNCEME**



## FRIDAY MAILING

3/28/97

### INCLUDED IN THIS MAILING ARE:

- Fluor Daniel Fernald News Release re DOE Silos Project Decision
- DOE News Release re Alm Meeting with Ohio Lawmakers on Fernald Site
- Message from John Bradburne re Silos Project/GAO Report Documents
- Fluor Daniel Fernald News Release re GAO Report
- Newsclippings

### ANNOUNCEMENTS:

- FRESH MEETING:** FRESH will hold a meeting on **Thursday, April 3, 1997**, at Venice Presbyterian Church on Layhigh Road in Ross. All are welcome to attend!
- 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.

### 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]



## NEWS RELEASE

Contact: Tricia Thompson  
513-648-4068

### GAO REPORT DOCUMENTS NO EVIDENCE OF "Danger & Deceit"

March 18, 1997, Cincinnati, Ohio -- Fluor Daniel Fernald agrees with the Ohio congressional delegation that the GAO report produces no evidence of "criminal wrongdoing or a willful pattern of fraud and deception on the part of the contractor" at Fernald. While Fluor Daniel Fernald will remain vigilant about improving safety systems and overall performance, we believe the report puts to rest the allegations of "danger and deceit" as characterized by one Cincinnati newspaper.

We are gratified that the Ohio delegation recognizes the success, progress and cost savings on the Fernald project. As they correctly point out in their statement, Fernald's accelerated cleanup plan will cut more than a decade off the original schedule and will save taxpayers billions of dollars over the life of the project. Also, five of the six major project areas -- which include the decommissioning and deconstruction of the facilities formerly used for uranium feed materials

--more--

production -- are on or ahead of schedule and on budget.

Fluor Daniel Fernald's performance on the Vitrification Pilot Plant had already been identified by the company and DOE as a top priority before the GAO investigation began. Aggressive measures have been underway to determine a path forward for disposing of the waste in the K-65 silos at Fernald.

As we have previously acknowledged, significant problems have been experienced in our efforts to construct and startup the vitrification pilot plant -- a plant designed to provide data about the safe and efficient disposal of K-65 silos waste. We are working diligently with the Department of Energy, state and federal regulators, and stakeholders to identify a path forward for remediation of OU4. An Independent Technical Review team has been chartered to provide advice and recommendations on our technical path forward and a final report is expected soon. Further, the Fernald Citizens Task Force, an independent citizens advisory group has formally issued recommendations to DOE on a path forward for the project.

Fluor Daniel Fernald is anxious to keep our energy and resources focused on working with DOE, interested stakeholders and regulators to complete the cleanup in a safe and efficient manner.

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## NEWS RELEASE

Contact: Tricia Thompson  
513-648-4068

### **Fluor Daniel Fernald Supports DOE Silos Project Decision**

March 21, 1997, Cincinnati, Ohio -- Fluor Daniel Fernald site manager, John Bradburne, said today that the company fully supports the Department of Energy's (DOE) statement that it will seek world-class expertise for Fernald's silos. He said that Fluor Daniel Fernald will cooperate in every way possible to assure the project's ultimate success.

Fernald's accelerated cleanup plan is saving billions of dollars, and Fluor Daniel Fernald's performance on five of the six major cleanup activities is on schedule and within budget.

Fluor Daniel Fernald remains committed to cleaning up the site in a safe, efficient manner, and at an accelerated pace.

Fernald is a DOE site being remediated under a Comprehensive Environmental Response, Compensation, and Liability Act agreement between DOE and the United States Environmental Protection Agency. Fluor Daniel Fernald is managing the cleanup under contract with DOE.

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# DOE NEWS

**NEWS MEDIA CONTACT**  
Anne Elliott, 202/586-1607

**FOR IMMEDIATE RELEASE**  
March 21, 1997

**Statement by**  
**Assistant Secretary for Environmental Management Alvin Alm**  
**On Meeting with Ohio Lawmakers on Fernald Site**

"Late yesterday, Under Secretary Thomas P. Grumbly and I met with Ohio Senators John Glenn and Mike DeWine and Representatives Rob Portman and Steve Chabot to discuss the accelerated environmental cleanup plan for the Department of Energy's (DOE) Fernald site and to resolve management problems highlighted in a recent Government Accounting Office (GAO) report. Specifically, we discussed the department's response to the GAO report on Fernald and the lawmakers recommendations suggested earlier this week.

Fundamentally, DOE accepts the results of the GAO report and the suggestions made by the members of the Ohio congressional delegation. In particular, the Department agrees with the members that DOE and its contractor must establish a plan for handling and disposing of the Operable Unit-4 (OU-4) waste which has the support and approval of Fernald's stakeholders.

Fernald's accelerated cleanup plan is saving billions of dollars when compared with earlier cleanup plans. DOE is pleased that the contractor, Fluor Daniel Fernald, is on schedule and within budget for five of the six major site cleanup activities.

