



Office of Worker and Community Transition
United States Department of Energy

***Workshop on Gaseous
Diffusion Plants and
Early Site Closures
Summary Report***

***Cincinnati, Ohio
March 6-7, 2000***

June 2000



Department of Energy

Washington, DC 20585

June 20, 2000

Dear Workshop Participants:

Thank you for your participation at our Workshop on Gaseous Diffusion Plants and Early Site Closures on March 6-7, 2000, in Cincinnati, Ohio. More than 120 representatives from Congress, labor organizations, business-interest groups and DOE Headquarters, field and contractor personnel attended the workshop. The two-day Workshop focused on work force management issues associated with early site closures and potential steps to mitigate work force reductions at Portsmouth, Ohio and Paducah, Kentucky. Thank you for your support of our mutual interest in resolving complex work force and community transition issues.

For your information, enclosed is a copy of the Workshop Summary. If you have any questions, regarding this summary, please contact Sheila Dillard at (202) 586-5881, and I look forward to seeing you at future workshops.

Sincerely,

Gary King, Ph.D., J.D.
Director, Office of Worker
and Community Transition

Enclosure



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**U.S. Department of Energy
Office of Worker and Community Transition**

**WORKSHOP ON GASEOUS DIFFUSION PLANTS AND
EARLY SITE CLOSURES SUMMARY REPORT**

Welcome and Introduction

Speakers: Gary K. King, Director, Office of Worker and Community Transition
Leah Dever, Manager, Oak Ridge Operations Office

Mr. Gary King, Director of the Office of Worker and Community Transition, introduced himself and panel members, and then stated the purpose of the Workshop. Mr. King informed participants that about four months ago, when he became the Director of the Office of Worker and Community Transition (the Office), he was briefed by his staff on issues related to worker and community transition. Mr. King noted that a high concentration of issues were centered around the Greater Ohio River Valley area, including Oak Ridge, Miamisburg, Fernald, Portsmouth and Paducah. As a result, Mr. King decided it was imperative to conduct a conference to address these issues.

Although the conference was planned about two months ago, the United States Enrichment Corporation (USEC), only weeks ago, announced plans to reduce the number of jobs at the Paducah and Portsmouth Gaseous Diffusion Plants. At this time, the Office adjusted the format of the conference to encompass a round table discussion about gaseous diffusion plants and the issues inherent to the related Work Force Restructuring Plan. The Office determined that it was further important to address issues related to the early closure sites at DOE, which include Rocky Flats, Fernald, and Mound.

Mr. King encouraged all participants to participate throughout the course of discussions and maintained that the goal of the Office is to focus on workers and on the communities. Mr. King stressed that the Office wants to know what it can do to help workers in places where they are impacted by the Department of Energy (DOE). Mr. King closed his introduction by stating that by the end of the day, the main goal would be to highlight all of the issues. He stated that the Office anticipates having a similar meeting in the near future and public meetings at Portsmouth and Paducah, so as to ensure a greater degree of community participation.

Gary King then introduced Ms. Leah Dever, the current Manager of the Oak Ridge Operations Office. Ms. Dever previously served as the DOE Ohio Field Office Manager,



where she was responsible for closure and environmental restoration of five nuclear facilities. She has been a pioneer in DOE's goal to restore the environment at its old facilities and make itself the model for contemporary protection. Ms. Dever thanked the participants for attending and explained that the focus of the meeting would be on the gaseous diffusion plants. Ms. Dever maintained that she looks forward to being involved with solving problematic issues inherent to the plants as DOE proceeds forward.



Congressional Perspective

Moderator: Gary K. King, Director, Office of Worker and Community Transition

Speaker: The Honorable Ted Strickland, United States House of Representatives

Gary King opened the meeting with an introduction of the keynote speaker for the morning, Congressman Ted Strickland. Congressman Strickland was first elected to represent Ohio's Sixth Congressional District in 1992. In 1994, he was narrowly defeated and, in 1996, he became one of only two Democratic former Members to reclaim their seats. He has been very involved in reforming the Nation's health care system. Mr. King expressed his pleasure and gratitude for having Congressman Strickland in attendance.

Congressman Strickland thanked the Workshop participants for their presence, and noted that in the week prior to the Workshop, he and Congressman Whitfield were briefed by the NRC regarding the situation at the gaseous diffusion plants. The meeting alerted Congressman Strickland to the fact that, while the situation is immediate in terms of pending layoffs, there are many unanswered questions surrounding the future of the work force at these two plants. Congressman Strickland stressed that, while it is important to deal with the immediate situation in terms of the pending layoffs, it is also important to be mindful of whether there will be an effort to close a plant and whether or not the NRC can, under the law, continue to licence USEC to operate these plants at all. Congressman Strickland stated that he is aware that an announcement has been made that there may be some 600 jobs created in the decommissioning and decontamination (D&D) work area. His hope is to hear some concrete information regarding how many jobs can be transitioned to D&D work, and what the skills mix is going to be. He maintained that for planning purposes, it is important to know as quickly as possible which individuals are going to lose their jobs, and who may be able to transition to other work. Without knowing these things fairly quickly, it is impossible to adequately and appropriately plan. It is also difficult for those facing these circumstances to do the kind of planning, regarding their personal lives and financial responsibilities, that is essential and necessary.

Congressman Strickland further noted that as discussions on worker transition and the loss of jobs ensue, we need to keep in mind that there is an obligation to proceed as rapidly as possible with the conversion facilities. Congressman Strickland stated that an essential reason for the legislation that led to these conversion facilities being identified as needs was a recognition that there was going to be job loss at two sites and that these facilities were to be built to provide additional employment opportunities for displaced workers. Congressman



Strickland noted that this is consistent with Congressional intent and should be done expeditiously.

Congressman Strickland also noted that he hopes that those who are terminated and aren't able to transition into other work receive an adequate and comprehensive termination package and benefits. He believes that there is strong commitment on the part of himself, Congressman Whitfield, Ohio and Kentucky Senators to make sure that displaced workers receive a fair and comprehensive package of benefits. Proper health benefits are also critical to making sure workers are treated fairly and justly.

Congressman Strickland stated that he understands that the NRC, under the law, must be able to certify that the industry is able to continue to guarantee a reliable supply of domestic fuel. Mr. Strickland believes that in the next few months, critical decisions may be made regarding whether the NRC can make such a determination. Mr. Strickland noted that these are very serious matters which place a heavy burden on all of those involved. Congressman Strickland then thanked Gary King for his time and effort in doing his best to keep interested Members informed and allowing everyone to come together and discuss the issues. Congressman Strickland noted that by the end of the day, his hope was that all would have a better understanding of what our obligations are, what the future may hold, and what options are available.

Gary King thanked Congressman Strickland for his time and participation. Gary King also introduced staff members from other Congressional Offices, including Heidi Ayer from Congressman Whitfield's Office and T.C. Friedman from Senator Bunning's Office. T.C. Friedman then read a letter from Senator Jim Bunning to the audience.

Ms. Friedman stated that she was delighted to represent United States Senator Jim Bunning. She then proceeded to read a letter from the Senator, addressed to Mr. King. The letter read as follows:

"I am writing to thank you for arranging the workshop to provide a forum to discuss the problems facing the workers and the communities of Paducah, Kentucky and Portsmouth, Ohio. Of course, as an elected official to represent Paducah, Kentucky, my primary concern is with the Paducah facility. As you know, the workers there, both current and former, as well as the entire Paducah areas have been hammered recently by a series of unpleasant revelations about the past operating procedures at the plant which have created potential health and environmental problems. These revelations have been piled on top of the existing and ongoing uncertainty about the future employment stability at the USEC plant, which is one of the major employers at Paducah. So, there is definitely plenty for the participants of your workshop to talk



about. I do think it is important to bring all of the parties and communities together to discuss the problems associated with the gaseous diffusion plants and to explore all of the possible to correct the problem and to mitigate as much as possible the effect of privatization and downsizing on the communities and employees a lot. So I certainly wish the participants of your workshop a very successful meeting and hope that your deliberations a better understanding of what we can do to help. Best personal regards, Jim Bunning, United States Senator.”

Gary King then introduced Joy Mulinix from Ohio State Senator DeWine’s Office. Ms. Mulinix reiterated Congressman Strickland and Senator Bunning’s thoughts. She agreed that the Workshop encompasses a large issue and there are numerous other important issues that need to be addressed at Portsmouth or Paducah, including labor, health, national security. Ms. Mulinix assured participants that Senator DeWine understands the importance of these issues and is working with other representatives in Ohio and Kentucky and to develop solutions and to mitigate any job losses in the coming months.

Gary King then introduced his own staff, and informed the audience that the Secretary of Energy is very interested in making sure that workers at the gaseous diffusion plants are taken care of, both with regard to health issues and worker issues. The Secretary has asked for additional money for environmental management issues inherent to these sites.

Q: (Richard Miller) I appreciate the agenda you have devised and I think it is constructive to begin to look at environmental management and worker transition issues. I also appreciate that the Secretary has asked to finance the environmental management programs, which is clearly needed at both Portsmouth and Paducah, but I think that what is conspicuously missing from this agenda today is the question of whether go USEC? We are talking about political anesthesia for a gaping wound in this Administration’s privatization decision and yet we haven’t gotten to the issue of whether they have been privatized in the first place. Are we going to let them run this into the ground? Is this the first of a series of these Workshops that we are going to hold in Cincinnati, and then every six months we will all get together and feel good about how we are going to work the issues? What we are really talking about here is a funeral. We are talking about the death of an industry. And we are in the first really large formal stage of how to deal with the social implications of that death. I am not committed to the death of this industry; in fact, I don’t think that it needs to be killed, although it is being bled to death quite aptly right now. I guess I just want to lay this issue out on the table, and maybe it isn’t your responsibility – it is probably something that either NE or EM should deal with. But it is the 800 pound gorilla that



hangs over this meeting. That is, are we going to just let privatization just run this industry into the ground and see if we can't mitigate the impacts in an election year?

A: (Gary King) I think that is an excellent point. This afternoon's session is fairly open and to the extent that there are things that you do not think that we have covered, I would certainly be open to discussing those things this afternoon. I want to make sure that we get everything out on the table, so I am glad that you have mentioned that. If there are other issues that anyone here would like the Congressman to hear, this is a good time to raise your hand and do just that.

Q: (Jerry Harden) I am from Rocky Flats. I am very concerned with DOE's piecemeal approach to dealing with these sites. I think there ought to be a comprehensive program that takes into account everything, every place. This morning, we delivered the handbill about the health program at Rocky Flats. Even though it doesn't deal with the specific health problems at Paducah, I will tell you that what is wrong with one plant is probably wrong with another. So, I would encourage a broader scope of thinking and certainly from someone who votes on it. I agree with Richard Miller. This seems to be election year politics again. I've been in this industry for thirty-three years and I think it is time that we quit addressing the needs of the real estate developers and start taking on the real social problems and the workers who deal with them.

A: (Gary King) Thank you for your comment. Anyone else?

Q: (Dan Minter) I would just like to thank Mr. Strickland for all of his efforts on our behalf. Thank you very much.

A: (Congressman Strickland) Dan, I thank you for saying that. I also want to do something that I should have done earlier. I want to thank the representatives from the Offices of Senator McConnell, Senator McConelvich, Senator DeWine, and Senator Bunning. I also want to tell you that Ed Whitfield and I are not only colleagues who are concerned about similar things, but we are becoming good friends. It is true that we are in this together. I don't know much about Rocky Flats or the other facilities, but I do know about my facility and what has happened there and I agree that we need a comprehensive addressing of the sites and the people involved. I am encouraged about what I am sensing among a bipartisan group of legislators, who really aren't interested in these issues because of the politics. I know this year



is an election year, but every year is an election year, so to speak. I truly believe that our interest is governed by something other than political consideration. I think we are concerned about our individual constituents, but I think we are also concerned that this government accepts responsibility for addressing every location and situation in this country where there has been governmental involvement resulting in governmental responsibility.

Q: (John Driskell) You hear a lot of talk about DOE's decision to engage in privatization, and everyone agrees that it was a bad decision. However, anytime DOE or Congress or the Administration starts talking about privatization, you hear them say, "We are not here to assess blame." I am a security officer, and if I do something wrong, I am held accountable. When is someone going to be held accountable for the bad decisions that have been made?

A: (Congressman Strickland) Well, that is a very good and legitimate point. Both Representative Whitfield and I are pushing as hard as we can to have hearings in the House of Representatives Commerce Committee to explore these matters. It is a very complex situation, and that is why Representative Whitfield and I met two days ago; to talk once again about pushing for hearings in the House of Representatives so that we can explore these matters. I'm interested in having some people testify under oath regarding many of the questions that have been raised. I don't know that anything unethical or illegal transpired and I would not make that accusation, but I do think that sufficient questions have been raised to merit a full and a public exploration of these matters. If there is blame to be laid at the doorstep of certain individuals or agencies of government, I think the chips should fall where they may.

Q: (John Driskell) Do you think we are going to get to that point, where people take responsibility for all of this? The same people who were involved in the decision-making process are the same people who will choose who investigates this. So, how are we ever going to have any faith in the outcome of the process?

A: (Congressman Strickland) Well, I don't know that Representative Whitfield and I were involved in the decision-making process, and we are two of the people who certainly pushed for the hearings. I still have confidence in our processes of government. I think sometimes the processes may go awry, but I do think it is possible to look into these matters in a way that is legitimate, valid and that avoids irresponsible charges. It is also possible that decisions were made that were not illegal or unethical, but were just simply unwise. I think unwise decisions



need to be highlighted and that those that are responsible for them need to be held accountable as well. So, I am not saying that there were terrible things that were involved in the decision-making process, but I am personally convinced that the decision to privatize was terribly unwise. However, the decision has already been made, and what we find ourselves dealing with now is a situation where we are trying to do the best we can to alleviate whatever hardships are resulting from privatization. Now, what the future holds, I don't know, but I do think it is dependent upon all of us to keep our eyes open and look ahead and to not just simply allow such things to unfold. Maybe that is what Richard was getting at when he said that he thinks that this industry should not be allowed to die. It cannot be allowed to die. Our Nation depends upon it – our national security, our economic security – depends upon this industry. You cannot take an industry that is so vitally connected to the industry needs of our Nation and allow it to sink into some kind of situation where it is no longer viable. This industry will continue to be viable – I have no question about that. What it will look like, who will own it, what the future involvement of the government is . . . I think those are things to be determined as the future unfolds. That is why it is important for us to meet like this to share our opinions and ideas.

A: (Gary King) I think that is a good point. What I want to do in this meeting today is have a broad discussion and I think that to the extent where any of you think that there were mistakes made in the past and should be recognized, I think you should voice that. But, let's focus on the playing field as it is today. I want us to focus today, and at future meetings, on what it is that we can do. If that means us going to DOE and to NE and EM and all the other parts that need to work together to make things better, we should have an active discussion on the gaseous diffusion plants, what the future holds and the effects of privatization. I want to take these things back with me to Washington, D.C., when I go. I am not going to promise you that we can solve everything today, but I want to have a positive approach to what we can all do together to make things better in the final analysis.

Q: (Jerry Harden, Rocky Flats) The FBI raided our plant some years ago. The information was delivered to a Federal Grand Jury that wanted to indict eight people within the contractor and the DOE ranks. The Federal Government and DOE refused to allow that to occur, so I think it is unwise to have hearings upon hearings when no one gets to the bottom of the issue. There are still eight people that should have had the chance to prove their innocence or guilt in court that have been denied that right, so if you have hearings and you don't intend to reveal that information or act on your findings, then what have we accomplished? There are two groups of people that



suffer – the taxpayers and the workers, who have devoted their health and their lives to building these weapons and these industries and I think it is time for a reality check.

A: (Gary King) That is a viable point.

Q: (Steve Carter) Our communities have been promised a lot. We at Portsmouth have put our lives and health on the line to work for DOE. Our plant produced enriched uranium, which is extremely important to our Nation. When this plant and the company that runs it became private, why was there a significant failure to retain jobs and employ new technologies? In terms of our communities, at Portsmouth, Ohio, we are in an area with high unemployment rates. Are we facing a plant closure? What does that mean for the economic viability of our area and for our workers? I believe that we do want to have public hearings for the privatization issue. We have appreciated the funds that the Office of Worker and Community Transition have provided to our area, but as we face these layoffs and a potential plant closure, we are going to need tens of millions of dollars to mitigate the effects.

A: (Gary King) You raise a good point. In this case, when we talk about early closure sites, we are talking about Rocky Flats, Fernald, and Mound. We were not trying to portend that there is going to be a closure at Portsmouth or Paducah, but I think that issue is one that people are interested in discussing, so I will be open to discussion today. But don't take our title in this conference as meaning that we anticipate an early closure at Portsmouth or Paducah. That title was intended for tomorrow's session.

Q: I want to talk about the treatment of salaried employees. Recently 400 to 600 salaried employees were given notification that they were going to be laid off. The fashion in which it was done was inhumane. What I have in my hand is an organizational chart. A room about two-thirds the size of this one was filled with salaried employees. The organizational chart was then distributed. If your name was on the organizational chart, you had a job. If not, you were out of work. This was very inhumane. A gentleman in the back of the room experienced chest pains and had to be taken to the hospital as a result of this. My question is, has there been a shift in policy from your Office on how you process terminations or layoffs? The process as it stands now lacks dignity and humanity.



A: (Gary King) I am sorry to hear that layoffs were dealt with that way. This was not a policy action that flowed through our Office. Please talk to my Deputy, Terry Freese, about this occurrence. We will talk about what we can do to make that better.

Q: (Richard Miller) I wanted to say this while Congressman Strickland is here. All of you know that there has been a significant effort to terminate your Office. There have been efforts in the Energy and Water Bill to submit a zero budget next year. You have been asked to submit a plan to terminate your Office to Congress. Standing in front of you today, Ted Strickland, I just want to say that we wouldn't have these meetings, we wouldn't have PACRO, we wouldn't have SODICRO, and we wouldn't have any of the infrastructure to even deal with the issues that we are dealing with today if it were not for these Members actually falling on their swords to make this program happen.

A: (Gary King) Thank you. Indeed, we are fighting for our existence out there but I do think that we have been successful and positive about it. I do thank you, Congressman, for your support of the program.

A: (Congressman Strickland) Gary, I hope that you take the comments that you have heard this morning back to the Secretary. I think that the current Secretary is very open to us and is concerned about the problems we are facing. Within an Administration, not everyone agrees. There are good guys and bad guys in this scenario. I believe the Secretary is one of the good guys. From the legislative point of view, I think he will do what he can to deal with this situation both fairly and justly. I don't feel that way about everyone in the Administration. I have serious problems with OMB. They have their own agendas and they don't really care that so many people are facing such difficult circumstances. I think it is incumbent upon us that we coalesce around the Secretary and around this Office to make sure that OMB and other elements within the administration do not overrun us.

A: (Gary King) Thank you, Congressman.

Gary King then adjourned the session.



United States Enrichment Corporation (USEC) Status

Moderator: Marilyn Balcombe, Oak Ridge Institute for Science and Education

Speaker: James Adkins, Jr., Vice President of Production, USEC

Marilyn Balcombe opened the meeting by explaining that the session would provide an overview of USEC's work force restructuring plan for FY 2000 and be followed by a period of questions and answers. Ms. Balcombe then introduced Mr. Jim Adkins, the Vice President of Production for USEC. Mr. Adkins is responsible for production-related activities and operations at USEC's uranium enrichment plants in Paducah and Portsmouth. Ms. Balcombe also introduced Steve Russo, Director of Human Resources and Industrial Relations at USEC.

Mr. Adkins opened the presentation by offering a brief background on USEC. Increased global oversupply of uranium enrichment; strong, competition in the market; decreasing market prices for SWU and uranium; lower anticipated sales volumes for fiscal year 2001; and higher unit production costs have caused increasing pressure to further reduce USEC labor costs. On February 3, 2000, USEC announced a work force reduction of about 850 people at the Paducah and Portsmouth Gaseous Diffusion Plants (GDPs). USEC seeks to accomplish this work force reduction in a manner that is the least disruptive to people's lives and the community. Mr. Adkins stressed that USEC desires to facilitate the individual's transition to new DOE work or to other employment. USEC has managed the operation of the GDPs since July 1993 and has directly operated the plants since May 1999. Mr. Adkins stated that throughout this period of over 6 years, USEC has operated the plants safely and has established a record of continuous improvement. Since privatization in 1998, USEC has reduced the GDP work force by about 500 people, and continues to show improvement in safety of operations. USEC has determined the staffing levels necessary for the production required from the plants and is confident that these new levels are more than sufficient to maintain and improve its safety record.

Mr. Adkins then asserted that a fair and comprehensive selection process is being used to determine who among potential candidates have the necessary skills and competencies needed to operate the plants safely and efficiently in the future. Selection has started with functional managers and will continue down through the organization. Managers will be selected; then, they will assist in selecting non-managers (non-bargaining unit) and participate in determining the number and classification of bargaining-unit employees needed to operate the plants safely and effectively in the future. Union contracts establish the rules for determining the bargaining



unit individuals whose employment will be terminated. The process is methodical and time-consuming; hence, the exact numbers, with distribution across skills and classifications, have not yet been determined.

Mr. Adkins stated that reductions are estimated to occur as follows: of the 850 reductions, 9 to 12 percent will be managerial staff; 44 to 50 percent will be non-managerial (non-bargaining unit) staff; and 40 to 48 percent will be PACE employees. Mr. Adkins stressed that he could not state exact numbers concerning how many employees will be reduced at Portsmouth versus Paducah. He also claimed that USEC does not plan to make a reduction in guard forces.

Mr. Adkins then explained that by mid-April, individuals at risk will have been tentatively determined. This, Mr. Adkins claimed, will help firm up skills and bargaining unit classifications. By mid- to late-April, USEC will open voluntary reduction-in-force (VRIF) windows to allow employees to voluntarily leave USEC.