We are prepared to take action on the recommendations outlined in the members' March 18 press statement. These actions will be:

Securing a world-class, experienced contractor to cleanup the Fernald silos.

Placing additional technical experts on the OU-4 project.

Convening a panel to develop options for the extension and/or recompetition of the current Fluor contract for the Fernald site.

Continuing an aggressive approach to strengthen the Fernald area office's oversight of the contractor.

The Fernald cleanup remains a top environmental management priority for the Department of Energy. DOE is committed to an accelerated cleanup plan for the Fernald site which saves taxpayer dollars and stays on schedule and within budget. Our goal is to substantially complete the environmental cleanup at Fernald within the next decade."

- DOE -

N-97-013



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DOE FORM 100 (11/95)



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**message from John Bradburne**

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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

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**message from John Bradburne**

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March 18, 1997

**GAO REPORT DOCUMENTS NO EVIDENCE OF "DANGER & DECEIT"****TO ALL TEAM MEMBERS:**

Representatives from the Ohio Congressional delegation (including Senators John Glenn and Mike DeWine and Representatives Rob Portman and John Boehner) released a statement today concerning the release of the final report from the General Accounting Office (GAO). The joint congressional statement reported no evidence of "criminal wrongdoing or a willful pattern of fraud and deception on the part of the contractor" at Fernald. While Fluor Daniel Fernald will remain vigilant about improving safety systems and overall performance, we believe the report puts to rest the allegations of "danger and deceit" as characterized by one Cincinnati newspaper.

We were also gratified that the Ohio delegation recognized the success, progress and cost savings on the Fernald project. As they correctly pointed out in their statement, Fernald's accelerated cleanup plan will cut more than a decade off the original schedule and will save taxpayers billions of dollars over the life of the project. Also, five of the six major project areas -- which include the decommissioning and deconstruction of the facilities formerly used for uranium feed materials production -- are on or ahead of schedule and on budget.

Fluor Daniel Fernald's performance on the Vitrification Pilot Plant was the area of primary concern in the report and the delegation's statement. This had already been identified by the company and DOE as a top priority before the GAO investigation began. Aggressive measures have been underway to determine a path forward for disposing of the waste in the K-65 silos at Fernald.

As we have previously acknowledged, significant problems have been experienced in our efforts to construct and startup the vitrification pilot plant -- a plant designed to provide data about the safe and efficient disposal of K-65 silos waste. We are working diligently with the Department of Energy, state and federal regulators, and stakeholders to identify a path forward for remediation of OU4. An Independent Technical Review team has been chartered to provide advice and recommendations on our technical path forward and a final report is expected soon. Further, the Fernald Citizens Task Force, an independent citizens advisory group has formally issued recommendations to DOE on a path forward for the project.

Fluor Daniel Fernald is anxious to keep its energy and resources focused on working with DOE, interested stakeholders and regulators to complete the cleanup in a safe and efficient manner.

**OVER**

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Author: Bulletin Board Admin at FNST-02  
Date: 3/25/97 3:01 PM  
Priority: Normal  
Subject: STATEMENT BY SECRETARY OF ENERGY FEDERICO F. PENA  
----- Message Contents -----

March 25, 1997

STATEMENT BY SECRETARY OF ENERGY FEDERICO F. PENA  
ON UNDER SECRETARY THOMAS P. GRUMBLY'S RESIGNATION

TO ALL TEAM MEMBERS:

Following is a statement by Secretary of Energy Federico Pena regarding Under Secretary Thomas Grumbly's resignation.

"Today, I regretfully announce the resignation of Under Secretary Thomas P. Grumbly. Tom has been a driving force at the department -- first as Assistant Secretary for Environmental Management and then in his current role as Under Secretary. He transformed the Environmental Management program from a bureaucracy focused on studying problems to one that is accomplishing hundreds of on-the-ground cleanup projects at former weapons sites around the country. He was instrumental in bringing this program under fiscal and managerial control. His leadership helped to make President Clinton's nuclear nonproliferation policy a reality, by guiding the return of U.S. nuclear fuel from foreign research reactors to keep bomb-grade material out of the hands of terrorists.

"The country's first high-level waste processing facility in South Carolina was a faltering, over-budget, behind schedule project, that under his management began successfully processing some of the department's most difficult waste last year. Tom set standards for contract reform and defined high expectations for performance and accountability in our largest site contracts -- ultimately saving taxpayers billions of dollars. Tom challenged federal and contractor employees to grow professionally and take pride in their accomplishments.

"Perhaps Tom's most lasting contribution is his work with the communities near DOE sites. Under his watch, the department began including the public in decision making about our sites and their communities -- changing a decades-old culture based on secrecy.