Mr. Adkins presented a summary of benefits to be offered to those employees included in the reduction in work force. Both bargaining-unit and salaried employees will receive severance pay based on company service in accordance with policy or the appropriate bargaining agreement. Employees may elect to continue medical and dental coverage under Cobra for up to 18 months. Employees may convert from Group Life to an individual policy at 100 percent of the premium conversion rate. Employees who have a minimum of 5 years credited services are eligible for a vested pension. Employees who are at least 50 years of age and have a minimum of 10 years of service are eligible for post-retirement medical benefits. Salaried employees have no recall rights; however, they may ask for consideration and reapply for future openings. Employees who are members of UPGWA or PACE have recall rights in accordance with their respective bargaining agreements. Mr. Adkins noted that under the Portsmouth PACE bargaining agreement, Portsmouth PACE employees who elect to receive severance in a lump sum payment forfeit their recall rights. Benefits for the VRIF will be standard USEC benefits plus any DOE enhancements provided.

Mr. Adkins then stated that there are no transition agreements that apply to this work force reduction. USEC is interested in transitioning as many employees as possible to new DOE work or other jobs in the community. The most simple, seamless method for transition of USEC excess workers to new DOE work is by DOE assigning that work directly to USEC. The second most seamless method for transition of USEC excess workers to new DOE work is by DOE directing that work to USEC via Bechtel Jacobs. The direct beneficial effect of



USEC performing more work for DOE is a decrease in the 850 work force reduction number. Allowing the employee to perform the work while still being employed by USEC is less disruptive to the employees; the individual does not have to change companies; and there is no disruption to benefits. A balance of work that will use salaried employee skills as well as those of bargaining-unit employees is needed. USEC also plans to work with DOE to determine availability of positions at other DOE sites.

Mr. Adkins then addressed the issue of training. Individuals to be laid off must be identified before training needs can be determined. USEC believes that most of the new DOE work at the GDPs will match well with skills available in the group of people who will be available for transition. Retraining requirements for DOE work should be minimal. Availability of individuals for training will vary. USEC will cooperate with DOE and state and local entities. They are actively coordinating their efforts with the Paducah Area Community Reuse Organization (PACRO) and the Southern Ohio Diversification Initiative (SODICRO). Outplacement and job fair activities may provide opportunities to develop other avenues for worker training.

Mr. Adkins closed his presentation with a listing of entities or activities that may lead USEC to work force training opportunities, including: DOE, Bechtel Jacobs, Greater Paducah Economic Development Council, PACRO, SODICRO, any other state or local organization, outplacement, local job fairs, and staff visits to other companies to spread the word on the people who will become available.

Q: (Richard Miller) With respect to the medical coverage, you mentioned that employees may elect to use COBRA. What percentage would that constitute?

A: Two percent.¹

Q: (Richard Miller) If an individual wanted to buy health insurance, what would their cost be under Cobra?

A: (Paducah Employee) I pay between \$800 and \$900 for a family plan.

¹Because the individual that answered the question is unknown, Mr. Jim Adkins wishes to express that the accuracy of the answer may be questionable.



Q: (Richard Miller) DOE is proposing to provide full payment for the first year, 50 percent for the second year, and to go onto this COBRA model for the third year. Is that correct?

A: (Terry Freese) Yes, that is the displaced medical program.

Q: (Richard Miller) What is the cost for post retirement medical for individuals who are not on medicare? What is the individual's co-pay?

A: (Paducah Worker) About 25 percent.

Q: (Richard Miller) So, people who are out of work and are getting retirement will pay about \$225 a month?

A: Yes.¹

Q: (Richard Miller) And is that locked in or is the severance being increased over time?

A: (Dan Minter) It has increased in recent years.

Q: As I understand, you are going to go through and select functional managers and then they are going to step down and assist in selecting the non-managers to be displaced. Your view graph says that these managers will assist in determining how many people to cut. It also says that this will not occur for a couple of months. So, I guess my question is, if you don't know how many people it will take to run the plant effectively and safely, how did you arrive at the number of 850 people to be laid off?

A: (Jim Adkins) As I said in the very beginning, we have six years of experience of running the plant safely and in that time we have laid off 500 people. We have looked at our internal and external indicators which have led us to the number of 850; however, that is not necessarily a final number. Further, from where we cut employees and how we change our organization and processes still have to be worked out.

¹Because the individual that answered the question is unknown, Mr. Jim Adkins wishes to express that the accuracy of the answer may be questionable.



Q: I have seen state numbers that have asserted that 425 people will be cut from Paducah and 425 people will be cut from Portsmouth. Then, I was listening to Kentucky public radio and I heard that 20 percent of the workers will be cut from each site. Now, those two figures are different. Will the cuts constitute 425 workers at each site?

A: (Jim Adkins) No, I will not say that it will be 425 workers from each site. We told the newspapers that it would be roughly 425 at each site for the purposes of initial planning; however, we still have yet to determine the final numbers and have yet to be fully confident as to where the cuts will occur. Another reason that I cannot be fully confident about that number is because I do not know where I will stand with the amount of DOE work that will be available in the spring. If there is more DOE work available, and I can move some of these workers to that work, then that will reduce the 850 number. So, I am reluctant to say what the final number will be at this point. I am trying not to give you a bad number.

Q: (John Driskell) I cannot understand how you arrived at this 850 number if you still haven't determined what types of work will no longer be needed.

A: (Jim Adkins) We have been working on coming up with this estimate for some time. How you implement some of these things and how the process goes over time makes a difference sometimes in the number of workers estimated to be displaced. I can only tell you that we have worked on this since early in the fall, and we are comfortable that the number we have come up with will still allow us to run the plant safely and effectively. We are going to make certain that we meet our requirements. We are not going to run the plants unsafely. We have OSHA considerations, as well. This is where we are in the process. The number is what it is and we are going to run the plants safely.

Q: (Terry Freese) Jim, what has been your experience with attrition and how it plays into this?

A: (Jim Adkins) We have not seen any indication of people rushing to leave. We have some skills that are very marketable. For example, we have nuclear criticality safety engineers and there are not that many of those out there. There are some cases like that where people have left for other jobs, but we haven't seen a rush to leave.

Q: (Terry Freese) I presume that you would look to place those internally – for people that might be at risk if that is feasible?



A: (Jim Adkins) Yes.

Q: (Portsmouth) On the view graph, you noted that a fair and comprehensive selection process will be used to determine how many workers to cut. Will you outline that process so we can understand what it is?

A: (Steve Russo) Essentially what we will do is identify the roles and responsibilities that are needed in the jobs that are going forward and identify the skills and competencies mix needed to accomplish what we need to. As Jim mentioned, it is a roll-down process beginning with the managerial staff to the non-managerial staff.

Q: (Representative from Congressman Strickland's Office) Could you give us a sense of the time line on this process? When would we be expecting to receive calls at our office?

A: (Jim Adkins) There are a couple of key events here. In mid-April, we will have determined the list of people we have considered to be at risk. The problem is that you have to do the VRIFs and we have historically leaned to trying to give consideration to anyone that will take the VRIF. We will certainly consider who would like a VRIF that is not on the list. This is why we have some uncertainty in our time line until we have completed the VRIF process. We would like to complete the process by mid-May.

Q: (Richard Miller) Could you describe to everyone what a VRIF – a voluntary reduction – constitutes? When you open that window for voluntary separation, what is it that people will be presented with at that time?

A: (Jim Adkins) They will be presented with the standard USEC benefits that were in the benefits summary, plus any DOE enhancements that are provided. I don't know what the enhancements will be because we have not worked all of those details out yet.

Q: (Richard Miller) So, just for clarification purposes then, the VRIF doesn't go beyond contractually-required severance, or that which you have in your handbook. If not supplemented by DOE enhancements, then they would not be any different from involuntary separations, is that correct?

A: (Jim Adkins) That is correct.



Q: (Richard Miller) To the extent that DOE is not in a position to commit any funds by mid-April, what will you do? In other words, if Congress has not appropriated supplemental funds, what is your plan at that point? Have you thought about what your fall-back position will be?

A: (Jim Adkins) Well, we hope to be able to come up with something with DOE, but I don't want to absolutely say that we will only go with our standard package, without support from DOE. But that is as far as I can go with that today.

Q: (Richard Miller) Do you have a rough estimate of what you think that additional amount of funding is that would be required to provide the additional enhancements? Do you have a rough ballpark dollar estimate based on your planning?

A: (Jim Adkins) I cannot speak for the Department of Energy. I'm sorry, Richard, I would like to answer that for you, but that is being presumptuous of me in view of what we have to do in working with the Department of Energy.

A: (Terry Freese) Richard, if I can add to that, I'm reasonably confident that by mid-April, we will be prepared with an ability to identify what extra enhancements we will be able to provide. At minimum, it will be displaced worker and some other types of benefits. We are looking at a number of other options. We fully expect that when the VRIF is open, we will be able to tell the workers what is available, and I am reasonably optimistic that it will be well beyond what they have got.

Q: (Richard Miller) Is what you are saying here that additional appropriations will not be required in order for USEC to open a VRIF window? In other words, is Congress going to have to act on any chunk of money which would be tied to an enhancement or are you suggesting that given where you are internally that we are not going to have to rely on a supplement for USEC to open a VRIF window?

A: (Terry Freese) Additional money from the Congress would undoubtedly give us some more options on what we could do. That is probably as much as I can appropriately say right now.

Q: (Dan Cheshire, Security Unit, Rocky Flats) What we are seeing at our plant is the startup of D&D work. Is there the possibility of displaced workers from Portsmouth and Paducah being transferred within the complex to plants doing D&D work? I really can't believe that you would have skilled people with security clearances that



you would just lay off, when they could be used to conduct D&D work at other plants. I know you need additional funding. We at Rocky Flats are always concerned about the 3161 programs. I know you are talking about funding from Congress, and we are under the impression that 3161 is drying up. We would hope that when it comes time for individuals to have the money available to get themselves re-trained, that the money itself is going to be there. But I cannot believe that there would not be avenues for these workers here to transfer within the complex. Is there any possibility of that?

A: (Jim Adkins) That is an interesting comment, because I think that clearly, we have people with good skills and USEC would be willing to work with DOE to move workers within the complex. I can't speak for DOE in terms of what their plans are, but I can say from our perspective that we would be happy to be given a contract to perform work at Rocky Flats and to do it with employees that I have before they get laid off. Your point is a good point, it is something that should be looked at. USEC is very interested in doing something along those lines.

A: (Terry Freese) We have consistently looked at relocation as an option for displaced workers and, in this case, we are working with Mound and Fernald to identify needs that are available. Geographically, those places are the places that most people would be inclined to move. We are certainly willing to look at a more generous relocation package than what we have generally provided in the past because it looks like that would entice people to move. Frankly, we haven't had very many people willing to relocate to a closure site where the possibility of employment is five or six years at a maximum. We also have a systemic problem with transferability of service credits and benefits; these don't necessarily go along with relocating from one contract to another. Last fall, we had a number of guards that Savannah River was interested in picking up, but it was not feasible for the individuals because they wouldn't be able to take their pension credits. Our ability to work with these issues may be fairly limited.

A: (Marilyn Balcombe) The Office has also historically always had a networking process. If one site needs workers, they let other sites know. That process has been going on ever since work force restructuring began.

Q: (Rueben Guttman) I am concerned with this issue of pension portability. If these benefits don't transfer if an individual is willing to relocate, how can we fill that gap?



Employee leasing must be an option because many employees have critical skills, but there seems to be no mechanism in place for employees to bounce around the complex because of a lack of pension and benefit portability.

A: (Jim Adkins) As an example, in the utility industry, there are workers that move around from plant to plant to do work all over the country, and there are companies out there that focus on moving workers around. There are different costs involved than what you may normally see when you are located near that particular work location. But that is the point I was trying to make -- that if there is an opportunity out there to bid on work, for example, let's say it is D&D work at Rocky Flats, and they need 50 workers of a certain type, and they bid that work out, if we won that work with our workers, then those workers, obviously, have to be willing to go work there and be willing in most cases not to permanently re-locate – in many cases, they would do a temporary relocation. It may not be desirable, but it is a job, and there are a lot of people out there that would be willing to do that type of work. I think the issue you have raised is something that needs to be worked through, but I don't think it is a slam dunk yes or no because you have to be practical about the difficulties inherent to such a process.

Q: (Reuben Guttman) I think that perhaps an economic analysis needs to be conducted which addresses the cost of solving the pension portability issue versus the cost of the severance benefit. In other words, what is the difference between the transaction cost of the severance benefit versus utilizing the employee leasing mechanism?

A: (Terry Freese) The issue of benefit portability, particularly pensions and retiree medical, is something that the Department is investigating. There are a number of complexities involved, because you have a variety of different base plans and collective-bargaining agreements, some of which have a fair amount of portability already worked within them and many which don't. We have made some significant progress over the last few years with intra-site portability of benefits, as different contractors are doing work within a site. We haven't really gotten into the inter-site portability issue. A lot of the analysis really hasn't been done. It is something we are trying to work on, but it is a very complex issue.

Q: (Steve Carter) I've heard a lot of the word "safety" today. When you talk about making such a large reduction in your work force, you say that the plant can still be operated safely. Will that placate the communities where these sites are located? Are you ensuring that you will not expose the local communities to toxins or



radioactive waste streams? Will the communities be safe from terrorist threats and sabotage of the plants? At one point, you needed so many guards to protect these sites and these communities, and now you are cutting a large number of workers. If you haven't identified exactly which workers you are going to let go, how can you ensure that the community remains safe?

A: (Jim Adkins) To start with, I mentioned that there are no plans to reduce the guard force at the GDPs at this time. Although, I would not go on record to say that we would not consider that down the road. We have certain requirements that we have to meet to ensure safety at the plant. We have performance indicators that give us the confidence that our emergency plan is more than adequate and that we will be able to meet the rules and regulations of the NRC, OSHA, and all other environmental laws and regulations.

Q: (Dan Minter) Regarding the 850 number, again . . . you talk about having six years of experience of running the plant safely. Obviously, you ran the plant safely with those 850 people, not without them. Secondly, you say that you've known of this 850 value for six months. Was this based on the six years of experience and why was this not disclosed to the Treasury if you knew what the number was going to be since early fall? It seems like that would have been substantial time for the Treasury to help offset these certain operating conditions. There is not a good understanding of the 850 value. Could you help define that some more?

A: (Jim Adkins) What we have been trying to say is that we cannot go into the specifics of the 850 figure at this juncture. There is a certain amount that you can do before you announce a layoff of that magnitude. This number has no real tie to the 500 number that was contained in the Treasury Agreement. There is no connection.

Q: (Dan Minter) Most businesses will know what they can say or what they can do to cut costs to operate in a productive way. Aren't there other areas or ways to save costs and wouldn't it have been appropriate to look into management plans to find solutions to deal with this instead of talking through this and looking objectively for ways to cut the costs of operation?

A: (Jim Adkins) Our objective is clearly to cut the cost of operation, and people is one way to do that. I have three major components: people, materials, and power. We've made a lot of efforts with power and I've cut my materials costs to the point that it is as low as it can go. The remaining component is people, and that is what is left to cut. I am the Vice President of



Production, and this lies on my shoulders. Yes, we are getting down to a number – business is about finance and this is a financial number. I am very unhappy about having to make these reductions in force.

Q: (Kristen Williams) We will know by mid-April whether DOE will enhance the benefits package, correct? And will there be requirements for eligibility for that package?

A: (Terry Freese) Correct. When the fog clears by mid-April, we will look to find what kind of benefits may be available and under what circumstances. Whenever we do work force restructuring around the complex, there are a number of options, either enhancements to severance, lump sum payments, or early retirement options. Depending on the skills set sensitivities that USEC has, we may need to put some restrictions on what skills types can apply for the benefits. There are a number of factors that have to coalesce all together. We need to get a better idea of who USEC is looking to separate; what their skills sensitivities are; what additional work may be done; and the timing that is involved. Then, we will look at what we will need to do to mitigate the impact with our available resources. We will do this collectively with interested stakeholders, workers from these organizations, elected officials, and their representatives to try to determine what is an appropriate package to offer to best mitigate the impacts.

Q: Are additional appropriations going to be necessary to provide enhancements to mitigate the effects on displaced workers?

A: (Terry Freese) What I said is that if there are additional appropriations, that will give us some additional options. We will certainly keep the members informed as much as we can about that issue.

(Statement) I think that one of the positive things that can come out of the meeting stems from the fact that we have representatives from Senators and Representatives Offices here today. They need our support in asking for appropriations, so if we could get together some sort of program in which we could voice our support for further appropriations for this program, that would be good. Perhaps we could team up with the Governor's Office or team up with USEC to voice our support for the program.

Q: (Anthony Gallegos, DOE) Has there been any thought about creating a website to include receipt of e-mails for interested parties or stakeholders to provide comments on this program



or issues so that someone could respond back to specific concerns? It may be hard for people here to have their issues addressed, because when we all leave today, it will be difficult to follow-up.

A: (Steve Russo) I just want to respond that at our site, people have a 1-800 number that they can call to voice concerns or to ask questions. We also have an internal e-mail capability that people can tap into with a central location at the site for responses to be sent back to inquiries. We also respond back to questions and inquiries through our local newsletter on an intermittent basis so that people receive answers to major questions.

Q: (Anthony Gallegos) How about an external site that people external to your site can send e-mail to in order to receive a response?

A: (Jim Adkins) That is not a bad idea. We will take a look at that and see what we can do with that.

A: (Terry Freese) We also maintain a website: www.wct.doe.gov for the Office of Worker and Community Transition. The draft work force restructuring plan is currently on the website. Our expectation is that there will be substantial modifications to that plan that will solidify what in fact we will provide as we go along, but we thought that it was important for us to have something available to the public for them to look at what we are starting with.

Q: (Rocky Flats Security Office) I am not from around here, but I just wanted to say that when we have a problem at Rocky Flats and I hear community leaders and people who are associated with the plant and then I hear the corporation, the first thing that I say is get an independent audit team in there to investigate things. If you have a question about risk or security concerns or health concerns, get an independent audit team in there to look at things. Get someone in there that is not associated directly with the corporation. We've got the players together today in this room to make something like that happen. I'm going to ask all of the players to come together to try to make that happen.

Q: In reference to pension adjustments, early retirement pensions, and offering an enhanced early retirement package, where is DOE in the process of making that happen?



A: (Terry Freese) We have received some information on the demographics of the work force from USEC that have given us an idea of the numbers of people that might be eligible for an early retirement package. Because some of the packages relate to five-year service bands, some of the people might be eligible for the package and others might not. We are still trying to get information on the extent to which we can do this without getting into skills mix problems. The other issue is whether or not there are assets available in the pension fund either with the assets USEC has available or whether there is a way to get access to pension benefits and some of that can get very complicated and cumbersome. We are actively looking at these things. By mid-April we should have a pretty good idea of what we can expect in relation to early retirement pension packages.

Q: (Statement) I just also want to note that the Department of Labor has the 1974 Foreign Trade Act for individuals that are impacted by adjustments in foreign trade. Could you look into that and those funding levels, and what may be available in that regard?

A: (Terry Freese) We have begun to look at that and, again, until we have a better idea of what kind of numbers we are talking about, we don't have much information. This is also another factor in what role additional appropriations might play, but we have begun to look into this.

Q: I want to go back to the time line of the reduction process. I appreciate the information you have given us regarding the mid-April time frame, but I am specifically asking about the May into October time frame. I ask this question because I know that DOE has asked for supplemental funding for D&D efforts. I am just wondering what, during May, June, and July, happens to these folks who may be able to transition into D&D work? How will you prepare to make use of those individuals?

A: (Jim Adkins) To start with, we plan to have our reduction-in-force in place by July 1, 2000. We can make adjustments if we have to, as long as we can figure out a way to balance the financial picture. We have two conflicting forces here. We have to adhere to our process so that we are fair to everybody. We also have to make sure we legally follow rules and regulations and conduct our work properly. One thing we have been discussing is the



potential opportunity for some people to voluntarily do work through another contractor, such as Bechtel Jacobs. Clearly, if someone wants to volunteer to do something like this, they can do so through the VRIF process. There is nothing that prevents the voluntary movement of an individual into another kind of work. One issue, however, is the transferability of pension funds – that is something that would have to be worked out between us and the other contractor.

Q: So the process would include people, who, for example, may be displaced in July, but for who the money or the process is not available for until October? Would there be a mechanism in place for finding such people?

A: (Jim Adkins) I think I answered your question in the affirmative, but I want to be clear about what I am saying here. I cannot keep people on my payroll from July to October who should have been off the payroll in July. If there were some way to offset that cost to me somehow; for instance, if DOE wanted to pay for those people for those months, that would be fine, but I have to stick with my financial plan.

Marilyn Balcombe thanked Jim Adkins for offering his time to present information and field questions and then adjourned the meeting.

**Department of Energy Work Scope****Moderator: Marilyn Balcombe, Oak Ridge Institute for Science and Education****Speakers: Leah Dever, Manager, Oak Ridge Operations Office**
James Thiesing, Vice President and General Manager, Bechtel Jacobs Company
John Dearholt, Manager, Environmental, Safety and Health, Bechtel Jacobs Company
Gordon Dover, Manager, Bechtel Jacobs Company
Ronald Knisley, Office of Site Closure, Environmental Management Program

Marilyn Balcombe stated that the focus of the session would be on the Environmental Management (EM) Program and related work occurring at the Portsmouth and Paducah Gaseous Diffusion Plants (GDPs). In continuation of the USEC discussion, Ms. Balcombe explained that the session would detail current and planned EM work at the plants; how the work is going to be done; and what steps are going to be taken to utilize the USEC employees that are facing restructuring. Ms. Balcombe then introduced the session's speakers. Mr. Ron Knisley, from the Office of Environmental Management, is the Senior Project Manager for the Office of Site Closure. For the past five years, he has been responsible for business and administrative aspects of site closure. He has been involved in the closure of the Pinellas site, the sale of the Mound site and ongoing closure issues at Fernald, Grand Junction, Weldon Springs, and Rocky Flats. Ms. Balcombe then introduced Ms. Leah Dever, the new Manager of the Oak Ridge Operations Office. Prior to working for Oak Ridge, Ms. Dever was the Manager of the Ohio Field Office. Further, Ms. Balcombe introduced Dr. Jim Thiesing, the Vice President and General Manager of the Bechtel Jacobs Company, Mr. Gordon Dover, Manager of Projects for Environmental Cleanup for Bechtel Jacobs at the Paducah site, and Mr. Rick Dearholt, the Environmental, Safety and Health Manager for Bechtel Jacobs at the Portsmouth Site.

Mr. Knisley then began his presentation with an overview of the Headquarters EM program. The Headquarters EM program was reorganized in November 1999. Mr. Knisley displayed an organizational chart of EM's Headquarters operation and noted that the new organizational structure represents a culture change in how EM operates its cleanup and closure program from the Departmental perspective. Mr. Knisley ascertained that the new structure focuses on organizations which are site-specific. The purpose of the Office of Site Closure (EM-30) is to provide the direction, tools and leadership to transition, cleanup and close over forty sites using this new closure culture.



Mr. Knisley then explained exactly what constitutes the closure culture. Prior to reorganization, the Office employed a compliance culture, focusing on milestone completion, risk reduction, technical needs and progress reporting. Then, the new culture evolved. As part of the new closure culture, the Office is focused on safe, accelerated site completion, worker transition, property disposition, and long-term stewardship planning. In order to achieve the new closure culture, the Office now employs innovative contracting approaches, enhanced programmatic integration, administrative streamlining, improved technologies, regulatory streamlining, and new financial/budget strategies.

Paducah and Portsmouth are two of the sites that are listed in the Office of Site Closure's 40+ closure site list. Mr. Knisley first noted that the Office uses the terms "accelerated closure sites" and "closure sites." Accelerated closure sites, as defined by section 3143 of the Defense Authorization Act of 1997, are sites which have protected budgets and must be closed within ten years of being selected. The accelerated closure sites include Mound, Fernald, Rocky Flats, Columbus, and Ashtabula. The Secretary has the future authority to select other sites to include in the accelerated closure site list. The closure dates for most of these sites are 2006 or earlier. Regular closure sites are the other 30+ sites, most of which are small and partial. Paducah and Portsmouth fall under this heading. Clearly, EM does not encompass all of the Paducah and Portsmouth sites; instead, EM is responsible for parts of them. Finally, completion sites are a separate category. Within EM, there exists the Office of Project Completion, encompassing four sites. These sites will probably not be closed in our lifetime. These sites include Idaho, Savannah River, Richland, the River Protection Office at Hanford, and the Waste Isolation Pilot Project.

Mr. Knisley stated that the new closure culture applies to Portsmouth and Paducah. The Office of Site Closure wants to close the EM part of those sites, clean them up, and transition them fully. The time that these sites will be fully transitioned is currently speculative. Mr. Knisley wished to convey that Headquarters and Oak Ridge are on the same page regarding the changes and new work scope at Paducah and Portsmouth. It is believed that more physical work can be accomplished in the near term by changing the sequence of projects, which will at the same time accommodate maximum employee transitioning from USEC to DOE work. Also, EM and Oak Ridge are operating on the assumption that they will receive the \$8 million supplemental request for FY 2000 for each of the sites and they will receive the request levels including the additional work scope for FY 2001. These funds are for cleanup efforts and not for enhanced benefits packages. The end result is that the new culture can be implemented, cleanup and closure of the sites can occur, and the transitioning of workers from



USEC to D&D work can be maximized. According to Mr. Knisley, in the near term, it is a win-win situation.

Leah Dever, Manager of the Oak Ridge Operations Office, then began her presentation by describing the representation of the Oak Ridge Operations Office at the Paducah Gaseous Diffusion Plant, the Portsmouth Gaseous Diffusion Plant, the Weldon Spring Site Remedial Action Project, and the Thomas Jefferson National Accelerator Facility. The Oak Ridge Operations Office is very multi-programmatic and multi-missioned. Oak Ridge conducts work for the Office of Defense Programs at the Y-12 Plant, for the Office of Science at the Thomas Jefferson Facility, and for the Office of Environmental Management at the other sites. Oak Ridge also conducts work for the Offices of Nuclear Energy and Energy Efficiency.

Ms. Dever then presented an overview on the Paducah and Portsmouth Environmental Management Program mission. The purpose of the program is to remediate the sites, treat and dispose legacy waste, and decontaminate and decommission unneeded facilities. For Paducah, environmental restoration and waste disposition are expected to be completed in 2010. For Portsmouth, environmental restoration is expected to be completed in 2002, while waste disposition is expected to be completed in 2006. These plans do not take into account any kind of large-scale decontamination and decommissioning that would have to occur based on USEC's plans. Ms. Dever then explained that the Operations Office's Uranium Programs mission involves the management of DUF6 cylinders, the monitoring and cleanup of PCB contamination, oversight and management of the lease with USEC, and the reduction of the inventory of highly-enriched uranium at Portsmouth.

Ms. Dever then focused the presentation on the Paducah Gaseous Diffusion Plant. The plant occupies about 800 acres of a 3,556-acre site owned by DOE. More than 8,000 people live within 5 miles of the plant, and nearly a half-million people live within 50 miles of the plant. USEC leases the production facilities, and is regulated by the NRC. The production plant and DOE-related jobs employ about 2,000 people. DOE EM work conducted at the plant is regulated under state and federal laws. Environmental Restoration and Waste Management are both funded by the D&D Fund. The primary responsibilities of the Oak Ridge Operations Office and Environmental Management at Paducah include: legacy waste storage, treatment and disposal, D&D of surplus facilities, remediation of environmental contamination, and uranium programs.

Ms. Dever then highlighted the Portsmouth Gaseous Diffusion Plant. The Portsmouth plant occupies about 1,200 acres of a 3,714-acre site owned by DOE. About 28,000 people live



in Pike County, Ohio, where the plant is located. The plant employs about 2,200 people. The USEC leases the production facilities and is regulated by the NRC. As at Paducah, DOE Environmental Management work is regulated under state and federal laws, and Environmental Restoration and Waste Management are both funded by the D&D fund. Oak Ridge Operations and Environmental Management have the same responsibilities for work at Portsmouth as they do at Paducah. These include: legacy waste storage, treatment and disposal, D&D of surplus facilities, remediation of environmental contamination, and uranium programs.

Next, Ms. Dever discussed funding levels for Paducah and Portsmouth. The FY 1999 funding level for Paducah was \$60.8 million. In FY 2000, this value rose to about \$68 million. Currently, a proposed supplement is in the system. This supplement would provide an additional \$11.3 million to Paducah's funds. Of that amount, \$8.0 million would be added to the Environmental Management cleanup work and would hopefully mitigate some of the layoffs, while \$3.3 million would be for Environmental Health and Safety health monitoring for the workers. The budget that has been proposed for FY 2001 totals \$109.2 million, and includes a significant increase in the cleanup work and the uranium programs. Ms. Dever stated that she knows that the Congressmen from Ohio and Kentucky will be working very hard to support those levels. For Portsmouth, FY 1999 funding totaled \$62.4 million. In FY 2000, this value rose to \$69.1 million. Currently, there is a supplemental request for \$11.3 million, which includes \$8.0 million for Environmental Management cleanup work and \$3.3 million for health monitoring studies. The budget that has been proposed for FY 2001 totals \$113.5 million, most of which is for Environmental Management and Nuclear Energy work.

Ms. Dever then gave an overview of the major activities planned at Paducah and Portsmouth for FY 2000 through FY 2001. At Paducah, major EM activities include the removal and disposal of Drum Mountain (scrap metal); assessments of surface water, groundwater, soils, and burial grounds; the treatment and disposal of legacy waste; and the continued pump and treatment of groundwater. At Portsmouth, major EM activities for FY 2000 through FY 2001 include the continued operation of plume containment systems, remediation of Quadrants I and II, initiation of D&D of unneeded support facilities, and the treatment and disposal of legacy waste.

Ms. Dever stated that DOE is committed to dealing with the DUF6 inventory. The Department is on track to begin the construction of conversion facilities by 2004, as anticipated by a law passed by Congress in 1998. The Administration's budget request provides \$24 million for a conversion and cylinder management program in FY 2001 at



Paducah and \$27 million for a similar program at Portsmouth (including MOA funds). The formal request for proposals for this project will be issued later this year. The DOE budget request enables the initiation of design of conversion facilities in FY 2001.

The Oak Ridge Operations Office (ORO) employs the Bechtel Jacobs Company as its contractor. Ms. Dever stated that Oak Ridge has very significant expectations of Bechtel Jacobs as they conduct work for the Operations Office. First, ORO expects to see significant increases in DOE funding at Paducah and Portsmouth for acceleration of cleanup activities and design and employment of DUF6 conversion facilities. Next, ORO expects to maximize the utilization of displaced USEC workers in the performance of DOE work to the extent practical. It is anticipated that there will be fair treatment of both hourly and salaried employees at a reasonable cost. Finally, ORO expects that there will be cooperative labor-management relations with all worker representatives consistent with labor agreements and labor law, and that diversity will exist in the work force.

Ms. Dever then turned over the presentation to Jim Thiesing, Vice President and General Manager of the Bechtel Jacobs Company. Mr. Thiesing began with an overview of the Bechtel Jacobs Company. About three and a half years ago, DOE realized that at Oak Ridge, it was moving away from production and studies-oriented work, which require a fairly steady work force, and instead moving towards remediation and decontamination and decommissioning. DOE sent out an RFP that required the contractor to transition the work force to the maximum extent possible to the subcontractors for a period of two years. The RFP required Bechtel Jacobs to select its subcontractors through competitive procurement. According to Mr. Thiesing, Bechtel Jacobs has achieved 20 to 50 percent savings on almost everything that has been subcontracted.

On March 3, 2000, Bechtel Jacobs announced that under competitive procurement, USEC is the successful bidder to remediate Drum Mountain. Mr. Thiesing maintained that USEC was of a lower cost than any other bidder. Mr. Thiesing stated that Bechtel Jacobs hopes to take whatever savings it receives as it subcontracts out and plow it back into the sites. Mr. Thiesing then stated that the Bechtel Jacobs Company is working with the Department of Energy to accelerate cleanup activities at Paducah and Portsmouth, maximize job placement opportunities for impacted workers, and minimize economic impacts in the regional economies.

Mr. Thiesing then expounded on the Oak Ridge EM Program scope. The Paducah Gaseous Diffusion Plant includes 209 release sites (solid waste management units grouped into four



operable units), 30 waste area groupings, 16 waste management facilities, 65,000 tons of scrap, and two buildings in the D&D program. The Portsmouth Gaseous Diffusion Plant includes 144 solid waste management units, 4 quadrants based on groundwater flow, two RCRA-permitted storage areas, six low-level waste storage areas, and 37 TSCA storage areas. Oak Ridge includes 1,035 contaminated sites and/or facilities, five watersheds, 6 non-FFA projects, 480 waste management facilities, and nine ORNL facilities undergoing stabilization. Finally, Weldon Spring is a uranium processing plant undergoing D&D and site cleanup.

Next, Mr. Thiesing outlined the primary regulatory agreements that must be followed at each of the sites. In Kentucky, the Federal Facility Agreement, Federal Facility Compliance Act/Site Treatment Plan, TSCA Federal Facilities Compliance Agreement, RCRA/HSWA Permit, and TCLP Federal Facilities Compliance Act must be followed. In Ohio, the EPA Administrative Consent Order, the Ohio EPA Consent Decree, the Ohio EPA Director's Findings and Orders, the RCRA Permit, and TSCA Federal Facilities Compliance Agreement must be followed. Finally, in Tennessee, the Federal Facility Agreement, TSCA Federal Facilities Compliance Agreement, Federal Facility Compliance Act, and RCRA/HSWA Permit must be followed.

Mr. Thiesing explained that Bechtel Jacobs has a significant scope of work in uranium programs. Bechtel Jacobs is responsible for depleted UF₆ cylinder surveillance and maintenance; facility surveillance and maintenance; disposition of highly-enriched uranium (HEU) inventory at Portsmouth; characterization and remediation of DOE material storage areas and PCB monitoring; and cleanup.

Mr. Thiesing then clarified that the contract as devised between Bechtel Jacobs and DOE was set up to facilitate the transition of incumbent work forces. Those incumbent work forces were defined to include Lockheed Martin energy research workers at Oak Ridge National Lab, Lockheed Martin energy assistance people at Y-12 and K-25, and what then were Lockheed Martin facilities services workers at Portsmouth and Paducah. Those workers are now USEC employees, but they do have a grandfathered employee status. Bechtel Jacobs also provides these transitioned workers with pension continuity via a multi-employer pension plan. Further, for these employees, Bechtel Jacobs provides continuation of company service credit, competitive pay and benefit provisions, including pay and benefits consistent with Labor Agreements and multi-employer benefit plans, a severance plan, and positive labor-management relations.



Bechtel Jacobs also provides hiring preference to displaced USEC workers. The hiring or transition of the represented work force will be conducted in accordance with established Labor Agreements. Preferential consideration will be given to salaried personnel for available non-management positions. Bechtel Jacobs may self-perform or transition work to selected subcontractors. The number and timing of staffing actions is tied to funding authorization by Congress and agreements with regulators on the work to be performed. Mr. Thiesing stated that Bechtel Jacobs desires to know precisely how many of each class of employees could be accommodated in FY 2001. If the President's FY 2001 budget is agreed upon, Bechtel Jacobs could probably pick up additional employee slack resulting from USEC layoffs of somewhere between 380 to 520 employees. According to Mr. Thiesing, the "380" value is the number of employees that would result if Bechtel Jacobs were to follow the current enforceable regulatory agreements that are in place, while the "520" value represents the number of employees that would result if Bechtel Jacobs were given near carte blanche to re-sequence the work to maximize near-term employment. Mr. Thiesing finally noted that interfaces with USEC regarding transfer processes have not yet been resolved. Bechtel Jacobs has asked USEC to extend the pension transfer agreement to salaried employees. This agreement theoretically ends in three months, but Bechtel Jacobs has asked USEC to extend the agreement so that when a salaried employee transfers to work for Bechtel Jacobs, his or her pension assets would be transferred to the Bechtel Jacobs' multi-employer pension plan as well. Mr. Thiesing noted that Bechtel Jacobs and USEC also need to resolve the issue of responsibility for severance for employees that are transitioned. Mr. Thiesing maintained, however, that if an employee currently has a severance entitlement under USEC and is laid off by USEC, Bechtel Jacobs, or a subcontractor, that employee will indeed receive their severance.

Mr. Thiesing then explained that Bechtel Jacobs provides training for displaced workers. Staffing requirements are based on the work to be performed. The definition of staffing, skills, and qualifications required for accelerated cleanup work at both Paducah and Portsmouth are underway. Worker training needs for critical skills are being assessed.

Next, Mr. Thiesing addressed the issue of labor relations. Bechtel Jacobs has agreements in place with PACE and the Atomic Trades and Labor Council. Bechtel Jacobs has done some unique things in the transition of employees. Mr. Thiesing stated that in the transition process, company service credit is continued and benefits are substantially equivalent. At Paducah, there are "red circled" employees, meaning that the initial groups of people that were transitioned are "red circled" in the labor agreement and cannot be displaced by higher-seniority individuals coming out of USEC. Filling of vacancies per the labor agreement occurs



on a seniority basis. Bechtel Jacobs has recognized that its work scope has routinely and historically been performed by PACE, and there are subcontracting provisions within the labor agreement that allow Bechtel Jacobs to subcontract this work and transition those workers fairly seamlessly to subcontractors. Mr. Thiesing stated that Bechtel Jacobs works very hard to make the fairly complicated transition process work well.

Mr. Thiesing closed by introducing Mr. Gordon Dover, Manager of Projects at the Paducah Plant. Mr. Dover opened the presentation by stating that Paducah Plant Projects are divided into three different areas, including the uranium program scope, the environmental restoration scope, and the waste management scope. As part of the Paducah uranium programs scope, Bechtel Jacobs engages in the management of the lease with USEC; management of approximately 16,000 PCB gaskets required by the TSCA FFCA; management of approximately 37,000 cylinders of depleted UF₆; maintenance of approximately 30 miles of roads, 400 acres outside of the fence, and 100 DOE facilities; and finally, safety analysis reporting and biological monitoring.

Included in the Paducah environmental restoration scope are the following: the Water Policy Area, in which over 100 residences are provided with water from the Plant; PCB and radionuclide contaminated ditches and creeks; twelve burial grounds, including the C-749 burial ground with 250 tons of pyrophoric uranium; off-site plumes, including 10 billion gallons of groundwater contaminated with TCE and 250 million gallons contaminated with TC-99; a TCE release site, in which 200,000 gallons of TCE were released; 211 release sites; and surveillance and maintenance areas.

The waste management scope at Paducah is also quite extensive. Bechtel Jacobs manages approximately 53,000 55-gallon drum equivalents of legacy wastes and newly-generated wastes. About 8,000 drums of low-level wastes are currently stored outdoors. Bechtel Jacobs operates several waste storage facilities, including four RCRA-permitted facilities, as well as an active solid waste contained landfill. Also included in the waste management scope is the management of approximately 65,000 tons of contaminated scrap metal. An Engineering Evaluation/Cost Analysis (EE/CA) is being finalized, and removal is required by FY 2003. The contaminated scrap metal are a potential source of surface water contamination and also overlay several burial grounds, possibly contributing to groundwater contamination. Drum Mountain constitutes 10 percent of the total scrap and is tentatively scheduled for removal in FY 2000 and disposal in FY 2001. The remaining scrap metal is expected to be removed between FY 2001 and 2003, pending funding.



Mr. Dover then explained appropriated funding for the discussed Paducah programs. In FY 2000, appropriated funds for Paducah totaled \$72.5 million, including the \$8.0 million supplemental request from Congress in addition to funds for uranium programs and cleanup activities. In FY 2001, Paducah anticipates being appropriated a total of \$94.9 million for uranium programs and cleanup activities.

Mr. Dover detailed Paducah's life-cycle baseline, which currently indicates a completion date of 2010. Some of the actions driving the plant's completion schedule are low-level legacy waste disposal and remediation of the burial grounds.

Finally, Mr. Dover detailed Paducah's early action projects, including the Drum Mountain task. The purpose of the Drum Mountain disposition task is to safely remove and dispose of approximately 251,000 ft³ (~8,000 tons) of contaminated scrap material from the C-747-A scrap yard. Of this total amount, 33 percent of the scrap material will be shipped to appropriate disposal facilities in FY 2000 with the remainder to be shipped in FY 2001. This task is currently funded, and USEC was chosen as the company to manage the task. Also in FY 2000, with the remaining supplemental funding that is being requested, Bechtel Jacobs would like to remove a series of concrete rubble piles in the Kentucky wildlife area; stabilize the C-340 and C-410 D&D buildings; and accelerate DMSA characterization work.

In FY 2001, it is anticipated that reprogramming from Paducah's current baseline will occur and the site will receive state funding to make infrastructure improvements, repackage waste, and conduct D&D work. Infrastructure improvements would include general cleanup of individual debris as well as limited repair of trailers and their utilities and shipping and disposal of waste. Repackaging of waste would include the repackaging and indoor storage of approximately 8,000 containers of low level waste currently stored outside at the Paducah site. Proposed D&D work includes the abatement, dismantling and decontamination for two facilities of approximately 280,000 ft² at the Paducah site. This work would involve the cleaning and decontamination of asbestos and hazardous materials, segregation and sizing; decontamination, characterization, and processing of equipment transportation to onsite storage; and disposal of low level and mixed waste to Envirocare. Mr. Dover closed the presentation by inviting Mr. Rick Dearholt to the podium to discuss projects at the Portsmouth Gaseous Diffusion Plant.

Mr. Dearholt stated that activities at Portsmouth are divided among uranium programs, remedial actions, and waste management. The Portsmouth uranium program scope includes the following: management and disposition of highly-enriched uranium (HEU); protection



against unauthorized access and theft of HEU; surveillance and maintenance of DOE Material Storage Areas; maintenance of Safety Analysis Reports for non-leased facilities; management and storage of over 16,000 DUF6 cylinders until they are disposed or recycled; maintenance of DOE compliance with TSCA and TSCA-FFCA; support of Russian special monitoring activities onsite; management of excess uranium materials for reuse; and surveillance and maintenance of non-leased facilities and support of DOE's lease with USEC.

Portsmouth's remedial action scope includes the following: 7-Unit groundwater plume cleanup using pump and treat; the upgrade of five existing pump and treat facilities to increase capacities, as well as minimize waste generation; X-749/120 groundwater plume cleanup utilizing phytoremediation and bioremediation; X-701B containment (sludge pond area covered with multi-media capping system); X-701B groundwater cleanup utilizing oxidant injection and vacuum enhanced recovery; management of X-231A and X-231B biodegradation plots; and the 5-Unit groundwater cleanup utilizing pump and treat technology.

Portsmouth's waste management scope includes the following: management of approximately 34,000 containers of legacy waste; operation of 300,000 ft² of RCRA-permitted storage areas and over 1,000,000 ft² of various other storage areas; characterization, preparation, packaging, shipment and permanent disposal of 18,000 drums of PCB remediation waste; characterization, preparation, packaging, and permanent disposal of the remaining legacy waste (16,000 containers); and storage operations, including CFC compliant refrigerants projects completed by 2005 and the maintenance and repair of permitted storage roof areas.

Mr. Dearholt stated that Portsmouth's appropriated funding for FY 2000 totaled \$70.3 million, including the \$8.0 million supplemental request from Congress. Portsmouth anticipates that FY 2001 funding will total \$97.2 million, with \$21.0 million allocated to uranium programs and \$76.2 million allocated to cleanup activities. Mr. Dearholt then detailed Portsmouth's activity schedule. Assessments are to be completed by the end of this fiscal year, while Quadrants I and II are driven via agreements to be completed by the end of FY 2002. Legacy waste is to be disposed by the end of FY 2006, and groundwater activities and surveillance and maintenance will continue on through FY 2013.

Marilyn Balcombe then opened the session to questions and comments from the audience.

Q: This is a question for Gordon Dover. You talked about an EE/CA being conducted for the management of contaminated scrap metal. Who will be conducting that EE/CA?



A: (Gordon Dover) That EE/CA will be conducted by Bechtel Jacobs folks, as well as some subcontractors. I think we are going to be working with either TetraTech or CDM.

Q: Why have you chosen to conduct an EE/CA versus a RIFS (Remedial Investigation Feasibility Study)?

A: (Gordon Dover) Within the CERCLA process, you have to conduct a study. You can either do a RIFS, which would lead to a Record of Decision. We have and are doing those for our major operable units. One of the ways to accelerate the work is to do a non-time critical removal action, which is an Engineering Evaluation/Cost Analysis (EE/CA). The EE/CA will lead to a decision document detailing the best way to cleanup a particular problem. The EE/CA is the method we have chosen to use for the scrap metal. It is the best way to accelerate that work.