"I have been fortunate to have had his expertise for the short time I have served as Secretary of Energy. We will miss his leadership and wish him all the best."

Grumbly is the third-ranking official at the Department of Energy (DOE) and has served at the department since June of 1993. He became Under Secretary of Energy in May 1996.

March 22, 1997

Cincinnati Enquirer

Metro, B1

*"Fernald contract's future uncertain"*

Reporter: Tim Bonfield

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# Fernald contract's future uncertain

## DOE to study work by Fluor Daniel

BY TIM BONFIELD  
The Cincinnati Enquirer

Losing the contract for one of the most important parts of the Fernald cleanup likely will cost Fluor Daniel Fernald millions of dollars in lost performance fees.

But it remains undecided whether a critical report issued this week by the U.S. General Accounting Office (GAO) will result in the company's losing the entire Fernald contract when it comes

up for renewal in November, said Gary Stegner, Department of Energy (DOE) spokesman at Fernald.

On Thursday, Energy Undersecretary Thomas Grumbly announced that the DOE would hire a "world-class, experienced contractor" to take over the job of cleaning up the K-65 silos at Fernald, which contain the most radioactive waste at the former uranium processing plant. The silos are part of Operable Unit 4, one of six distinct cleanup areas at Fernald.

Mr. Grumbly also said he would form a task force to study Fluor Daniel's overall performance on the \$2 billion cleanup contract awarded in

1992. The overall contract comes up for renewal in November. The task force plans its recommendations by the end of April.

Mr. Grumbly's announcement came two days after a GAO report criticized Fluor Daniel's work on the vitrification project and confirmed a variety of other management and oversight problems at Fernald. The problems addressed in the GAO report were first exposed in an *Enquirer* series that began in February 1996.

"What we have to do is evaluate the contract," Mr. Stegner said. "Has (Please see FERNALD, Page B7)

# Fernald: Contract's future uncertain

CONTINUED FROM PAGE B1

there been regulatory compliance? Is the cleanup on schedule? There has been some terrible slippage in the OU4 project, but they are doing well in other areas. If it wasn't for the OU4 project, they'd be getting accolades."

Fluor Daniel issued a statement Friday evening supporting the DOE decision on the OU4 project. John Bradburne, Fluor Daniel Fernald site manager said: "The company fully supports the Department of Energy's statement that it will seek world-class expertise for Fernald's silos. . . . Fluor Daniel Fernald will cooperate in every way possible to assure the project's ultimate success."

Mr. Bradburne also said Fluor Daniel is "on schedule and within budget" on five of the six major cleanup activities at Fernald.

Mr. Bradburne's statement did not address DOE's planned review of the overall contract, but Fluor Daniel spokeswoman Tricia Thompson said a progress report card is "standard procedure" when a contract nears expiration.

The DOE hopes to hire a new company to handle the vitrification project within four months. The department plans to begin recruit-

ing companies "very, very soon," Mr. Stegner said.

In theory, vitrification is the best way to dispose of radium-laced radioactive sludge stored in deteriorating K-65 silos at Fernald. Vitrification would encase the sludge in glasslike pellets for shipment to a permanent disposal site.

But the pilot plant, intended simply to test the technology, not actually process the waste, is more than \$56 million over budget and 19 months behind schedule.

Fluor Daniel already has lost nearly \$4 million in fees for missing deadlines related to the pilot plant. Now it stands to lose performance fees for the rest of the OU4 project, including building a full-scale plant, recently projected to cost more than \$240 million.

Lisa Crawford, president of Fernald Residents for Environmental Safety and Health (FRESH), said she supports hiring a new contractor for the vitrification plant.

"We've been talking about this for four or five months," Mrs. Crawford said. "I think there was a general realization that there were problems that needed to be fixed. I think the GAO report was the final trigger to go ahead and move forward (with new contractor)."

March 22, 1997

Journal News

Local A3

*"Fluor Daniel removed from vitrification tasks"*

Reporter: Nicholas G. Johnson

# Fluor Daniel removed from vitrification task

By Nicholas G. Jonson

Journal-News

CROSBY TOWNSHIP

Preliminary conclusions by an independent panel of experts led the U.S. Department of Energy to remove Fluor Daniel Fernald from part of the cleanup operations at the former Fernald uranium processing facility.

The move affects only the vitrification project involving radioactive waste stored in three silos at Fernald. Fluor Daniel will continue to perform other cleanup operations at Fernald.

Vitrification is a process in which radioactive waste is converted into glass pellets. The pellets are to be shipped to a disposal site in Nevada.

"It really didn't come as a surprise," said Department of Energy spokesman Gary Stegner. "We have seen a preliminary draft, and Fluor Daniel officials and stake-holders have also been briefed."

For silo cleanup, Stegner said the experts will recommend a turn-key contractual arrangement with an industry expert with a proven record in solid-waste disposal.