Q: Will there be an opportunity for public comment?

A: (Gordon Dover) Yes, there will and there has been. As a matter of fact, we have completed public comment for the Drum Mountain EE/CA just a couple of weeks ago.

Q: (Rueben Guttman) If you are involved with the work in question, wouldn't you need an independent team to actually conduct the EE/CA?

A: (Gordon Dover) We would leave the preparation of the EE/CA to a subcontractor. But, there is no requirement for independence between the people doing the decision documents and the people carrying out the remedial actions.

Q: (Rueben Guttman) If you are characterizing this as a non-time critical removal action, and it is a permanent action, in other words, there is no immediacy to it, why then are you characterizing it as a remedial versus a removal action? Why not allow for more public comment?

A: (Gordon Dover) We have a continuing dialogue with our stakeholders and our site specific advisory board and we have ample time for public comment. This is not something that we have sprung on the public.



Q: (Rueben Guttman) I represent PACE, and I would just like to let you know that if there is an EE/CA that is performed, we would like to be informed and receive a mailing so that we have adequate opportunity to comment on the findings.

Q: (Richard Miller) The 326 Building at Portsmouth has both active and closed operations in it. It has been our interest for a number of years that DOE move forward with an environmental assessment (EIS) and move forward with the D&D of non-USEC-leased portions of 326. We had a dialogue with a former DOE Manager at Portsmouth about this, who viewed it as technically feasible to separate USEC's enrichment operations from HEU operations. It is a scope which would require some kind of environmental assessment (EA) or environmental impact statement (EIS) and it would take some lead time in terms of getting it going. It seems to me that this is a piece of work that has to be completed at some point, whether sooner or later. It is work that undoubtedly would be funded out of the D&D fund. I would like to know to what extent anyone has looked into the feasibility of moving forward with non-USEC-leased portions of Building 326 in an HEU capacity for D&D work?

A: That has not been addressed from a Bechtel Jacobs standpoint.

Q: From a community perspective, I think that someone should address getting that work done, whether it is Bechtel Jacobs or DOE. It seems that this issue should be looked into.

A: (Leah Dever) It sounds like conducting an EIS is something that should be looked at. It sounds like it is something that has begun to be looked at.

Q: (Richard Miller) It died a few years ago. We raised the issue with the Secretary's Office. There has been no continuity or linkage, and we would like to see someone get tasked with the responsibility to both assess the feasibility both from dealing with the Naval programs as well as USEC to ensure non-interference with operations. I think it is a totally achievable thing, and it has been sitting in a closed state for a long while. We would like to see some action steps and have that added as a line item in process the next time we get together.

Marilyn Balcombe then dismissed the participants for lunch and stated that the meeting would resume at 2:00 P.M.



Development of Creative Solutions For Ongoing Problems

Moderator: Terry Freese, Deputy Director, Office of Worker and Community Transition

Marilyn Balcombe opened the session by informing the audience that the purpose of the session would be to generate open discussion of issues that must be addressed to mitigate the impact of planned work force reductions on the incumbent contractor work force. Ms. Balcombe then introduced the session's moderator, Mr. Terry Freese, Deputy Director of the Office of Worker and Community Transition.

Mr. Freese stated that he anticipated to cover a large number of issues that need to be addressed to mitigate the effects of the 850 reductions announced earlier by USEC, and to generate discussion on what steps need to be taken to resolve those issues, as well as a time frame that these issues are expected to be resolved. Mr. Freese then opened his presentation with the first issue of how work force reductions will take place. Also related to this issue is the time frame that the breakdown of targeted positions will be identified by hourly/salaried, location, contract status and skills. Ultimately, USEC will have to provide further information on this aspect. It is also necessary to know the anticipated schedule for worker notification, bumping processes, and voluntary separation programs. It was indicated that voluntary separation programs will likely start in mid-April and will likely be completed in mid- to late-May.

Q: (Dan Minter) I am not familiar with the window of time it takes between voluntary separation programs to begin and people to be notified.

A: (Terry Freese) Typically, there is a certain period of time for people to consider whether they want to participate or not. In the Department, we have typically employed a process that takes a couple of months, and it is tied to a waiver. I'm not sure whether it is going to be necessary or appropriate to do this in this case, but that is one of the things we would need to work out. In this case, the people who are liable for being sued if people think they have been improperly separated are USEC and not the Department's contractor. So, it would be USEC's call on whether or not they would want to do a waiver.

A: (Jim Adkins) There are some rules on the Portsmouth VRIF windows that are different from Paducah. We will essentially follow those rules, but those rules are tied to working backwards from the date of the actual VRIF.



Q: (Dan Minter) Is there still going to be an informal polling?

A: (Jim Adkins) I would expect we would work with you.

Terry Freese then highlighted another issue that must be addressed – the development of flexibility in separation schedules to enhance opportunities for workers to move to DOE work or other careers. Mr. Freese mentioned that the participants touched on this point briefly in the morning session in reference to whether workers could remain employed for a short period of time until additional money was available. Mr. Freese mentioned that USEC seemed amenable to developing flexibility in this instance, if it is in accord with the financial picture.

A: (Jim Adkins) I might add that USEC has to abide by the Treasury Agreement, and theoretically, we couldn't let anyone go in May or June, for example. If we had an opportunity to transition these people and be fair to them, I cannot believe that the Treasury would not be amenable to that.

A: (Terry Freese) One of the issues we may have to identify is whether we should seek a modification or some understanding of the Treasury Agreement if that will help facilitate movement of workers in the May or June time frame.

Q: (Richard Miller) If people want to voluntarily transition out, I think that might breach the Treasury Agreement. Do we need to modify VRIFs before July?

A: (Terry Freese) I think it is a relatively easy thing to work, but I think that we need to make sure that no one is going to raise an issue; and, if there is one, we need to have an understanding that the issue is not going to function as a roadblock.

A: (Jim Adkins) I do want to make sure that people understand that we do have to abide by the Treasury Agreement.

Q: (Richard Miller) But, I think the issue is that if people, for example, were going to voluntarily start work on Drum Mountain, and if that work lasts for six months, then at the end of that work, those people are out of work, just as they would have been on July 1, 2000. So, the question is, what opportunities are available for those that chose to leave a little earlier? Will they still have eligibility for health care benefits, severance, VRIFs? So, I think the issue is the transferability of severance benefits.



A: (Terry Freese) That is a good point.

Q: (Richard Miller) Are people going to receive a 120-day notice?

A: (Terry Freese) Individually, I don't think so. In terms of a 120-day notice, that has generally related to informing sites of a general number of reductions that will take place.

Q: Are you proposing to make payments in lieu of a 60-day notice?

A: (Jim Adkins) We made a legal determination that WARN does not apply to this separation. There is no minimum requirement for notification of displacement in our contract, but we normally give at least two weeks notice. We will notify people as consistent with our whole process.

Q: Is there anything that DOE can do to extend that amount of time? Two weeks is an irrational amount of time to expect someone to get their life in order after hearing that they have been laid off.

A: (Terry Freese) Clearly, we will encourage as much sharing of information as possible as soon as possible. There are certain things we can encourage and certain things for which there are legal requirements. My expectation is that USEC will provide as much notification as it reasonably thinks it can. I would hope that we could provide more than two weeks, but how much more, we will have to see as we go along.

A: (Jim Adkins) We also don't want to provide undue stress or concern by notifying people that they are at risk while going through a VRIF window, when they may not be. That is not fair, either.

Q: I don't think you can say that people are not under stress when you announce that 850 jobs are going to be cut in their area.

A: (Jim Adkins) That is clearly understood, but you also don't want to be uncertain and tell someone they are cut and then turn around and tell them that they are not. No one is happy about the conditions we are dealing with. We want to do this as fairly, consistently, and methodically as possible.



Q: What about on the non-hourly side? Will skills mix information be available to the public so that some people can plan accordingly?

A:(Terry Freese) Let me tell you about the types of things that are typically done; I would expect that this is the basic approach that USEC will wind up taking. By mid-April, when USEC has assessed how many people are going to be reduced on the salaried side, and in what general areas, they would make that information available to the work force and seek people who would volunteer. Once they have determined the number of people interested in volunteering, they would see what kind of matching they could do, and they could determine how many people they would still need to involuntarily separate. They would then notify those people -- it sounds as if that would be done sometime in mid-May or late-May. Then, notification would presumably take a month to six weeks.

Q: (Richard Miller) If everyone went on a VRIF, I'm not sure that would be a comparable arrangement.

A: (Jim Adkins) I stated this morning that we had in the past and we intend to continue to try to give consideration to people that ask for a VRIF.

Mr. Freese then continued with his presentation. He explained that several other issues that may arise in relation to the way in which work force reductions will take place include: the extent to which USEC is limited by skills sensitivities in who can participate in transition programs; the labor agreements that will be needed with USEC to facilitate worker transition to DOE-funded work; and whether USEC intends to compete for some or all DOE-funded work; and what impact this would have on work force reductions. Mr. Freese noted that he did not have a good sense of when USEC anticipates when they will have a better idea of the order in which events will occur.

Q: (Richard Miller) It would be very helpful to understand what is going to be sequenced that is so sensitive? What are the implications and trade-offs? If the difference is 140 jobs (the difference between 380 and 520), it would be interesting to know how significant the re-sequencing of work is. What are the tradeoffs as far as EM and NE work?

A: (Terry Freese) To Ron Knisley: It would be helpful for everyone involved to be aware as soon as these things are identified, because Bechtel can then go out and plan on executing those kinds of things. Those of us in WT can get a better idea of how many people might



additionally be transitioned that we will not have to deal with on a separation basis in the short term.

A: There are a lot of small moves at Paducah. The big issue is a major delay in either the groundwater or surface water RIFS. If we could delay this work and move to a set of non-time critical removal actions in the D&D and waste management areas, we could get jobs that are more manpower intensive. But, we need the regulators to delay those two large RIFs.

Q: From a community level, the Secretary looked at the plans for Portsmouth and Paducah and said, “This is how much I am going to put in the budget for x, y, and z.” Am I hearing that we cannot spend that money, until things are re-sequenced?

A: This next year, I have a \$20 million dollar study that doesn’t employ cleanup workers; it employs drillers and other such employees. I could delay that study and take \$5 or \$10 million of that and put it into accelerated cleanup.

Q: So can we spend the money and employ the people based on what is in the budget now?

A: Yes, we can spend the money and employ people in a way that maximizes the money spent.

A: Yes, I am employing people that are not affected by this layoff by USEC.

Q: (Terry Freese) Is the work that is envisioned for the supplemental request well defined? Does that work not require this re-prioritization process?

A: That is correct.

A: (Terry Freese) So the immediate things that we are looking to get on contract quickly once the supplemental is approved to go forward are things that would be included in funding that would begin to be available on October 1. That is, presuming that funding is available. It is for those things that we would need to do this re-prioritization.

A: And, again with the supplemental, we are also looking at the self-perform option.



Q: (Terry Freese) Do you have any idea when you will determine whether you will be able to self-perform or do that supplemental work?

A: It depends on when the money is available.

Q: Is there also a re-sequencing issue at Portsmouth? What would be delayed as a result?

A: Quad I and Quad II remedial actions would be delayed. We would want to move up D&D work, for the transition of workers.

A: At Paducah, because the amount of work left to be done is fairly long-term, the amount of work left to be done is much greater at Paducah than at Portsmouth; thus, the amount of re-sequencing and optimizing that you could do would be much greater at Paducah than at Portsmouth. Portsmouth is within two years of having its cleanup work completed. Then, waste management work will occur.

Q: (Richard Miller) The first bullet on the overhead is a very significant one (i.e., “To what extent is USEC limited by skills sensitivities in who can participate in transition programs?”). The significance of this bullet is that it is the difference between chaos and order. You can’t package large amounts of work at Portsmouth and Paducah, so what you end up with is a lot of beginnings and endings,” resulting in people repeatedly looking for work. There is a very fundamental policy question that DOE and Bechtel have to address here, and that is, as Bechtel moves forward in implementation, are you going to have them subcontract out work or are you going to have them self-perform? Whatever the answer may be, we need some clear definitions of criteria.

A: (Terry Freese) This is an important issue, and it is one that is not immediately going to be resolved fully, because the ability of people to expect long-term careers supported by EM-funded work at Portsmouth isn’t very great. People may buy a year or two of time at a light load level, but if they are 38 years old, they are not going to reach retirement doing EM work at Portsmouth. At Paducah, there exists a better long-term prospect, but there will still be a lack of availability of 20- or 30-year careers. One of the things that we are going to have to look at in the long run, is that while we may be able to mitigate the immediate impact of all of the 850 people hitting the community at once, it may be that a large number of these people,



particularly at Portsmouth, over the next two or three years, may still have to be looking for something in their careers that isn't related to work at Portsmouth.

Q: You alleged that it is not possible at this time to have 6-, 9-, 10-month contracts of the smaller variety, and I'm not sure that we fully subscribe to that opinion. We have provisions, and Oak Ridge is a fair model, for cross-contractor movement of individuals and processes by which if a job is coming down, people from another contract can transition into other slots and they are still under substantially the same pay, the retirement plan, and carrying their severance under the new contractor. It is hard to manage the movement of people back and forth, but I don't subscribe to the opinion that this cannot be done.

Q: (Richard Miller) How you load-level people in would be a whole lot easier if you are managing the mix. I didn't say that the movement of people wasn't possible on paper, but I think there is a powerful case to be made that self-performance makes an awful lot of sense. I'd rather have one employer manage things than have many employers try to manage a mix.

A: (Terry Freese) This is an issue that requires a sophisticated level of work force planning to make it possible for people to move from one level of sub-contracting to another. Given the fact that there are many things that may cause delays in this type of planning, it is far more an art than a science. In theory, you could do some activities that you would self-perform using relatively generic skills that when there is a time frame when an individual completes work with a subcontractor and the next subcontractor was going to take some time to take over, then some work could be self-performed in that intervening period. That is another way that you might be able to cover some of those gaps.

A: I think we are still four to six weeks away from finding an answer to this. We have a life cycle baseline plan in place, but when we will have the money and when it will go to the field must be resolved with regulators in respect to derivation of the plan and re-sequencing of work. I think it will be early-April before we have answers to those questions. I wish we could answer them today, but I don't think that we can.

Q: What is DOE's view on this?

A: (Leah Dever) We certainly want to maximize jobs, which is why we are interested in re-sequencing work. We are certainly open to having Bechtel Jacobs conduct some of this work



themselves. We suspect it will be some sort of combination between re-sequencing and self-performance.

A: (Jim Adkins) Work that comes to USEC can also be levelized in some of the same ways that work that comes to Bechtel Jacobs can. I recognize that you cannot do that with all of the work, but I'd like to keep that out on the platter.

A: (Terry Freese) Clearly, you have indicated that for a good chunk of this work, you are interested in competing it, so some people may not ultimately be transitioned into it, at least not in the time frame that we are talking about.

Q: (Richard Miller) I don't want to belabor this, but it is so important. I think you need to set some criteria that sets a minimum length for your subcontractors. You need to do this in order to create some sort of sense of continuity as opposed to the short-term, choppy nature of privatization. If DOE will set a minimum length of time for a subcontractor that makes sense, such as three to five years, or package projects together so that they last that long, it would be beneficial.

A: (Terry Freese) I understand the point and, given the realities that we have two years of work at Portsmouth, a minimum of three years probably isn't going to work there. There are some things that might work on a longer-term basis, and we will clearly take a look at such things, but as EM and the Operations Office take the lead on this, we will encourage them to keep these things in mind.

Q: I just wanted to see if I was accurate, Richard. In the past, a big problem in transition funding has been the amount that is requested for the supplemental. You have \$8 million at each site, but it will not cover all of the workers from July until the funding is received. So, there is a four-month period where you do not have the money to maintain the work force at that level. You may have the money at the beginning of October, so you may have to spend some time trying to figure out whether that is an appropriate answer or not.

Q: Is USEC planning on the shutdown of these gaseous diffusion plants in the future? Does it make sense to locate new technologies to a new nuclear site other than Portsmouth and Paducah?



A: (Jim Adkins) I'm not going to comment on shutting down the plants. That is not in my purview to answer that question. My position is "gaseous diffusion plants forever." The second part of your question was on moving advanced technology. The DOE and USEC are talking to each other about the centrifuge new technology area. Is there a logic that says put it somewhere else? I don't know.

Mr. Freese then focused on the second point in his presentation regarding the labor agreements that will be needed with USEC to facilitate worker transition to DOE-funded work. Mr. Freese then asked whether or not the participants had questions or comments regarding this area.

Q: (Statement) Next week, we are going to sit down with Dan Minter to come up with answers to questions. One thing I would like to see resolved this week is the question regarding the health benefit plan. I think we will have a foundation to a plan for an agreement subject to hiring people in place by the end of the month.

Q: (Richard Miller) Over the longer run, a contract modification should be created to set a cut off date on work force decisions. My second issue is in regard to grandfathering status.

A: (Bechtel Jacobs Representative) Let me address your concerns on grandfathering. We have an agreement with DOE on modifying the terms of our contract for the definition of grandfathered employees, and that term is now being incorporated. It will modify the term to encompass opportunities for displaced workers from Paducah and Portsmouth from USEC to be treated as grandfathered employees under our overall benefits packages. In reference to your other question, the provision for our prime contract work was that we were to complete our subcontracting and work force transition within a two-year window. And everything that we planned to do during that two-year window is complete. We now have more opportunities at Paducah and Portsmouth than existed two years ago. We are extending the work force transition provisions to include the impacted employees that we are able to pick up and actually hire for Bechtel Jacobs or a subcontractor. So, that is an extension from what the original contract provisions were, and we worked out the details.

Q: (Terry Freese) Is that an open-ended extension?



A: We were very cautious about putting a time limit on it due to the uncertainty of what is happening here, when funding will be available, and when some of the projects that we are starting up will actually start so we did not put an end date on it.

Q: (Richard Miller) I would like to suggest a change to the Draft Work Force Restructuring Plan. I believe you should look at “Appendix C, Oak Ridge Operations Hiring Procedures” and decouple the procedures as they apply to Portsmouth and Paducah, because they do not apply. The way they are structured, they are a hostile set of guidelines that should not be applied to Portsmouth and Paducah.

A: (Terry Freese) That is a point well taken.

Mr. Freese then discussed how training programs will be integrated with skills requirements and available skills among displaced workers to facilitate transition. Mr. Freese noted that the expectation is that, in terms of raw numbers, not a lot of people are expected to need a considerable amount of training, but there are some critical skills in which a greater degree of training is necessary. Mr. Freese recognized that an important issue is how to identify those things as quickly as possible in order to accomplish the necessary training.

Q: (Richard Miller) I think that training needs assessment. If pockets of training are needed, we should have knowledge of them and be able to implement programs.

A: (Bechtel Jacobs Representative) That is a good point, and we also have apprenticeship type of programs, where workers who need training double up with those who are knowledgeable to learn skills.

A: (Jim Adkins) We clearly intend to work with Bechtel Jacobs and we realize that it is difficult for them to be exact in what the delta is until we can better define the skills of the people. By the same token, though, the actual work coming our way has got to be identified by DOE so that we can figure out that delta. Maybe Bechtel and USEC can sit down and work on the training aspect, and we will certainly do that.

Mr. Freese then moved onto the second point on the overhead regarding the long-term prospects for sustaining DOE funding levels at the sites included in the FY 2000 supplemental and FY 2000 budget request. There is a question of how these plans will be integrated with worker transition objectives.



Q: (Richard Miller) A DUF6 plan was constructed and we were under the impression that the contract would be awarded at the end of this month. Now it appears that the opportunity for that work has been tossed out the window. I would like it to be recorded at this meeting that there is a great deal of disappointment that the DUF6 plan has not moved forward -- this was a plan that was put out in July with the intention of being implemented today. Why doesn't the budget plan for DUF6 provide for awarding a contract in FY 2001? Is there not enough money to even award a single site a DUF6 conversion plan for FY 2001? I am disappointed that absent a supplemental request or a budget amendment for FY 2001, there will be no DUF6 work. It seems to me that someone in this room must have the ability to explain to the rest of us why there is no DUF6 contract being awarded on March 30th?

A: (Terry Freese) Your disappointment has been recorded. Skip Castro or Anthony Gallegos, could you respond to this question?

A: (Skip Castro) When it came down to putting out the draft RFP, it was determined that additional information and work was needed, so we had to go back and conduct that additional work.

Q: (Richard Miller) If you take a look at your own Programmatic Environmental Impact Statement (PEIS), that took four years to complete, and at the specific parts dealing with true contamination, you will see that contamination was raised as a technical question several years ago during public comment. The response to that comment was that contaminated material was indeed found. So, my question to you is that when contamination was found to indeed be present and became evident in the last ten or fifteen years, and you know this waste has been detailed and characterized, why can't you award a contract to take care of the contamination? Such a task could keep a lot of people busy for a long, long time. It seems to me that if you are certain without a doubt that the material is present, why can't you award a contract?

A: (Skip Castro) All I can say is that they didn't want to supplement it, and in order to award the contract, we would need a supplement.



Q: (Richard Miller) Well, that is a good enough answer for people who currently have employment, but for individuals who will be looking for work down the road, that bureaucratic answer is not technically sound. That answer will not suffice when you know beyond a doubt that the material is there.

A: (Skip Castro) We will take your questions and concerns back to Bill Magwood.

Q: (Richard Miller) He has heard this argument before and has not answered it. What is the answer? Everyone at DOE has heard this argument. Even the Secretary has heard this argument. What is the real, honest-to-good, truthful reason on why it is that we are not moving forward? You have a PEIS pointing to contamination, you spent years to put together a plan, then you did expressions of interest, and finally, you put out a draft RFP and accepted comments on it. That constitutes four separate rounds of dispersing that information, and I just don't understand the object of all of this. And you have plenty of bidders, including some in this room.

A: (Skip Castro) I wish I could give you a better answer than I have. There are no plans to separate that work. And, of course, there is nothing in the FY 2000 budget to support the separation of that work. We would hope that a supplement would be available in FY 2001. I wish I could offer a better answer than that.

Q: (Richard Miller) If there were no plans to separate the work, why was a draft RFP sent out?

A: (Skip Castro) The idea was to go out, get a feel for the technologies that are available and get an idea of the number and types of companies that would be able to perform the work. Our idea was to do this so that we didn't exclude anyone or any technologies.

Q: (Richard Miller) But there was a time line, wasn't there?

A: (Skip Castro) There was a time line, but we didn't really have the amount of information necessary to do a Firm Fixed Price (FFP) contract.

Q: (Richard Miller) This is a 20-year project. Is there anyone in this room that has ever seen a 20-year or any FFP contract without a change order? Could anyone predict what would happen over a 20 year period of time?



A: (Skip Castro) We can take your concerns and questions back with us and certainly look into them.

Q: (Richard Miller) Well, if some of us leave here skeptical today, tell Bill Magwood that we cannot understand how you can do a PEIS and take comments on it, and then take a plan that took a year to write, then conduct expressions of interest, and finally issue a draft RFP. Now, you are at the threshold of moving this project forward and all of a sudden, the Department freezes. All you can say to me is that you need to characterize the details. Any project can move forward if there is will and I guess what I am asking is whether or not the will really exists. Is there the political will to do this within the Department?

A: (Skip Castro) I believe the Secretary has the will and wants to do this.

Mr. Freese then moved onto a discussion of the benefits that can be provided to displaced workers. Issues include: the benefits that are available through USEC under contract or collective-bargaining agreements; the benefits that are available through other federal and state programs; the basic benefits that may be anticipated through the Office of Worker and Community Transition; whether an early retirement option can be offered; whether an enhanced voluntary separation program can be offered; and what training benefits could be offered and how they would be coordinated with community reuse organization activities; what kind of career counseling and outplacement assistance would be most beneficial; the restrictions that enhanced separation programs would have on the availability of other federal or state programs; the restrictions to be placed on participants in enhanced separation programs for subsequent employment by DOE contractors; and the way in which separation benefit programs will be funded. Mr. Freese then opened the floor for a discussion of these benefits issues.

Jim Adkins addressed the issue of early retirement. Mr. Adkins stated that the benefits USEC is going to offer will be the standard benefits, and any enhancements to the standard benefit package, including an early retirement or voluntary separation enhancement would be available depending on what options DOE or other entities could offer. Mr. Freese then responded that DOE must investigate several things to make some determinations. First, the degree to which USEC has some skills mix sensitivities that a general early retirement might create some problems, and if so, we would need to tailor an early retirement program in an appropriate way. It also needs to be determined the extent to which funds in retirement accounts are available in excess to current actuarial needs that could be applied to an early retirement



program. Mr. Freese noted that he expects that DOE would be able to come with a definitive answer on these issues in the same time frame as when answers become clearer from USEC's end. At that time, DOE and USEC could start to talk about whether early retirement options are available.

Q: (Dan Minter, Portsmouth) Our pension program at Portsmouth is \$17 million over-funded, and we've never been offered an early retirement option. I think there should be a mechanism in place to offer the early retirement option.

A: (Terry Freese) Looking at the demographics of a work force, there were approximately 60 to 75 people at the two sites combined that were already eligible for full retirement, and another 200 people who may be able to take advantage of 3 + 3. How many people would be willing to open themselves to the early retirement option and whether that would create a skills mix problem for USEC is something that we will have to take a look at, but we are very interested in looking at this option.

Q: (Dan Minter, Portsmouth) Will health care be a part of this option, as far as guarantees that health will be accounted for as related to risks that workers may have faced?

A: (Terry Freese) There are a number of significant, complicated issues and we need to make sure that we go forward in a way that doesn't inadvertently adversely affect people, and it may turn out that this is not the most viable option, though initially, there are a number of attractions to it, in part, because there are excess funds available in retirement accounts that could be used to fund this, and they don't require use of other appropriated funds.

A: (Ron Knisely) I want to caution that those excess funds could be used rapidly if the stock market goes down.

Q: (Dan Minter) Are you referring to the \$185 million in that statement?

A: (Ron Knisely) I think all of our pension plans are over-funded right now because of the stock market roll-up.

A: (Terry Freese) And we've also funded early retirements at other sites out of those assets. If the stock market goes down, that means we have to make contributions at some point in the future. In particular, the Oak Ridge people under this plan have had an opportunity to



participate in the 3 + 3 and the Portsmouth and Paducah folks were not given that opportunity, so there are some equity arguments that could be made as well. It is clearly an issue that needs to be addressed in the coming weeks

Q: (Dan Minter) I think that maybe the collective-bargaining agreement should be changed to be a “one size fits all” type of agreement.

A: (Terry Freese) We are interested in looking at any kind of options that may help those on the hourly side and, of course, there are some other issues in terms of health care benefits, particularly catastrophic, that are being worked out as well.

Q: (Jennifer Beck Walker, Paducah) In some of the slides I saw today, there were \$3 million in worker transition dollars for Paducah and \$6 million for Portsmouth. Where are those funds coming from?

A: (Terry Freese) We were asked to provide our best estimate for what kinds of funds would be available in 2001 out of our budget. One of the difficulties is that we always have 18 months to forecast where reductions are going to take place. Those figures are based on \$3 million at each site for worker transition. Those funds are for funding separation benefits. It would nominally be what kind of money that we use for either people that separate in July, but there is some aspect of their benefits that don't become payable until after October 1st, or for people who transition to other work, but are out of work for some point in 2001. These funds were a notional number, not an exact, defined number.

Q: (Jennifer Beck Walker) Is that separate from the \$5 million in the MOA?

A: (Terry Freese) Yes, that is \$3 million beyond the money that was available in the MOA.

Q: (Jennifer Beck Walker) So, the MOA funds will go to what?

A: (Terry Freese) Our current assumption on the MOA funds is that \$2 million will go to Paducah and \$3 million will go to Portsmouth for community transition activities. There may be another million dollars or so left over after that. The use of that million dollars has not been defined yet.

Mr. Freese then mentioned that whether to offer an enhanced voluntary separation program is another issue that needs to be addressed. Mr. Freese maintained that a knowledge of how



much funding will be available will be important in determining whether such a program can be offered. If the supplemental request does not go through, then DOE will have less money per worker to offer such enhancements. Mr. Freese noted that another aspect to be sensitive to is what segment of the work force and skills sensitivities would the Department be more interested in providing enhancements to than others. Mr. Freese maintained that the Department is looking at the way to best leverage the resources that it has available to maximize the number of people who would be willing to leave voluntarily.

Q: (Richard Miller) The standard package that DOE hands out is fully paid the first year, 50 percent paid the second year, and the third year is COBRA. It would be helpful if we received the costing options that go beyond these three years. A worker population of 850 people is a pretty large-sized population that would have to pay \$850 a month for health insurance. These workers don't have much left to buy food! DOE needs to look at something much more enduring to offer its work force. These co-pays are too steep. Is there some way to lock in retiree health care benefits so that the workers are not eaten alive in costs?

A: (Terry Freese) I understand the issue and in many ways it is a complex-wide issue.

Q: (Richard Miller) If we are going to put together a supplemental request, it would be helpful to cost out different options and offer those choices so that workers know what they will have to pay? I would like to encourage that.

A: (Terry Freese) This is a program that was in fact established before 3161. It is also conditioned upon a payer of last resort. If you find some employment that provides health insurance, then you are not eligible for the program.

Mr. Freese then addressed the issue of what training benefits to offer and how to coordinate them with community reuse organization activities. SODICRO has been very actively involved in coordinating local training programs. Ultimately, what DOE wants to be able to do is to move people and have career options for workers for the longer range of their working years and allow them to not necessarily be dependent on the annual worries about whether or not there will be enough money to stay afloat. Mr. Freese then mentioned the other issues to be considered as far as the types of benefits that may be provided to displaced workers. These include: the kind of career counseling and outplacement assistance that would be the most beneficial; the restrictions that enhanced separation programs would have on availability of other federal or state programs; the restrictions that should be placed on participants in



enhanced separation programs for subsequent employment by DOE contractors; and how separation benefit programs will be funded.

Q: (Richard Miller) The way that the contract is structured at Paducah right now, I believe, involves some preference-in-hiring. I think that the first people who are looked at are those that are separated from Bechtel Jacobs involuntarily and then secondly, those separated from USEC who are either voluntarily or involuntarily separated.

A: (Terry Freese) That is probably a good model to provide and presumably, we would equally treat people who went out under the 500 as opposed to those that went out under the enhanced package, unless there was strong sentiment that one ought to have preference over the other.

Q: Will USEC consider a stipulation to offset unemployment as far as the offering of severance versus unemployment?

Q: (Dan Minter, Portsmouth) The simple question is if you allocate severance to each week that it corresponds to, we can't collect unemployment insurance, if you allocate it as a lump sum that last day of their work, they can collect. So, is severance a lump sum or a weekly payment? Which way is this going to be done?

A: (Jim Adkins) I seem to recollect that there was some sort of problem with the way that the IRS treats severance -- if it is given as a lump sum versus several payments. We just have to make sure that the way in which it is done doesn't cause a problem for anyone.

A: It is up to the employer to designate how the funds are distributed.

Q: (Terry Freese) How was it worked when we did the 500 under the MOA?

A: It was non-designated. Severance was distributed as a lump sum and unemployment was collected immediately.



Q: (Terry Freese) So, presumably, if we did it the same way, there wouldn't be a problem?

A: That is correct.

Q: (Dan Minter) Under our contract, do we have the right to take a lump sum versus a weekly payment?

A: (Terry Freese) We need to make sure we look at all of these issues.

Q: You mentioned that there is \$3 million that will be allocated for separation benefits?

A: (Terry Freese) Presuming that the FY01 worker and community transition request is approved, there is money that would be available beginning October 1st, that could be used. Part of it is a timing issue. If people are separated in July, and you provide enhanced separation benefits at or before the point of separation, those kinds of costs are difficult to pay with money that is not available until October 1st. There are other things like training programs or displaced medical costs that can continue for long periods of time.

Q: Just to give you a quick snapshot of Pike County, right now the county is experiencing a 10.6 percent unemployment rate and 20 percent of the people live below the poverty level. It would be very difficult to ignore the effects of massive job loss on a county that is experiencing these conditions right now. There are some things that the Department could do to alleviate the adverse effects. First, allow Bechtel Jacobs to assist us and modify the Bechtel Jacobs contract. There are some buildings that we have had under our control for a long time. It would take a burden off of your Office and help us, if you allowed for property transfer from DOE to the community. We need your help.

A: (Terry Freese) We would be very interested in following up on that. We are looking at reindustrialization at Mound. We were very successful at Pinellas in converting that facility and providing jobs. We would be interested in following through on any information or suggestions that you provide to us.

Mr. Freese then addressed issues related to the assistance that may be available to impacted communities. Related issues include: how funding already provided from the Office of Worker



and Community Transition can be utilized to mitigate these reductions; what additional funding could accomplish to mitigate these impacts; how community efforts could be focused to benefit affected workers; and what coordinating role the CROs could play to integrate worker and community assistance initiatives.

Q: Could you expand on what kind of coordinating roles the CROs could play to integrate worker and community assistance initiatives?

A: (Terry Freese) Well, let's take training assistance, for example. We have provided workers with sometimes \$5,000, sometimes \$10,000, of generic training assistance. They are then free to go out on their own and find any career that they want. One of the ways we can help coordinate training assistance is to provide a lower amount of money for people that wanted to do that and a higher amount of money to people who participate in a focused program that the CRO is managing that is specifically geared towards a certain economic activity to which they are trying to attract business.

Q: (Richard Miller): You've got an enormous amount of radiological scrap metal at three facilities, and you've got two large repositories. It seems to me that there is a crying need to take the unemployed in these communities and put them to work on something related to this. There is scrap metal which can cause the Department huge liabilities, there is a huge chunk of money in the budget for this type of work. But instead of hiring people, the Department takes the scrap, puts it on rail cars in boxes and ships it to EnviroCare at a huge cost. It seems to me that this is money that could be redirected back into the local communities. I see no feasibility studies underway to investigate the economic need or what to do with this scrap. It seems to me that there is a really large opportunity here to redirect the money used to ship this scrap to Envirocare to assign someone to look at creating an economic development project to solve an environmental problem that is regional in nature.

A: (Gary King) Our Office has just started participating with a recycling task force that the Secretary appointed. It is certainly our intention to raise that issue with the recycling task force that cuts across several offices. I think it is a good idea. We probably haven't recommended something quite as specific as you have, but I'll pass that along.

Q: (Richard Miller) You have this gigantic pile of scrap out at Paducah and a huge pile at Fernald where they ship it down to Oak Ridge and it is a huge liability, which



basically is a cash cow for Envirocare. I think you should divert that money back to something with a higher resource value.

A: (Gary King) In our Office, we talk about worker and community transition, but we also have some asset disposition folks. We will pursue this suggestion.

Mr. Freese then opened the floor to other issues that may need to be resolved regarding work force transition. In conclusion, Mr. Freese noted that there is a lot that the Office does not know at this point and there are a lot of things to work on immediately to try to identify how to mitigate the impacts of the announced work force reductions. At some point in April, the Office will have more information and then can work with Bechtel Jacobs and USEC to determine how best to proceed. Mr. Freese noted that the Office will keep all interested parties posted on the progress.

Q: (Jerry Harden, Rocky Flats) As an outsider of the Ohio problem, I just want to say that I am amazed at the lack of answers and information here. I think that ought to be considered an embarrassment both to the Department of Energy and to the contractors. The people here deserve straight answers.

Gary King then closed the session by stating that he recognizes that the Office, at this point, cannot provide firm answers. He stated that several months ago, when the Office set up this meeting, it believed that it would be very generic to cover certain issues. The Office had hoped that it would be able to give some firm answers at this meeting. Mr. King expressed his appreciation of the input that was received during the day's sessions. He assured the participants that the issues covered were passed onto the Congressional delegation, NE, EE, EM, Bechtel Jacobs and USEC through the sessions. Mr. King then stated that he and his staff would continue to work on finding answers to the questions and issues raised throughout the day. Mr. King then encouraged the audience to attend an evening reception hosted by the Office and adjourned the meeting.

**TUESDAY, MARCH 7, 2000****Opening Remarks**

**Speakers: Gary K. King, Director, Office of Worker and Community Transition
Susan Brechbill, Manager, Ohio Field Office**

Mr. King explained that the focus of the conference would be on accelerated closure sites. He noted that early closure is not just an issue of how a work force is defined, but how skilled workers are maintained throughout the time needed to close a particular accelerated closure site. Mr. King then introduced Susan Brechbill, Manager of the Ohio Field Office. Ms. Brechbill has been the Manager of the Ohio Field Office for about nine months.

Ms. Brechbill began with an overview of the Ohio Field Office. The Office was created in 1994 and is the newest of the ten DOE Field Offices. Those who created the Ohio Field Office developed a mission for the Office, which is that within a decade, the sites will be in an environmentally-restored end state and will serve the community's needs. In other words, the vision of the Ohio Office is that by 2005, the four Ohio projects will be closed and the government will only be responsible for long-term stewardship.

There are five projects that fall under the Ohio Field Office, specifically those at Fernald, Miamisburg, Columbus, Ashtabula, and West Valley. The West Valley Site has a later closure date. The Ohio Field Office currently employs 211 federal employees. Ms. Brechbill then presented an overview of each of the five Ohio projects.

The first Ohio Field Office project is the Ashtabula Environmental Management Project. The mission of this project is to return the site back to its original owner. The site is scheduled for closure in 2005 and currently employs two Department employees, a project manager, and 101 contractor employees. The budget for this project is a little over \$16 million per year.

The Columbus Environmental Project involves the decontamination and restoration of two sites owned by Battelle Memorial Institute that were used in atomic energy research. One of the sites will be returned to Battelle Memorial Institute. The project involves five federal employees and 53 Battelle employees. Closure is slated for 2005 and the budget for the project is also a little over \$16 million per year.



The mission of the Fernald Environmental Management Project is to return the site back to an ecologically-restored area. The baseline for this project is 2008, but the Office remains hopeful that closure will occur in 2005. The project employs 52 federal employees and 1,782 contractor employees.

Finally, the mission of the Miamisburg Environmental Management Project (MEMP) is to transfer the site to the community reuse organization (Miamisburg Mound Community Improvement Corporation) to be used as a technological business park. There are about 300 private business employees who work on the Mound site alongside DOE and the DOE site clean-up contractor. DOE has transferred two parcels of land to the community reuse organization. The Office is working towards closure in 2006. Currently, the project employs 32 federal employees and 793 contractor personnel.

The mission of the West Valley Demonstration Project is to solidify high-level radioactive waste from the USTs at the site, ship the waste offsite and close the site. Closure dates are being evaluated through NEPA. The current baseline is around 2013.

Ms. Brechbill closed her presentation by noting that the Ohio Office is a very efficiently run Office, but it is important to recognize that the Office faces a lot of challenges. She noted that safety is paramount to the actions at the Office. The first priority is to clean up the sites to an environmentally-safe level and to then close the sites in a manner that is safe to the communities and workers.



Status of Early Site Closures

Facilitator: Marilyn Balcombe, Oak Ridge Institute for Science and Education

Speakers: David Kozlowski, Associate Director, Fernald Environmental Management Project

Richard Provencher, Director, Miamisburg Environmental Management Project

Carol Wilson, Contractor Industrial Relations Specialist, Ohio Field Office

Barbara Powers, Contractor Industrial Relations Officer, Rocky Flats Field Office

Carol Wilson introduced two of the session speakers, including Dave Kozlowski, the Associate Director of the Fernald Environmental Management Project and Rick Provencher, the Director of the Miamisburg Environmental Management Project. Mr. Kozlowski then gave an overview of the Fernald Environmental Management Project. Fernald was formerly a uranium-manufacturing site. It manufactured high-grade uranium metal for the weapons complex from 1951 to 1989. In 1991, production was closed through an act of Congress and the focus was shifted to environmental restoration of the site.

Mr. Kozlowski then noted that there are approximately six major project areas under the Fernald Accelerated Cleanup Plan, including the waste pits, waste disposition, soil characterization and excavation, decommissioning and demolition, onsite disposal facility, silos, and aquifer and wastewater treatment. Mr. Kozlowski indicated that the goal is to complete the projects by 2005.

Mr. Kozlowski detailed the major project areas. The scope of the waste pits remedial action project is to excavate, dry and transport by rail approximately one million tons of waste to a commercial disposal facility. Thus far, nineteen trains (1,013 railcars) containing over 108,000 tons of waste have been transported to the commercial disposal facility. Further, 61,000 tons of waste from Pit 3 have been excavated and over 13,000 tons of pit material have been processed.

The scope of the soil and disposal facility project is to excavate approximately two million cubic yards of soil from the site and certify remaining soils meet EPA-approved levels. Further, the project involves the design, construction and operation of an On-Site Disposal Facility with a capacity to hold 2.5 million cubic yards of contaminated soil and debris. Thus



far, 430,000 cubic yards of soil and debris have been placed in the On-Site Disposal Facility. Approximately 35 percent of the site has been certified as having attained final soil cleanup levels, and fourteen natural resource restoration projects have been completed. Remedial design for the former production area is ongoing.

The scope of the decontamination and dismantlement project is to safely decontaminate and dismantle more than 200 former production and production-related facilities. Thus far, safe shutdown of all major production facilities has been completed. Further, 78 of more than 200 site structures have been dismantled and decontamination and demolition activities for Plant 5 are currently being conducted.

The scope for the silos project is two-fold. The project involves the treatment of "K-65" materials in Silos 1 and 2 via vitrification or chemical stabilization technology and disposal of the material at the Nevada Test Site as well as the treatment of metal oxides in Silo 3 using chemical stabilization technology and disposal of material at an off-site disposal facility. Sixty percent of the final design of the Accelerated Waste Retrieval Project to design a Radon Control System and transfer K-65 materials to temporary interim storage prior to remediation has been completed. Further the Silo 3 Site Preparation Package has been submitted to regulators and authorization is being pursued to mobilize for soil excavation and other preparatory activities in mid-2000.

The aquifer restoration project involves the restoration of impacted portions of the Great Miami Aquifer by treating the extracted groundwater in addition to treatment of site remediation wastewater and storm water. To date, 5.25 billion gallons of contaminated water has been removed, more than 2.7 billion gallons of water has been treated, and a one-year groundwater re-injection demonstration which will enhance the restoration of the aquifer has been completed.

The waste management project focuses on the disposal of low-level radioactive, mixed and hazardous waste and the transfer, sale, or disposal of Fernald's remaining nuclear material. Thus far, over 5.4 million cubic feet of low-level waste has been transported to the Nevada Test Site and 259,000 gallons of liquid mixed waste have been transported to the TSCA Incinerator in Oak Ridge. Further, over 20.8 million net pounds of nuclear material have been transported to Portsmouth or other DOE or private sector sites. The project supports the DOE complex-wide uranium recycling initiative. Mr. Kozlowski noted that the site vision is to eventually use the land for a recreational park.



Mr. Kozlowski then discussed Fernald's safety statistics. He noted that Fernald employs a work force that is truly attentive and focused on safety. Mr. Kozlowski stated that considering the type of work that is executed at Fernald, such as safe shutdown and large scale demolition, it is impressive that the number of OSHA lost work and restricted cases are well below the DOE average.

Mr. Kozlowski then detailed the Fluor Fernald staffing projections for FY 2000 through FY 2010 and turned the podium over to Rick Provencher, to discuss work occurring as part of the Miamisburg Environmental Management Project. Mr. Provencher stated that the Department of Energy and Babcock and Wilcox of Ohio are committed to safely cleaning up the Mound site and transitioning it to the local community for reuse. The completion of the project is planned to occur before 2006; with a vision of work acceleration. This is twenty years earlier than originally scheduled and reduces the cost by \$1.0 billion.

Mr. Provencher then detailed the safety statistics for the project. OSHA recordable case rates were tracked over the year, and at the end of last year, the number of incidents came in under the project goal. Another statistic that the site tracks is a lost work per case rate, and this year, the project involved 3 million work hours without a lost time accident. Over the next year, the management will focus on integrated safety management, which will heighten the amount of worker involvement in planning of work and will ensure that safety is built into the work plans.