"I think a lot of people, including those at Fluor Daniel, have been suggesting a turn-key approach," he said. "Right now we're just considering the best mechanisms to move forward."

One alternative, Stegner said, was to continue with vitrification for Silo 3 waste, but process the material

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**'We have to look at the whole thing as a question of whether or not we are within regulatory compliance. Obviously, we're not (with the vitrification project).'**

Gary Stegner  
Department of Energy spokesman

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separately in a high-temperature melter.

Waste material in Silo 3, which contains uranium-bearing metal oxide, as well as several other compounds

mixed with contaminated soil, has confounded efforts by Fluor Daniel to covert the material into glass in a safe, efficient manner.

A spill in December forced Fluor Daniel to shut down the pilot vitrification plant, which had been processing surrogate material similar to Silo 3 waste.

Waste in Silos 1 and 2, Stegner said, are amenable to vitrification and can be processed efficiently in low-temperature melters.

Stegner said not all experts agree upon a solution for tackling the silos project, and that the report contains majority and minority views.

One solution likely to be proposed is an alternative technology to process

waste in Silo 3, Stegner said. Encasement in concrete has long been proposed as an alternative to vitrification.

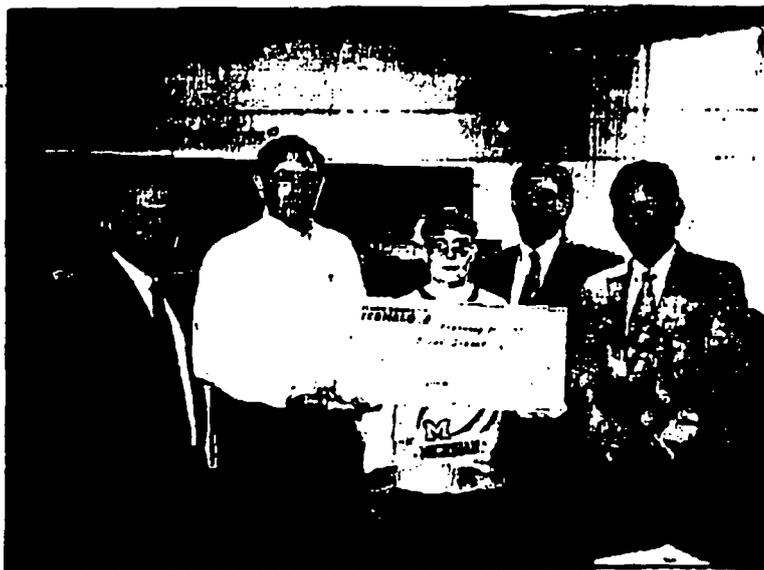
"We have to look at the whole thing as a question of whether or not we are within regulatory compliance," he said. With the silos project, he said, "Obviously, we're not."

Fluor Daniel site manager John Bradburne said the company supports the government's statement that it will seek world-class expertise for Fernald's silos.

"Fernald's accelerated cleanup plan is saving billions of dollars, and Fluor Daniel Fernald's performance on five of the six major cleanup activities is on schedule and within budget," the company said.

March 22, 1997  
Journal News  
Picture This, A5

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Nicholas G. Janson/Journal-News

Fluor Daniel Fernald donated more than \$5,000 in February for construction of a greenhouse at Ross Middle School. Attending the presentation were, from left, Larry Stebbins, Fluor Daniel Fernald President John Bradburne, sixth-grade student Scott Litterbie, Ross School Superintendent Dr. David McWilliams, and Ross Middle School Principal Steven Kidd.

**March 24-30, 1997**  
**Cincinnati Business Courier**  
**Page 12**  
**"Fernald cleanup blasted"**

## **Fernald cleanup blasted**

Tens of millions of taxpayer dollars were wasted over the past two years in mismanagement of the billion-dollar cleanup at Fernald, according a report by the General Accounting Office. The report found that the general contractor, Fluor Daniel of California, had not complied with some required procedures.

March 26, 1997  
Cincinnati Enquirer  
Metro, B2  
"Awards to ex-workers upheld"

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## Awards to ex-workers upheld

A federal judge in Cincinnati has upheld nearly all of a \$3.8 million jury award to four people who were fired from Fernald in 1993 because of age discrimination and breach of contract. U.S. District Judge Herman J. Weber on Monday denied motions by Fluor Daniel Fernald, aimed at reducing or eliminating the multimillion-dollar judgment awarded Aug. 8.

The four plaintiffs and their awards are: Robert J. Skalka, 57, of Springdale, \$1,730,220; William Ponsock, 51, of Lawrenceburg, \$142,000; Joseph Balnites, 56, who died May 6, \$208,000; and Charles D. Conover, 50, of Western Hills, \$1,546,022. Judge Weber did reduce Mr. Conover's award by \$181,000, saying he had not exhausted his administrative remedies before filing suit.