The site is broken into parcels because portions of the site will be transferred to the community as cleanup occurs. To date, parcels D and H have been transferred. This year, it is also anticipated that parcels 3 and 4 will be transferred to the community. In the transfer of the parcels, it is imperative to focus on the presence of residual tritium contamination. It is important to eliminate the source material to decrease the risk profile on site.

Mr. Provencher described the baseline for accomplishing the overall project goal. The current baseline identifies work planned to clean up the site by 2004. There are some uncertainties involved, especially regarding safety issues, which makes defining time necessary for project completion more difficult. However, these uncertainties are built into the overall project completion plan. One of the other missions at the site is the isotope power mission, where radioisotopes are generated in order to power satellites. This mission is currently being offered by the Office of Nuclear Energy.



Mr. Provencher then detailed Babcock and Wilcox of Ohio's (B&W) staffing plan for the facility. Currently, staffing numbers are at a little less than 800. This staffing profile will step down as the closure date of 2004 nears. The profile is being investigated by B&W to factor in the additional work that may occur between 2004 and 2006. B&W will evaluate the additional work scope and the skills mix to make sure that the right skills are present to conduct the cleanup work. Over the next year, recommendations will be presented to the Department.

Mr. Provencher detailed the accomplishments of the project to date. At the beginning of the project, there were a total of 152 buildings. Of this total, the Isotope Power System (IPS) has taken five of those buildings for their mission. Thus, the project must deal with 147 buildings, of which 22 will be transferred for lease and transfer to the Miamisburg Mound Community Improvement Corporation (MMCIC) and 51 buildings will be slated for demolition and removal. Finally, 41 additional buildings will be transferred to the MMCIC. Mr. Provencher then displayed photos of the project work in progress.

Q: This is a question about the backlog of bioassay samples. When will you be processing those? Can you tell us how many samples there are?

A: (Rick Provencher) We still do have a backlog. This issue has to do with the legacy issue at the site. A few years ago, some of the bioassay samples were not processed in accordance with the proper process time. When that was discovered, a heavy effort was taken on to ensure that all of the bioassay samples were processed in the appropriate time frame. At this point, that particular backlog has been taken care of. What I mentioned earlier was in reference to the dose reconstruction activity that we are going through right now. We are taking a retrospective look at potential exposures that workers may have received. We are running them through the bioassay codes that we have in place today to make sure that the former workers at the site have an accurate report of what their exposure may have been working at the site.

Q: So you are speaking of a new and different backlog?

A: (Rick Provencher) It is more a retrospective analysis of the doses that the workers could have received onsite. We don't have bioassay samples sitting on a shelf somewhere waiting to be processed. We completed those first priority.

Q: What is the turnaround time to process bioassays at Mound?



A: (Rick Provencher) It depends on what you are looking for. Certain radionuclides require a longer analysis period offsite. Some can be done there on site and be turned around in a matter of hours. Tritium is one example. There are others that are more unique like plutonium that have to go to an offsite lab to be analyzed. The more unique could take from a couple of weeks to a couple of months.

Q: If some bioassays take a couple of weeks to a couple of months to analyze, what do you do with the workers in the meantime to make sure that they are not re-exposing themselves? You may have workers in “hot” places who may have been exposed, but not know that they have been exposed for a couple of weeks to a couple of months.

A: (Rick Provencher) We use local air concentration measurements to determine what a worker may have been exposed to when they are in doing the work. If we have indication that, for example, that a CAM went off when a worker was in the area, then we will take action to either put that worker on work restriction or take some other actions to remove them from the work while we process their bioassay samples.

Q: Do you have any plans to speed up the processing of bioassay sample analysis?

A: (Rick Provencher) We try to put priority on the sample turnaround time with these offsite labs and pay a premium for doing so. A lot of this is based on industry standards and industry capabilities. We are limited by that like everyone else is.

Mr. Provencher then returned to his presentation. He continued to display photos of various buildings and demolition processes. He then closed with a photo of the way that the site is anticipated to look upon project completion, and called for further questions or comments.

Q: (Richard Miller) Can you explain what the problems were with the continuous air monitors (CAM) on site and the stand-down that was associated with that as a result?

A: (Rick Provencher) We did have a stand-down a couple weeks ago. We had an issue with our CAMs on site where it was more of a conduct of operations issue involving the alarm set-point on the CAMs. The alarm set point on some of the CAMs were not set at the proper level as required by procedure. When we identified this situation, we recognized the



seriousness of the issue. The CAMs are the alarm for the worker to identify whether there is a release occurring while they are on the job and whether they may be potentially exposed to radiation. This is when they announced a stand-down to train or refresh the work force on what the expectations are in terms of site procedures, that the procedures are meant to be followed. If a procedure is not able to be followed, that is the time to stop before proceeding. That was the focus of the stand-down. We had everyone on site run through the briefing to avoid a similar situation from happening in the future. In parallel to that, we went through and did a comprehensive evaluation of all onsite CAMs to make sure that all of the alarm set points were set at the proper level and we also shut down the work in those areas until those verifications were completed. We are still in the verification process right now and the work is still shut down.

Ms. Barbara Powers, a Contractor Industrial Relations Officer from the Rocky Flats Field Office then delivered a presentation on work force restructuring at Rocky Flats. Ms. Powers began with a brief background of the Rocky Flats closure contract. On January 24, 2000, DOE and Kaiser-Hill Company, L.L.C. signed a new contract to safely close the Rocky Flats Environmental Technology Site as early as December 15, 2006. The contract represents the next generation of DOE contract reform. While the new contract has many innovative features, DOE and Kaiser-Hill's commitment to the following terms remains unchanged: closure by the end of 2006; full compliance with safety, health, environmental, and safeguards and security requirements; and worker safety and protection. The commitment at Rocky Flats is that closure will take not one day longer or cost one dollar more than is necessary to do the job safely.

The key features of the contract include a start date of February 1, 2000, and a target completion date of December 15, 2000. The contract establishes incentives for completion before December 15, 2006. There is a reduction in fee earned by the contractor for every day worked after December 15, 2006. The target project cost is approximately \$4 billion (not including incentive payments). The contract establishes fee incentives for completion under the target cost and fee reductions for completion over the target cost. The contract terms are based on a minimum site closure project funding level of \$657 million per year.

Ms. Powers then detailed the work force restructuring impacts resulting from the new contract. When Kaiser-Hill came to Rocky Flats in 1995, they initiated a shift from an operations structure to a project structure. This shift is continuing with the implementation of the new closure contract. The benefits include streamlined operations, improved



communications, and better integration of work activities across the projects. Kaiser-Hill's goal is to transfer funding from salaried positions to hourly positions, which is necessary to achieve the 2006 closure commitment. As a result of the new contract, the total numbers of site employees will not change significantly, however, there will be changes in the mix of skills and competencies.

Currently, Kaiser-Hill and their subcontractors are restructuring their organizations to better align with the new contract. The restructuring will affect between 400 and 600 salaried workers of Kaiser-Hill and its subcontractors. Out of that number, up to 350 reductions are anticipated to occur within the site work force over the next few months. The reductions will be accomplished through involuntary separations given the skills mix focus and limitations of available funding. There will be no reduction in the bargaining-unit staffing levels. It is anticipated that there will be an increase of hires in bargaining-unit positions. Consistent with the Rocky Flats Work Force Restructuring Plan Three, eligible separating employees will be provided the opportunity to participate in the following: displaced worker medical benefits program, retraining, career transition/outplacement services, relocation benefits, and preference-in-hiring.

Ms. Powers then addressed the issue of critical skills retention. A major challenge for the site is the retention of critical skills and competencies necessary to safely achieve the 2006 closure mission. Key to the success in transitioning the work force to support closure while preparing for new careers is a shifting focus from providing incentives to employees to leave the site, to a program that encourages employees to stay and achieve their closure goals as quickly as possible. The initiatives were derived from several strategies. The first strategy is to provide incentives through improvement of benefits programs and compensation incentives to encourage employees to remain employed at the site through completion of their mission. The second strategy is to assist employees in retraining and job search efforts while they are working through more flexible access to work force restructuring resources. The final strategy is to augment the programs with incentives that ensure the ability to retain or attract critical skills and competencies necessary for closure.

Ms. Powers closed by addressing the types of career transition assistance, benefit plan revisions and assistance, and monetary retention incentives available at the site. Marilyn Balcombe then encouraged the audience to ask questions or voice concerns in reference to the presentations on Mound or Rocky Flats.



Q: (Terry Freese) I have a question for Dave and Richard on their staffing projections. First, Dave, you indicated that you will try to press your project date back to 2005. If you are successful at that, how will the staffing projections change?

A: (Dave Kozlowski) What we have to do is balance the whole effort. Those total numbers show all the projects that are ongoing at the site. We would like to look at the skills mix levels and evaluate the baseline as we proceed and make better determinations of how the numbers will change.

Q: (Terry Freese) Richard, you showed a substantial decrease in employment in 2002 for Babcock & Wilcox employees. Will there also be a decrease in subcontractors at Fernald in the near term?

A: (Richard Provencher) Actually, at the Miamisburg site, the proportion of the onsite workers to subcontractors is pretty high. The current plan is to utilize to the maximum extent possible, the onsite work force. That is built into our baseline plan. There is always an opportunity with regards to the ability of the bargaining unit to provide the labor for new work scopes that may crop up and an opportunity for B&W to negotiate in those areas. There is some flexibility in B&W's ability to subcontract as well. B&W, over the next year, will be looking at their staffing profile and they will try to maximize the skills mix ratio to ensure that the workers out there doing the work is at the most efficient level. We are developing a baseline change right now that will better define the work that we have to do.

Q: Do you have information on how many employees at Mound are employed through B&W and how many are employed through subcontractors?

A: (Jim Jackson) There are about 800 B&W employees currently. We do not have an accurate figure on how many subcontractors have become employed through purchase agreements.

Q: Does security know who is coming in?

A: Yes.



Q: (Dan Cheshire) When you talk about critical skills and look at possible retention packages, we wonder if there are going to be any possible retention packages offered to our employees on the plant side?

A: (Barbara Powers) At this time, there have been no discussions on such an offer, but I believe that the contractor is looking at the skills on a case-by-case basis, so I wouldn't rule out the possibility of such an offer, depending on the needs of the time and attrition rates. We don't have any more specific information at this time.

Q: (Gene Branham) I have a question for Richard pertaining to the turnaround time of the bioassay samples. First, I want to share a bit of information with you. I don't know how long you have been at the Mound site, but you are aware that the employee samples that were taken were put on the shelf and were not processed, so there was no analysis returned. Several years passed and thousands of samples were left sitting on the shelf while workers may have continued to be exposed. Can you not sole source a contractor with a designated turnaround time to analyze the bioassay samples, and in the meantime, can you not separate the workers from potential hazards?

A: (Richard Provencher) I thought I answered that question such that I addressed the backlog of samples that were related to the issue that occurred a couple of years ago. The backlogged samples that were sitting on the shelf for some time were handled first priority. That, at this point, is an issue that has been resolved. All of those samples have been analyzed. The distinction that I was trying to make is that we are also going through some other retrospective bioassay analyses for other former production workers to assure that they have an accurate report of the dosages that they may have received. This is unrelated to the bioassay samples that were sitting on the shelf. We feel, at this time, that we put priority on analysis of those samples.

A: (Susan Brechbill) I want to add that we recognize the importance of timely results being received. We meet once a week to get a real-time report on the backlogs of samples and any issues there are with the laboratories processing them. We have tried very hard to correct problems that occurred in the past. Part of what we are trying to do to compensate is to do dose reconstruction activities. We are trying in the ways that we know to find out what the exposures may have been and to fix the current situation so that it does not happen again.



Q: (Gene Branham) It is extremely difficult to reconstruct that process. Can we not have an answer that says that you will sole source an expedited contract for analysis and in the interim, can we not protect those workers until we get those analyses.

A: (Rick Provencher) Right now, we do have a contract with an offsite contractor to do those analyses. They are one hundred percent dedicated to do those retrospective analyses. One of the limitations is on the availability of dosimetrists across the complex, but they have been making a steady effort to try to hire as many as they can. From the Department standpoint, we are fully committed to fund that effort. We have incorporated this into our budget plans. Unfortunately, the process of doing these retrospective analyses is very difficult and complex. It is a labor intensive process and will take some time, but we are fully committed to the process.

Q: (Gene Branham) Richard, I am not speaking so much about the reconstructive analyses, because the litigation is probably going to compensate those that are harmed. I am speaking of the current workers now . . . can you sole source a contractor to get analyses completed in a reasonable turnaround time and in the interim, protect the workers from the unknown?

A: (Rick Provencher) Well, I believe we are already doing that, so the answer is yes.

Q: (Donna Shepherd) I was employed at Mound for thirty-one years until September of 1997 when B&W took over. I would like to have specific answers on how many jobs are now open at Mound and how many jobs have been filled since September of 1997. Specifically, why hasn't DOE made Mound abide by 3161?

A: (Rick Provencher) I can't speak for B&W, but DOE has expected the contractors to abide by 3161. In fact, earlier this year, they were recognized earlier this year as being one of the best performers in the complex for identifying jobs for previous employees.

A: (Susan Brechbill) You have insinuated that there is a violation of 3161. What the Department has said to your counsel is that if you have specific incidents, then bring us the facts and we will investigate them. We have had at least one case brought forward that is under investigation.



Q: That is not accurate, and I think you ought to listen to Ms. Shepherd. She is a thirty-one year Cold War worker at the Mound Site with a lot of skills. Mound's application of 3161 is being looked at by lawyers and the application of it has been ignored. Meanwhile, people are being hired at Mound while there are older workers who are highly skilled and could probably help with the dosimetry reports that you have spoken of. You are not hiring these older workers. Instead, you are bringing friends and relatives in and our people are being told that there is a hiring freeze. The computer people out there are hiring two to three people per week. You don't need to address the legal issues, you need to address this individual who wants to know where the jobs are at Mound.

A: (Gary King) Let me jump in since this is a 3161 question. I hope I can talk to you off-line about these issues. I would like to say that I doubt that those from Mound can supply specific numbers on jobs at Mound today, but we will most certainly pursue this information.

Q: (Rueben Guttman) I am not clear on something here. Did B&W receive some sort of performance award for their adherence to 3161 and for giving Cold War veterans jobs?

A: (Richard Provencher) It was not a performance award; it was a letter of recognition.

Q: Then the question I have is before the letter was written commending B&W for their performance, what investigations were done and is there any documentation that would memorialize the adequacy of their performance in regards to 3161?

A: (Gary King) I don't know the answer to that and I don't know if Richard does.

Q: (Donna Shepherd) OK, how can they have a letter of recognition when they have approximately 100 people that they let go who were Cold War workers for more than 25 years, and then they receive a letter? This doesn't make any sense.

A: (Gary King) That is a valid question, and I will look into it.

Q: (Rueben Guttman) I wanted to let you know that Ms. Shepherd came represented by litigators who have filed a suit that alleges that your contractor has violated age discrimination laws and 3161. I assume that DOE HQ knew that at the time that they



transmitted the letter. Did you know? Is this the first time that you have heard of the litigation at the Mound facility regarding Ms. Shepherd?

A: (Susan Brechbill) No.

Q: (Rueben Guttman) OK, then what if anything was done to analyze the allegations in the litigation before the letter was transmitted to B&W?

A: (Richard Provencher) I have no basis to dispute that a letter was sent to B&W from Headquarters. I had no reason to get involved and no reason to investigate.

Q: (Reuben Guttman) Your field staff certainly should have advised you that there was litigation that someone was saying that your prime contractor with 800 employees was violating 3161, and I know there is a new work force restructuring administration here and I trust Gary to take a hard look at this, but it behooves me that there would be a letter going out when there are allegations in a federal court of law suit that the contractor is violating the law and the contract.

A: (Richard Provencher) It was recognized that litigation was ongoing, but no ruling had been made. Our position was to stay neutral.

Q: (Rueben Guttman) If your position was to stay neutral, why would you transmit a letter like that, when there are allegations that your contractor is violating the law?

A: (Gary King) We'll look into this. Ms. Shepherd, if you have additional questions, please let us know. The litigation is not what we are here to talk about today.

Q: (Donna Shepherd) I am not here to talk about the litigation. I know Mound has hired a considerable amount of people since I was let go in 1997. I was a clerical employee and several have been hired since I was fired. There is no way they can justify the hiring of other people to do clerical work when they knew I was out there. I could have performed those jobs. I cannot believe that they have been allowed to get by with this and DOE has written a letter telling them what kind of job they have done.

A: (Gary King) Ms. Shepherd, please bring me the specifics on your issue this afternoon.



Q: (Richard Miller) Litigation is a function that happens when everything else has broken down. The worker and community transition program has litigation brought against it all over the United States -- it is happening at Oak Ridge, at Rocky Flats, and at Mound, to name a few. Whether people can successfully or not successfully contest those cases doesn't mean the system isn't broken. Would the Office of Worker and Community Transition in its monthly newsletter publish a list of all lawsuits that are brought against the contractors, subcontractors, and/or the Department with respect to allegations that deal with the noncompliance of 3161? You publish collective-bargaining agreements that expire, you publish work force restructuring plans that expire, and you celebrate your victories in your newsletters. I think it would be very helpful for everyone to see the litigations that are ongoing. It would be a very good service of your Office and it would behoove your Office to look at this litigation instead of leaving it to the General Counsel's Office and blithely moving forward. So, would you please add to your newsletter, a list of all lawsuits filed against the Department and a one sentence description of what the subject is about so that people have a feel for it? And, would you undertake a review of those lawsuits and let us know what it is you are going to do to try and resolve those lawsuits?

A: (Gary King) I am not opposed to putting these law suits in the newsletter, as long as it doesn't irritate a judge or legal counsel. If it does not impact the suit itself, I am not opposed to the idea. I think it is a fascinating idea.

A: (Terry Freese) The Office is clearly interested in solving issues related to the appropriate implementation of 3161. We have been involved in a number of cases. Specifically, at LANL, we thought it was important to strengthen the preference-in-hiring clause, and we went through detailed meetings with the displaced workers, the contractor, and the management to resolve the issues. Management set up an internal head-hunting operation, and we have been successful in getting a large number of employees placed. We are interested in trying to work out those kinds of solutions when we can.

Q: (Richard Miller) I would just offer that litigation is a last resort after we've exhausted dialogue with your Office and the Field Offices. This is a clear case where the Department is choosing not to exercise its own contract rule requirements. None of these people have been afforded any of the opportunities that you have laid out.



There should be a mechanism for you to resolve these issues. The Department will continue to lose credibility.

A: (Gary King) I am open to listening to these issues outside of this meeting. A good measure to judge me by is whether we've been able to help workers and enforce 3161, so I'm willing to take on the task.

Mr. King then encouraged participants to continue asking questions and creating discussion throughout the remainder of the day. He adjourned the meeting for a fifteen minute break.



Work Force Planning Issues, Worker Retention, and Skills Management Initiatives

Facilitator: Marilyn Balcombe, Oak Ridge Institute for Science and Education

Speakers: Terry Freese, Deputy Director, Office of Worker and Community Transition

Robert Allen, Vice President & Division Manager of Human Resources,
Kaiser-Hill Company

Barbara Bonelli, Work Force Transition Manager, Babcock & Wilcox of Ohio

Jim Jackson, Labor Relations and Work Force Transition Manager, Babcock & Wilcox of Ohio

John Merwin, Work Force Restructuring Manager, Fluor Daniel Fernald

Marilyn Balcombe opened the session by introducing the session speakers, including John Merwin, Work Force Restructuring Manager at Fernald, Barbara Bonelli, Work Force Transition Manager at Mound; Jim Jackson, Labor Relations and Work Force Transition Manager at Mound; and Bob Allen, Vice President and Division Manager of Human Resources of the Kaiser-Hill Company. Terry Freese then explained that the purpose of the session would be to ask representatives from each of the three accelerated closure sites to provide an overview of their work force planning processes and the specific challenges and responses they've made to worker retention and skills management.

John Merwin then began a discussion of work force restructuring as it relates to work force planning at Fernald. According to Mr. Merwin, an important consideration is that to successfully conduct manpower planning, one must know the entire makeup of the work force, both in numbers and skills. One of the goals at Fernald is to eventually close the facility without resorting to involuntary separations. Mr. Merwin explained that Fernald manages its employment numbers through an ongoing voluntary separation program (VSP) and attrition. At Fernald, workers are permitted to leave voluntarily, and very few of those workers are replaced. Over the last twelve months, there have been less than forty new hires. Mr. Merwin explained that since 1997, the salaried work force has gradually been reduced in size while the waged work force has remained fairly stable. The VSP that is currently used at Fernald is applicable to salaried individuals in grades 5, 6 and 7. There are currently nine grades at Fernald, ranging from grade 1, which includes entry level positions, to grade 9, which includes Presidential level positions.



Mr. Merwin detailed Fernald's process of managed attrition. When workers are permitted to voluntarily leave the facility, work force management attempts to not backfill any of the positions. At Fernald, workers are encouraged to remain for as long as they are needed and then to move directly to new employment versus being unemployed. Fernald's Career Development Center assists employees in areas such as resume writing and job searching. Mr. Merwin noted that Fernald's employees are encouraged to remain flexible to move from site to site and to accept Fernald's mission of closure. Workers are then better prepared for "life after Fernald." Mr. Merwin closed his presentation by noting that the retention of critical skills is also very important to the manpower planning process.

Ms. Barbara Bonelli, Work Force Transition Manager from Babcock & Wilcox of Ohio (B&W) then spoke of the work force transition progress at B&W of Ohio. Ms. Bonelli first displayed the worker headcount through the end of FY 2004. The slide shows the skills mix and indicates that the skills mix is fairly stable through FY 2002. Ms. Bonelli stated that the Work Force Transition Office was established to: develop a work force restructuring implementation plan; integrate manpower planning into the project baseline; manage the staffing to ensure the skills mix remains stable; identify critical skills; develop and implement a retention program; and maximize the utilization of essential skills. B&W contracted with Mercer to help with the development of a retention program for critically skilled employees. Thus far, B&W, together with Mercer, has developed a preliminary list of employees with critical skills at the site. The next step involves management's review and edit of that list. Mercer will then run employee and management focus groups and conduct research on other programs that are available. Mercer will then come back with final recommendations and the B&W management team will make final decisions.

Next, Bob Allen, Vice President and Division Manager of Human Resource Programs at Kaiser-Hill presented a discussion of Rocky Flats closure contract work force restructuring challenges. Mr. Allen first noted that for approximately 45 years, workers at Rocky Flats were engaged in radioactive and non-radioactive metal working and fabrication, plutonium recovery, and research and development. In contrast, the current mission at Rocky Flats is one of cleaning up the site, making it safe, and closing down the site. Mr. Allen noted that the Rocky Flats closure mission is significant because it houses a lot of nuclear material in close proximity to a large population of people. It is 15 miles upwind and upstream from Denver, and 10 miles south of Boulder. There are 2.2 million people in the Denver Metro Area, and 300,000 people in its watershed. The site is unique in this way.



The role of Kaiser-Hill is to help clean up the site and help it transition from an infrastructure-filled facility to an area of open space. The issue is that just as the buildings must go away, the employees recognize that they, too, will go away. The closure contract that Kaiser-Hill is engaged in with DOE is fairly unique. The new contract and organizational structure are designed to achieve accelerated closure and the highest levels of safety and compliance. The goal of the contract is to focus attention on safety, health, environmental, safeguards, and security issues while reducing performance barriers and simplifying work processes. Kaiser-Hill is on a schedule to close the site by 2006, and it is recognized that closure cannot occur without the help of the employees onsite.

Mr. Allen noted that Kaiser-Hill will be performing work in a different manner than in the past. Often, people think of the work at closure sites as entailing the closure of buildings and cleaning up the site. Kaiser-Hill's view of what is entailed is the creation of "gold-plated waste," the product that goes to various recipients. Spread throughout these initiatives is a focus on safety and environmental compliance. Kaiser-Hill works to reinforce employee awareness of these foci as much as possible.

Mr. Allen then explained that the initial impact of the contract is that it makes work force restructuring necessary. The goal is that 90 percent of the initial staffing decisions will be completed and communicated by March 20, 2000. It is likely that there will be a reduction of between 400 and 600 jobs, between Kaiser-Hill and its major and other subcontractors. Kaiser-Hill and its major subcontractor affected by this restructuring will have access to Work Force Restructuring Plan #3 benefits. These reductions will be salaried reductions over the next year, and there will be an equivalent of new positions created in the hourly work force.

Kaiser-Hill's goal is to make 2006 closure a reality. The desire is to create a work force with optimum skills, experience, and competencies, specifically applicable to accelerated closure. This requires work force ownership of and investment in accelerated closure. Mere tolerance or acceptance of accelerated closure is insufficient. It is important to keep the work force engaged. Prior work force restructuring programs focused on the modification of existing programs to assist employees in making the transition to employment outside Rocky Flats. Further, the focus was historically on softening the perceived impact of downsizing and working with DOE to force fit closure needs and requirements through the existing work force restructuring framework.



One of the main drivers for changing this focus was a recognition that it is important to make the most effective use of workers while they are still onsite. In May 1999, Ernst & Young conducted a 2006 Baseline Assessment, resulting in the recommendation that effective acquisition, allocation and retention of human resources is needed to avoid adverse impacts on schedules. The solution set was to create an effective recruitment program, structured performance/retention incentive programs, and a key employee retention program.

Kaiser-Hill has shifted to a new work force restructuring focus for the future. First, Kaiser-Hill is developing the organization and worker transition framework which enables 2006 site closure. Kaiser-Hill is also providing a means to optimize alignment of skills and competencies (learned or acquired) with the work of closure. Mr. Allen noted that the focus is also on the creation of employee ownership of and personal investment in closure objectives. Finally, it is important to develop an environment and tools which allow employees to self-manage and pursue career opportunities beyond Rocky Flats.

Mr. Allen then detailed the current status of work force restructuring at Rocky Flats. Currently, Kaiser-Hill is providing incentives to employees which cause them to want to work themselves out of a job sooner rather than later. Kaiser-Hill has launched an onsite Career Transition Center and an Entrepreneurial Resource Program. Employer Networking is underway with contacts made with a number of local firms. The tuition assistance program has been revised to provide for new career education and training while employees are working. And Kaiser-Hill is pursuing approval to allow advance access “cold war warrior” education assistance benefits while employees are working rather than after they have left the work force.

Mr. Allen noted that Kaiser-Hill is also providing incentives which encourage select employees to remain through mission completion. A conceptual framework for monetary incentives limited to employees or prospective candidates with critical skills and competencies was developed. A pilot program is currently underway for evaluation with criticality engineers. Kaiser-Hill also modified compensation and benefit programs to be more appropriate for both accelerated closure and short-term employment. Improvements have been made to the salaried pension plan in a manner which does not impact site closure cost. The earned vacation accrual cap can be eliminated, allowing employees to “bank” vacation pay as a safety net. Finally, the new contract provides features to facilitate the establishment of performance and retention incentives for employees.



Kaiser-Hill is currently integrating staffing and work force restructuring tools. Where practical, Kaiser-Hill is transforming the existing work force skill base and pursuing outside capability to fill skill gaps or improve competencies. Parallel initiatives are also underway to efficiently size the work force to the task at hand. Work force restructuring guidelines have been modified to allow consideration of skill mix and not just job titles in downsizing actions. New processes, resources and competencies to assist in acquisition of new skills have been instituted. For example, Kaiser-Hill has created a Personal Resource Committee and developed a responsive recruitment/placement capability.

Mr. Allen closed his presentation by noting the next steps in Kaiser-Hill's work force planning process. First, Kaiser-Hill intends to complete the current round of work force restructuring actions. Between 400 and 600 layoffs are expected, and more than half of these employees are expected to qualify for Work Force Restructuring Plan #3 benefits. Next, the salaried employee performance incentive program will be finalized and implemented. Kaiser-Hill will then refine the critical skill retention program after assessing the pilot conducted with criticality engineers. As part of this process, Kaiser-Hill will address new challenges associated with industry-wide increased interest and demand for certain nuclear engineering and technical skills. Kaiser-Hill also intends to reach closure on DOE approval and funding for advance employee access to "cold war warrior" retraining and education benefits. Finally, Kaiser-Hill is currently developing a process to build individual closure plans for employees aligned to a new 2006 closure baseline schedule.

Ms. Balcombe then opened the session to questions from the audience on the issues of work force planning, retention, and skills management.

Q: (Richard Miller) What is the unfunded retiree health care liability at Rocky Flats?

A: (Bob Allen) The last unfunded liability we have now is around \$500 million.

Q: (Richard Miller) So when you leave in 2006, will that liability continue?

A: (Bob Allen) Yes. That liability, as I understand it, is an item to be funded by DOE after 2006.

Q: (Richard Miller) Is your corporation is a limited liability corporation?



A: (Bob Allen) Yes.

Q: (Richard Miller) If DOE doesn't fund it, what is the employee's recourse?

A: (Bob Allen) The liability is DOE's liability, not ours. Any unfunded liability is with DOE.

Q: (Richard Miller) Do former employees become employees of the DOE then, since that liability rests with them? How will this be solved?

A: (Bob Allen) I'm not hedging on your question at all. I know we have an end date, and that is 2006, and then our contract is over with DOE. If there is an intent to continue to provide medical coverage for employees, which I think there is, then a mechanism must be put into place.

A: (Ron Knisely) We at DOE have a big project going on now on all of our post-contract benefit liabilities. We are investigating health insurance, life insurance, worker compensation and several other benefits that we are going to be liable for once contracts expire. We are probably going to have to have some sort of arrangement with the contractors if they continue as a corporation to administer these liabilities in our behalf or we are going to have to have a contract with a company to administer all of the liabilities collectively and we fund them. In any case, the government is going to fund these liabilities when the contract expires.

Q: (Richard Miller) You are saying that the government is on the hook for these liabilities, but retiree health care benefits are not guaranteed. It is a benefit for which there is a relatively uneven body of law out there and there has been a lack of success in securing retiree health care benefits. For these Limited Liability Corporations (LLC), there is an inability to reach back to the parent for these benefits. Legislation must be structured to assure employees that these payments will be real.

A: (Ron Knisely) No, we haven't, because we feel the government is responsible for these benefits under the contract provisions. We were never thought to be responsible for administering them, and that is the problem. We need to put together a mechanism for administering the benefits. We, as federal employees, don't have the staff to administer benefits, so we will have to hire someone to do so. At Pinellas, Lockheed Martin was willing to continue to administer the program, and we are paying them to administer the program, in



addition to the cost of the program itself. In any case, the Federal Government is responsible for paying these benefits.

A: I just wanted to comment on the administration side of this, because I don't know that the dissolving or not dissolving of the LLCs is really the issue that you are concerned about. You can always find someone to administer the program. The real question is whether there will be funding available so that someone can administer the program.

Q: How would that apply to USEC's process?

A: (Terry Freese) There has been discussion at different points in time about legislation that might provide the Department with some additional flexibility on how post retirement medical benefits for sites that are going to be closing may be funded. Under current law, it is a pay-as-you-go mechanism, and unlike retirement programs, you cannot legally provide pre-payments or lump sum payments. There has been discussion about legislation that would provide flexibility in that area.

Q: Can USEC describe their process and tell us whether they follow the pay-as-you-go plan or whether all of the funding is available up-front?

A: (Ron Knisley) Funding is done through the Operations Office. It is an EM program line item and it is budgeted every year. Congress has the right to approve or disapprove this, but I can't imagine Congress would ever disapprove the funding for post-contract benefits.

Q: (Terry Freese) Jim Adkins, can you answer the question of how, under your current operating procedures, will post-retirement health care benefits would be taken care of?

A: (Steve Russo) I don't have an answer on post retirement health care benefits, but on the pension side, these benefits are guaranteed. As of right now, post-retirement medical benefits are fully funded. On the pension side, if there is an asset transfer or a change in status, the way in which retiree medical benefits are handled is unknown at this time.

Q: (Dan Minter) Can we please get a copy of the plan document between USEC and the DOE?



A: (Jim Adkins) We will provide the information you need. Right now, we don't have the experts that we need here with us to answer your questions.

Q: As hourly employees, we are concerned with our retiree medical plans. On the Pinellas plan, from what we understand, when that plan was sent to Albuquerque, the types of benefits changed. Could the plans change on us? Could there be increased co-pays that cut into the retiree pension dollars from month to month?

A: (Ron Knisley) I'm not familiar with the assertion that there were changes in the Pinellas plan. There are all kinds of ways that health insurance is assigned by the contractor, so I cannot speak except in generalities, but my understanding is that most health insurance for retirees is different than that for active employees because of the nature of retirement and the fact that eventually everyone goes onto Medicare. Thus, it becomes a medigap-kind of structure. There are changes in that respect, but there were no other changes to the Pinellas plan.

Q: Is it DOE's policy to put workers on a more restrictive plan once they leave employment?

A: (Ron Knisley) We don't have a policy that so states. The contractor, of course, runs the plans on our behalf. We have certain standards on what kinds of plans should be done, but there are a lot of different health insurance plans that may be put into effect.

Q: At some facilities, the day a worker retires, he or she is placed under a HMO plan. These plans restrict the doctors that one may choose from and is an extremely restrictive plan in general. There is no justification for it. Some retirees won't consider retirement because of this.

A: (Ron Knisley) It is not the Department's policy to dictate to the contractor precisely the type of plan to be used. The conditions you are talking about are problems throughout the country. I know that even the federal employees insurance plan is under extreme pressure to reduce cost and put some of the onus on employees to pay additional co-pays and so on.

Q: So a contractor that is not even our contractor is deciding these types of things for us?



A: (Ron Knisely) I don't think that I said that. We certainly will continue to monitor the benefits changes. All benefits changes are handled under an Office under the Management Administration. The point of contact is Stephanie Weakley.

Q: (Richard Miller) My understanding is that the unfunded retiree health care benefit liability is approximately \$7 billion. This is not an insignificant unfunded liability and it begs the convening of a policy recommendation. We need clear guidance of what the expectations are because this social policy is being administered in an ad hoc way. This is a huge liability that no one wants to talk about, and post-retiree health care benefits are going to continue to be viewed as less and less important as the work force disappears. We need a political legislative remedy. I know that health care is an important issue to the Secretary.

A: Good point.

Q: (Terry Freese) Robert Allen, I'd like to ask you what kind of planned notification you are going to be able to provide the 300-600 people who are going to be separated in the near term. Can you compare where you are now and where you hope to be in terms of being able to provide people with advance notice of layoffs?

A: (Bob Allen) In the February/March time frame of 1999, we had our first pass on our 2006 baseline, so we were able to publish some numbers for employees that spoke to the classifications of workers we would need each year going out to 2010. In May of that year, the baseline was cut back to 2006, and that information was made available. Quite honestly, we hadn't had much clarity then about what our new contract would be like with DOE. We will have a new baseline set up in June, and that will provide a clearer picture of how many workers we need and what types of classifications we need. We had implemented the Career Transition Center earlier in 1999, and employees were able to use resources to get a feel for when their functions would be affected and they met with our staff regarding transition. So, we know that a number of people had begun preparing for site departure. Now, with the new contract, and the need to adjust to the new contract structure fairly quickly, we are still in a situation where we cannot provide everyone with advance notification of downsizing. We anticipated that this would be the reality for the first couple of months of the new contract. By June of this year, we should have a very specific plan that delineates what kinds of skills we need. We anticipate being able to provide more advance notification then. We have found that if a new contractor comes on board, the new contractor will typically employ workers that



are already in place. Further, many positions we are reducing do exist in the Denver Metro Area.

Q: (Terry Freese) I presume you are using the employer networking system and other aspects in order to help people transition.

A: (Bob Allen) Yes, and we do that in a very direct way.

Q: (Terry Freese) Will you be able to use that process to some degree for the workers that will be separated in the near-term?

A: (Bob Allen) Yes. It is as simple as getting the classifications that we know will be impacted into the Employer Network, which includes a widespread variety of Denver-area companies. We also have a North Metro Roundtable with a great deal of companies. So, once we get an idea of the workers and classifications that we will need to reduce, we will send out a mailing to these companies, and our expectation is that we should get a good response from that.

Q: (Terry Freese) Good. I think it is important, not only for the individuals that are directly involved, but for the remaining work force too. It is important to provide assistance before these people are separated. To the extent you can share information with the rest of the work force about the success you've had with transitioning other workers in a fairly seamless fashion would be helpful. It will help reassure workers and reduce anxiety.

A: (Bob Allen) I think we will have success. One of the things we have done with our Career Transition Center is solicit, on an ongoing basis, jobs in the community. So, anyone on the site can go to the Center and look at posted jobs within the community. We are going to try to expand that information to reassure workers that they can be successful in being hired for those jobs, they are more inclined to stick around for awhile because they are not anxious about attaining a job in the future. So, we will let employees know whatever we know in terms of available positions in the outside marketplace.

Q: What we haven't seen in the past for accelerated closure sites is a commitment from DOE to take the resources from those sites and allocate them to the long-term sites. It would be really beneficial. If you have a void at one site, you could fill that void with workers coming from sites experiencing downsizing. If you know you have a



mass retirement at one site and you are going through closure at another, there has got to be a way to transition workers, or “lease” workers, from one site to another.

A: (Terry Freese) I have been co-chairing a working group at Headquarters to look into a number of these issues, including portability of benefits and provisions for workers to move between DOE sites. We have made a number of recommendations, and we have a variety of deliverables that we are working on this year. There has been an active effort from a number of contractors to try to find protective force workers among the incumbent work forces that they can use. We have been able to move some that were at risk at Portsmouth over to Paducah. In some cases, because of the lack of benefit portability, some workers are not inclined to move between sites. My experience, particularly over the last year, is that contractors are incentivized, particularly because of the difficulty of getting clearances, to utilize the protective workers that may be excess to other sites. What we would like to do is set up mechanisms whereby the relocation and portability of benefits allows this to become a viable option.

Q: Mr. Allen mentioned that when you realize that the time is near for worker numbers to decrease, you go out to look at job opportunities with major nearby companies. Is there the potential to offer onsite training to individuals that they may need in order to transition into such job opportunities?

A: (Bob Allen) Actually, that is the plan. Unfortunately, at the front-end, you have to have the time needed to work those relationships. The purpose of the Employer Network is to locate jobs, but also to focus training and education dollars where necessary. We also encourage work force planning processes to occur not only at the accelerated closure sites, but at ongoing facilities. It is important for transition of workers between sites.

Q: Section 3161 states that you should mitigate the impact of worker transition. I would submit to you that when you find yourself in situations where there is a need at one site, while there is a downsizing at another site, that you have the contractor “lease” workers so that they can work for another contractor at another site while remaining on their original contractor’s payroll.

A: (Bob Allen) I think that the subcontracting arrangement around the complex makes a solution like that a little bit difficult. For example, at Rocky Flats, under our new contract, we are supposed to try to do 80 percent of the work through subcontractors. As you increase the



number of subcontractors at the site, and you replicate that across the complex, it becomes harder to come up with one set benefit program. The idea of leasing workers is a very good idea, however, if there is openness to it. The idea offers opportunities, but it is hard to legislate such a process across the entire complex.

Q: I think that you could save a lot of money if you figure out a good leasing mechanism and develop a large worker pool.

A: (Terry Freese) I think that is a legitimate point. We have certainly done things intra-site, where people could move relatively seamlessly from one contractor to another. There are some cases where given the geography, inter-site movement is not going to be legitimate. But, in the case of Mound and Fernald, for example, where we have two sites that are geographically proximate, cooperative work force planning may be successful in identifying opportunities for leasing of workers. John, could you identify where you are in this process?

A: (John Merwin) The leasing of employees has actually happened between Fernald and Mound. However, the retention issue that is occurring at Mound and everywhere else is the so-called "glass ceiling." You have facilities that are closing and the opportunities for advancement are less and less. We certainly are interested in the ideas that have been raised and we would like to re-look into them.

(Statement) Ohio seems to be the perfect place to work out a pilot program to involve the leasing of workers. That would be my recommendation.

Marilyn Balcombe then closed the session and asked participants to return at 1:15 p.m. for further sessions and discussions.



Using An Educated Work Force To Create Jobs

Facilitator: Marilyn Balcombe, Oak Ridge Institute for Science and Education

Opening Remarks: Deborah Swichkow, Deputy Director, Office of Worker and Community Transition

Speaker: LoAnn Ayers, Director of Business Links, Washington State University

Marilyn Balcombe explained that the session would involve an open discussion of how to attract new and expanding businesses to a community. Discussion topics will include using an educated work force to help attract new businesses to the region; additional training needs; the importance of a strengths, weaknesses, opportunities and threats analysis; and types of projects that have potential to create jobs. Ms. Balcombe then introduced Ms. Deborah Swichkow, Deputy Director of the Office of Worker and Community Transition, to provide opening comments for the session.

Ms. Swichkow stated that three years ago, a group was initiated and called the Work Force Integration Team, with the purpose of responding to the lack of interaction and exchange of ideas regarding the work force and the kinds of training that the new work force would need to continue to work. At that time, the community reuse organization (CRO) was perceived to lack the integration necessary to combine work force restructuring, community transition, and labor union issues. The CRO was perceived as being an entity that received grant money to create jobs, but didn't necessarily create jobs that were related to the constitution of the community work force. The people responsible for creating work force restructuring plans rarely, if ever, communicated with community reuse organizations, and the labor unions were left sitting on the outside looking in. Therefore, the Office of Worker and Community Transition (the Office) decided to conduct several meetings to comprise a plan to join together all interests to create a more comprehensive, responsive kind of training mechanism through the CRO. The objectives of the plan were to improve the development of site-specific training required to retain displaced workers in the areas of training, retraining, education, and continuing education. A key element of the plan was the ability to link these efforts with existing resources such as the community college network; local universities; community reuse organizations; labor and other contractors; and consultants. Ms. Swichkow noted that this element still remains the premise of what is done today, and great progress has been made.

Ms Swichkow stated that the foci for the Office's community transition efforts are to find jobs for those who have been displaced; increase the number of offsite jobs being filled with



displaced workers; reduce the number of involuntary separations; and create private sector jobs by employing the community. Ms. Swichkow explained that she believes that Portsmouth and Paducah have made great strides in working with labor unions and the local community colleges in trying to find positions for displaced workers. She thanked those who have helped make this initiative a reality and urged interested parties to discuss questions and concerns with her. Ms. Swichkow then introduced LoAnn Ayers, Director of Business Links at Washington State University, to discuss her view on the session topic.

Ms. LoAnn Ayers stated that she would be sharing lessons learned from the Hanford site. Richland has a thirty year history of dealing with significant work force fluctuations associated with the DOE's activities at Hanford. Ms. Ayers informed the audience that she works for Richland's branch of the Washington State University, established by the Atomic Energy Commission to serve the Hanford site. Ms. Ayers explained that the Richland community is small comprises of 150,000 people. The area is mostly agricultural in nature, and agriculture serves as the primary industry, followed by government services. Ms. Ayers explained that if a large-scale change occurs in one of these industries, the area suffers major economic impacts. In fact, major hits have been taken in both sectors over the last few years. Ms. Ayers stated that, at the present time, the area is experiencing a six percent unemployment rate.

Ms. Ayers specified that the most significant challenge she experiences in work force transitioning is the fact that she is dealing with humans, and humans by nature do not like change. Other challenges to transitioning the work force include retaining qualified labor, retraining for real jobs, and preparing for future work force needs. In response to these challenges, a successful strategy has proven to be the action of matching needs and preferences of target industries with strengths and weaknesses of community. In order to prepare such a strategy, it is necessary to investigate the strengths, weaknesses, opportunities, and threats for labor, sites and buildings, transportation and utilities, government and taxes, education and work force development, and community facilities and service.

Ms. Ayers explained that economic development is really a "three-legged stool," with recruitment, retention and starting new businesses functioning as the major components. A balanced community possesses all three. When a community is lacking one component, or "leg," the balance is lost. Ms. Ayers then explained that there are labor requirements in each major area of economic development: starting new ventures; expanding existing businesses; and recruiting new companies.



Ms. Ayers stated that a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis was conducted and an independent team worked with the community to evaluate the pluses and minuses of the current situation. Areas where there was a market and where current assets matched the needs of industry were identified. Major industry clusters were also identified, including distribution, office/service, tourism, retail, and manufacturing/processing.

Ms. Ayers then explained that to be successful in industrial recruitment and retention, a good match must be made between what skills you have and what is needed. She informed the audience that her organization attempts to help assist local businesses in creating and retaining jobs by helping local companies thrive; encouraging local business expansion; and preventing companies from leaving or expanding elsewhere.

Ms. Ayers maintained that the community continues to have occasional visits where an independent team visits the site and evaluates all sorts of components, including transportation and utility, as well as speaks to community representatives. Such teams act as if they are planning on citing a business in the area, and they deliver feedback following the visit on the strengths and weaknesses of the program and the community. Ms. Ayers explained that new businesses equate to new jobs. Major factors in business recruitment include: labor availability, quality, and costs; telecommunications; transportation; site availability; and incentives.

Ms. Ayers also explained that the other “leg” of economic development, business retention, is often the easiest component to ignore. However, according to the Small Business Administration, 85 percent of all new job growth comes from existing industry in the community. Ms. Ayers explained that her organization conducted a survey of community business owners this summer and received helpful feedback and information. It was a valuable tool to begin discussions in the community regarding ways in which to retain existing businesses. The regional Economic Development Council plans to launch a business visitation program this summer, so that survey results may be validated on an individual basis and relationships may be developed with additional second-tier employers. Efforts in downtown revitalization in all four of the communities are also underway. The organization is also creating a “greenhouse” for entrepreneurial success and will include the basic elements of knowledge, information, resources, and environment. Thus far, over 160 new businesses have been launched and 350 jobs have been created. Ms. Ayers then opened the session for questions.



Q: (Deborah Swichkow) What is your relationship with the area's community reuse organization, and how do you ensure that you are addressing the needs of the displaced workers?

A: (LoAnn Ayers) That is an excellent question. One of the challenges we have is knowing who is being displaced in the future and making that connection, so that as we are targeting companies according to our industry profile, we can tell whether there are training programs that we need to implement. We have become more reactive, not less reactive. In the past, we have set up training programs and have had displaced workers go through the programs, when only to find, when the workers finished the training, there were no jobs. Now, we work with the university and community colleges so that when we have a specific industry who is right on the fence of deciding whether to locate in the community, we can go to that business and tell them we have, for example, 35 workers who are within six weeks of fulfilling the needs that you have. So, we have become more reactive in training people for real jobs, and that is cooperation between community colleges, universities, and the community reuse organization.

Q: Debby, I have a question for you. What is the time frame or process to get proposals and programs launched?

A: (Debby Swichkow) DOE's approval process requires the proposal to be approved by the field office and the Economic Development Administration (EDA). EDA rates individual projects as high, medium, or low. The proposal is then approved by the Office of Worker and Community Transition and the Secretary of DOE.

Q: Do the communities have good community college connections?

A: (Jennifer Beck Walker) The Paducah community is rich in community college resources. These connections are well-utilized to develop courses that will employ displaced workers.



Developing Work Assignment Guidelines For Early Closure Sites

Facilitator: Marilyn Balcombe, Oak Ridge Institute for Science and Education

Opening Remarks: Lyle Brown, Contractor Industrial Relations Specialist, Office of Worker and Community Transition

Speakers: Robert Easdon, Division Manager of Labor Relations, Kaiser-Hill Company

Mike Salazar, Business Manger, Colorado Construction and Building Trades Council

James E. Jackson, Manger, Labor Relations and Worker Transition, BWXT of Ohio, Inc.

Woodrow B. Jameson, Vice President of Project Execution/Chairman of the Work Scope/Work Package Committee, Fluor Fernald, Inc.

Robert Schwab, President, Fernald Atomic Trades and Labor Council

Lou Doll, Cincinnati Building Trades Representative at Fernald, Building Trades

Marilyn Balcombe explained that the final session would involve a discussion of processes used for developing work assignment guidelines by DOE contractors and unions representing their workers, consistent with existing laws and regulations and the objectives of section 3161. Topics are expected to include agreements to facilitate utilization of incumbent workers and potential additional mechanisms to meet this objective. Ms. Balcombe then invited Mr. Lyle Brown, Contractor Industrial Relations Specialist for the Office of Worker and Community Transition, to deliver opening comments for the session.

Mr. Brown explained that for the past day and a half, Workshop participants have been discussing issues related to change in mission and closure at Departmental sites, particularly sites in Ohio, Kentucky, and Colorado, as well as the problems and challenges that are being faced at these locations. One of the largest challenges is placing the proper people, possessing the proper skills necessary for the mission at a particular site at the right place with the budget limitations that the Department faces. In addition, multiple unions represent workers at each site, and together with their contractors, must develop ways to assign worker guidelines consistent with existing laws and regulations. Mr. Brown then introduced panel members that included representatives from each of the closure sites under discussion.



First, Mr. Woodrow (Jamie) Jameson spoke of developing work assignment guidelines at Fernald. Mr. Jameson stated that a couple years ago, a committee was formed, called the Labor Standard Review Committee. The Committee was comprised mostly of mid-level management. While representatives from the labor unions were invited to attend the Committee meetings, they were not members of the Committee. Therefore, total, full participation from organized labor was lacking. Transmittals that were given to the Committee from the work packages from the project personnel were not complete. There was little feedback back to organized labor on the rationale that the Committee gave to DOE. In the early phases, there was no formal feedback back to organized labor on the determinations made by DOE. The time frame for the decisions was lengthy and it affected the work process onsite.

Mr. Jameson then explained that about one year ago, DOE supported a change in the process. As part of this change, the committee became the Work Scope Work Package Committee, and it is composed of senior management and representatives of organized labor. A nationally-recognized expert was contracted to provide training to DOE and Fluor Fernald team members on the Davis- Bacon Act and the Service Contract Act. The Committee developed a flowdown chart for the entire site to view, and it explained how Committee operations would be handled. All work orders and work packages now come to the Committee. The Committee focus is to maximize communication and they engage all parties in the discussion of specific problems regarding the package being produced. The Committee Chair provides all members with feedback on the rationale that the committee chose to send into DOE. When DOE decisions are handed back, they are also distributed to all members of the Committee. Representatives from the senior team and the labor group are full participants in the process. Over 175 people onsite have been trained in the Davis-Bacon Act and the Service Contract Act to date. This training has produced better packages and better feedback, and the feedback goes back to the people who created the packages.

Mr. Jameson stated that DOE and the Committee formulated a rapid review process. The representatives from organized labor now have a better understanding for the rationale behind decisions. Such decisions are written out per the Davis-Bacon Act or the Service Contract Act. The process is now a more collaborative process, rather than an adversarial process, as it was in the past. The Committee has developed an agreement which states that the members of the Work Scope Work Package Committee are committed to a process to open communication and participation by all members and strive to make the review method a



success for all that are involved. Mr. Jameson then invited Bob Schwab and Lou Doll to the stand to address the audience and accept questions.

Mr. Bob Schwab explained that, thus far, the process has worked quite well and been quite effective. The process is now extremely beneficial instead of adversarial as it was in the past. Mr. Lou Doll then explained that he has been employed at the plant since 1983. He reiterated that the process works so well because the labor groups, contractors, and DOE are equal participants. Further, the education of the membership has been integral to the process. All members are informed so that decisions will be the best possible ones. Further, as long as the comments are forwarded to the Department so that it can get a feel for the thought process behind the transmittals, then the process works well. It has also been helpful to receive feedback from the contractor on their decisions to send a recommendation to DOE. It is also necessary to have an appeal process, so that the Department is willing to listen and re-think decisions in certain instances. Mr. Doll closed by stating that the right to contact the Department of Labor, if necessary, is always an option.

Next, Mr. Robert Easdon, the Division Manger of Labor Relations for the Kaiser-Hill Company, presented a discussion on labor relations and work assignment guidelines at Rocky Flats. Mr. Easdon explained that Kaiser-Hill was awarded the new integrated management contract for Rocky Flats on April 4, 1995. As Kaiser-Hill assumed its role as integrator, the Labor Relations vision was to improve relations with union leadership, and reach new agreements to allow for the maximum utilization of the represented work force. The mission was to change the way that Kaiser-Hill did business to allow for increased flexibility in support of the new mission of the site.

In order to carry out the new Kaiser-Hill vision and mission, changes had to be made in labor relations. As transition progressed, five key elements necessary to affect change emerged. These five key elements are as follows: (1) assumption of administration of the Project Labor Agreement (PLA); (2) establishment of work assignment guidelines between the United Steelworkers of America, Local 8031 (USWA) and the Colorado Building and Construction Trades Council (CBCTC); (3) negotiation of a D&D agreement with USWA to facilitate closure; (4) renegotiation of a new collective-bargaining agreement with USWA; and (5) renegotiation of the current PLA with the CBCTC. Kaiser-Hill has accomplished all five of these elements.



Mr. Easdon explained that Kaiser-Hill reached agreement on the Work Assignment Guidelines with the USWA and the CBCTC on January 12, 1996. The parties to the work assignment guidelines include the USWA, with 1,400 represented employees, the CBCTC, with 400 employees in 20 unions, and the Kaiser-Hill Company, L.L.C., the site integrating contractor. Kaiser-Hill performs 20 percent of the site work and subcontracts the other 80 percent.

Mr. Easdon maintained that this unprecedented agreement with the unions for the assignment of work has provided many beneficial results. First, the agreement has allowed for increased consistency and understanding of work assignment practices including consideration of the changing site mission, commercial practices, and prevailing practices. Second, the agreement has provided clear definitions of maintenance and production work versus construction work, which has led to improved relations and labor stability, and increased consistency in work assignments. The agreement has also allowed the delineation of assignments for D&D work between the Steelworkers and Building Trades. Mr. Easdon then displayed examples of maintenance work, construction work, service work, and administration requirements as defined in the Davis-Bacon Act.

Mr. Easdon then explained that there have been 503 work assignment determinations by the Davis-Bacon Committee since its inception in 1996. Of the 503 work assignment determinations, there have been 66 grievances that have been filed either by the CBCTC or the USWA. Of these grievances, two went before an arbitrator and both were upheld in accordance with the Davis-Bacon determination. The two issues that were arbitrated included the repackaging of waste and the transportation of excess material. Mr. Easdon closed by stating that the guidelines have proven to be an effective tool for the assignment of work. The floor was then opened for questions.

Q: (Richard Miller) Are the steelworkers working side by side with the subcontractors but remaining on your payroll?

A: (Robert Easdon) The steelworkers are working on projects for which the subcontractor may have management responsibility, but they are our employees.

Q: (Richard Miller) Are you saving money in severance operating this way? Have you calculated those savings? Can this be replicated at other sites?



A: (Robert Easdon) We have not calculated potential savings, but to answer your question of whether this can be replicated at other sites – that is why we continue to talk about our model at Kansas City and Oakland. We think our model has worked very well. We have gotten a lot of jurisdictional assigning done without the previous wrangling that used to occur.

Q: I can foresee that building trades worker numbers are going to rise, while steelworker numbers are going to decrease. Under the agreement, can you absorb steelworkers into the building trades organization to conduct work?

A: (Mike Salazar) As the curves meet at the apex, there has to be a decision to both move off in the same direction. It will have to be a voluntary act for the steelworkers to do that, though. I don't know of any building trades organization that is going to deny the steelworkers, with their skills, which in many cases, are one in the same. They just belong to different organizations. Many times, the skills are the same to complete the job. If the steelworkers want to come over to become a part of the building trades unions, they will be accepted.

Mr. Jim Jackson, Manager of Labor Relations and Worker Transition for BWXT of Ohio, Inc., then discussed work assignment guidelines at Mound. Mr. Jackson stated that the situation at Mound is entirely different in comparison to those at Fernald and Rocky Flats. At Mound, there is no building trades union. What Mound does have is a changing environment for those that were involved in the shop agreement, which is really what PACE was. Currently, there is something of a hybrid agreement, in that there is a shop agreement that was written around production activities, that is now being applied to people doing D&D work. To address this, in 1998, the classifications were reduced from sixteen to four. Looking ahead, BWXT and PACE jointly created the classification called DemoTechs (DT), which is the largest class on site and includes the decontamination workers, cooks, laborers and some other classifications. Jurisdictional arguments still occur on site, however, and the unions settle those directly with BWXT. At Mound, the guards union has been faced with being downsized more rapidly than PACE, and PACE has very generously taken over excess guards faced with layoffs, and provided the same pension and health insurance that the workers previously possessed.

Mr. Jackson stated that the few problems that have been encountered by Mound in the area of work assignment guidelines have revolved around the change from production mode to a demolition and decommissioning mode. However, Mr. Jackson asserted that the learning curve has been mutual and has been very efficient, thus far, as far as labor relations are



concerned. There has not been an arbitration since BWXT has been on site and the number of grievances has been drastically reduced. Mr. Jackson then accepted questions from the audience.

Q: I'd like to know why Unisys was brought in as a subcontractor? These workers were paid double for the same services the current workers could have provided. We feel that our pension benefits were cut in half when Unisys was brought. You could have gotten the same services for half the price.

A: I didn't hear a jurisdictional question and your issue is not the subject of this talk.

Q: (Richard Miller) Mr. King, were you aware of the fact that when this subcontractor was brought on board, the workers' benefits were cut in half and the subcontractors were paid to conduct the services that the incumbent workers could have conducted for double the pay?

A: (Gary King) I am not particularly familiar with this situation. I knew that there were people that had been moved to Unisys and that it was an issue, but I don't know much more about it than that.

Q: (Ron Forest, Fernald) I was at Mound for 27 years. I have extensive education and training regarding safety. I have been through OSHA training, asbestos abatement supervisory training, cementing and excavation, national fire prevention training, conduct of operations, electrical safety training, OSHA scaffold and ladders training, and I have been certified in quality auditing, pre-operational assessment and conduct of operations. I have undergone much more training previous to that. In 1997, there was a transition to B&W. At that time, there were 155 people asked to leave. Of that group of people, 55 were able to retire. The rest of us had to find other work. At that point in time, I needed 17 months in which to gain my full benefits. I didn't get that opportunity. I would like to applaud the Kaiser-Hill gentlemen, who were in favor of employing site-smart people who know what is going on. It appears that 3161 was written concurrently for Mound and Fernald. It is embraced and honored more at Fernald than at Mound. In the early 1990s, human resources at Mound was directed to inform people that they should not expect to remain there for very long because we were in a remediation mode. Most of the new employees are still there, while the "old-timers" are gone. When I attend a meeting of folks who are



attempting to have a class action, I look around and I see grey hair and wrinkles, and I'm among that group and I don't appreciate it. I'm interested in reading the congratulatory letter to B&W Ohio for their excellent implementation of 3161, because it didn't do me a damn bit of good. This is the only question I'm going to ask. I'd like to know what the guidelines were for termination or downsizing prior to B&W takeover?

Gary King then stated he appreciated the instructional information that all of the presenters gave over the course of the two-day Workshop. He also stated that the Office intends to have more meetings on the work force restructuring plans at Portsmouth and Paducah in the Ohio Area. Mr. King encouraged participants to complete evaluation forms in order for the Office to read them and improve upon future conferences. He urged the participants to continue to contact him with questions and concerns. Mr. King then thanked his staff for their work in conducting the conference and adjourned the meeting.



**APPENDIX A
AGENDA
U. S. Department of Energy
Office of Worker and Community Transition**

**WORKSHOP ON GASEOUS DIFFUSION PLANTS
AND
EARLY SITE CLOSURES
The Westin Cincinnati
Cincinnati, OH
Taft Ballroom**

MONDAY, MARCH 6, 2000

- 7:00 - 8:00 a.m.** **Workshop Registration**
- 8:00 - 8:15 a.m.** **Welcome and Introduction**
Speakers:
Gary K. King, Director, Office of Worker and Community
Transition
Leah Dever, Manager, Oak Ridge Operations Office
- 8:15 - 9:00 a.m.** ***Congressional Perspective***
Moderator:
Gary K. King, Director, Office of Worker and Community Transition
Speaker:
The Honorable Ted Strickland, United States House of
Representatives
- Summary:*** Interested Members of Congress or their representatives will present perspectives on the challenges to the contractor work force at Portsmouth and Paducah and the overall role that the Department of Energy (DOE) and the Federal Government should play in helping to address these issues.
- 9:00 - 9:15 a.m.** **Break**



9:15 - 10:45 a.m. ***United States Enrichment Corporation (USEC) Status***

Moderator:

Marilyn Balcombe, Office of Worker and Community Transition

Speaker:

James Adkins, Jr., Vice President of Production, USEC

Summary: Representatives of USEC will provide an overview of their expected work force adjustments in the year 2000, benefits that will be provided to separated workers. An opportunity will be provided for questions related to these issues.

10:45 - 11:00 a.m. **Break**

11:00 - 12:30 p.m. ***Department of Energy Work Scope***

Moderator:

Marilyn Balcombe, Office of Worker and Community Transition

Speakers:

Leah Dever, Manager, Oak Ridge Operations Office

James Thiesing, Vice President and General Manager, Bechtel Jacobs Company

John Dearholt, Manager, Environmental, Safety and Health, Bechtel Jacobs Company

Gordon Dover, Manager, Bechtel Jacobs Company

Ronald Knisley, Office of Site Closure, Environmental Management Program

Summary: Representatives from Environmental Management, Bechtel Jacobs, and the Oak Ridge Operations Office will discuss current and planned DOE-funded work at Portsmouth and Paducah; how the work will be accomplished; and steps being taken to promote opportunities to utilize displaced USEC employees to perform this work. An opportunity will be provided for questions related to these issues.

12:30 - 2:00 p.m. **Lunch** (on your own)

2:00 - 4:30 p.m. ***Development of Creative Solutions For Ongoing Problems***

Speaker:

Terry Freese, Deputy Director, Office of Worker and Community Transition



Summary: This session will include an open discussion of issues that must be addressed to mitigate the impact of planned work force reductions on the incumbent contractor work force. Topics are expected to include mechanisms to promote transition of impacted workers to DOE-funded activities; the role of community reuse organizations in implementing training programs for site employment or other economic development initiatives and potential enhanced separation benefits for displaced workers; and limitations on currently available funding for mitigation programs.

4:30- 4:45 p.m. **Closing Remarks**

Speaker:

Gary K. King, Director, Office of Worker and Community Transition

6:00 - 8:00 p.m. **Reception**

TUESDAY, MARCH 7, 2000

7:30 - 8:30 a.m. **Workshop Registration**

8:30 - 8:45 a.m. **Opening Remarks**

Speakers:

Gary K. King, Director, Office of Worker and Community Transition
Susan Brechbill, Manager, Ohio Field Office

8:45 - 10:00 a.m. **Status of Early Site Closures**

Facilitator:

Marilyn Balcombe, Office of Worker and Community Transition

Speakers:

Jack Craig, Director, Fernald Environmental Management Project

Richard Provencher, Director, Miamisburg Environmental
Management Project

Carol Wilson, Contractor Industrial Relations Specialist, Ohio Field
Office

Barbara Powers, Contractor Industrial Relations Officer, Rocky Flats
Field Office

Summary: Each early closure site will present a brief presentation of the current status of its path toward early closure, with an emphasis on implications of schedules and changes in program activities on work



force requirements. Presentations will identify common and unique challenges each site faces in managing work force issues.

10:00 - 10:15 a.m. **Break**

10:15 - 11:00 a.m. ***Work Force Planning Issues***

Facilitator:

Marilyn Balcombe, Office of Worker and Community Transition

Summary: This session will be an open discussion of challenges faced by early closure sites in planning work force requirements. Subjects are expected to include identification of critical skills; providing long-term advance notification of requirements to individual workers; and communication between sites to identify potential matches between excess and needed skills.

11:00 - 11:15 a.m. **Break**

11:15 - 12:00 noon. ***Worker Retention/Skills Management Initiatives***

Facilitator:

Marilyn Balcombe, Office of Worker and Community Transition

Opening Remarks:

Terry Freese, Deputy Director, Office of Worker and Community Transition

Speaker:

Robert Allen, Vice President & Division Manager of Human Resources, Kaiser-Hill Company

Summary: This session will be an open discussion of potential measures to promote retention of needed skills through site closure. Expected topics include use of career planning and training benefit agreements that allow workers to prepare for post-closure careers in exchange for agreement to remain as long as needed; retention incentives for critical skills; training programs to transition incumbent workers to fill new requirements; means to provide for skills vacancies as closure dates approach; and use of relocation incentives.

12:00 - 12:15 p.m. **Break**



12:15 - 12:45 p.m. ***Using An Educated Work Force To Create Jobs***

Facilitator:

Marilyn Balcombe, Office of Worker and Community Transition

Opening Remarks:

Deborah Swichkow, Deputy Director, Office of Worker and
Community Transition

Speaker:

LoAnn Ayers, Director of Business Links, Washington State
University

Summary: This session will be an open discussion of how to attract new and expanding businesses to a community. Discussion topics will include using an educated work force to help attract new businesses to the region; additional training needs; the importance of a strengths, weaknesses, opportunities and threats analysis; and types of projects that have potential to create jobs.

12:45 - 2:00 p.m. **Lunch** (on your own)

2:00 - 3:15 p.m. **Developing Work Assignment Guidelines For Early Closure**

Sites

Facilitator:

Marilyn Balcombe, Office of Worker and Community Transition

Opening Remarks:

Lyle Brown, Contractor Industrial Relations Specialist, Office of
Worker and Community Transition

Speakers:

Robert Easdon, Division Manager of Labor Relations, Kaiser-Hill
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Mike Salazar, Business Manager, Colorado Construction and Building
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James E. Jackson, Manager, Labor Relations and Worker Transition,
BWXT of Ohio, Inc.

Woodrow B. Jameson, Vice President of Project Execution/Chairman
of the Work Scope/Work Package Committee, Fluor
Fernald, Inc.

Summary: This session will be a discussion of processes used for developing work assignment guidelines by DOE contractors and unions representing their workers, consistent with existing laws and regulations and the objectives of section 3161. Topics are expected



to include discussions of existing agreements to facilitate utilization of incumbent workers and potential additional mechanisms to meet this objective.

3:15 - 3:30 p.m.

Closing Remarks

Speaker:

Gary K. King, Director, Office of Worker and Community Transition



**APPENDIX B
PARTICIPANTS LIST
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Office of Worker and Community Transition**

**WORKSHOP ON GASEOUS DIFFUSION PLANTS
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