



PROGRAM UPDATE

Office of Worker and Community Transition

United States Department of Energy

July - September 1998

SECRETARY RICHARDSON ANNOUNCES RESULTS OF WORKER AND COMMUNITY TRANSITION PROGRAM INDEPENDENT ASSESSMENT

On October 5, 1998, Secretary of Energy Bill Richardson sent to the U.S. Congress an independent assessment of the Department of Energy's Worker and Community Transition program that estimates the program has created or retained more than 22,000 jobs.

"I am pleased that an independent study directed by Congress of our Worker and Community Transition program recognizes the program's accomplishments in helping mitigate the social and economic impacts resulting from our department's transition," Secretary Richardson said. "This program has helped develop more than 22,000 jobs, has furnished a foundation for community economic development and has provided leadership in site closure and reuse of our facilities."

The report, directed by the 1998 National Defense Authorization Act, was conducted by Booz Allen and Hamilton, Inc., a leading national auditing firm. The report notes that the program has helped retain a skilled and productive work force by offering early retirement and other voluntary separation programs that have resulted in the amicable separation of more than 30,000 contractor employees, as well as reducing legal challenges and incidence of work place violence.

The estimated job creation and retention was accomplished through both work force adjustment programs such as education, relocation and job placement assistance (10,845 jobs) and community transition activities (11,503 jobs). Efforts to work with local communities to identify industrial uses for excess facilities at the Mound Plant in Ohio and the Pinellas Plant in Florida have accelerated cleanup and saved more than \$100 million in landlord and maintenance costs, according to the report.

The report concludes that the Department continues to face major transition issues involving early site closure, new contracting mechanisms and budget adjustments. A full copy of the report is available in Adobe Acrobat PDF format on our office's website at www.wct.doe.gov or you may obtain a copy by submitting the Document Request Form at the end of this Program Update.

WORK FORCE RESTRUCTURING ACTIONS

LOCKHEED MARTIN ENERGY SYSTEMS RESEARCH CORPORATION EMPLOYMENT REDUCTIONS ANNOUNCED

On July 13, 1998, a work force reduction was announced by Oak Ridge National Laboratories (ORNL) involving approximately 150-175 positions. These reductions are part of overall site



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reductions for Fiscal Year 1998 totaling 700-800 positions which were announced in January 1998 and are primarily due to a reduction in the work performed by ORNL for Environmental Management programs.

Consistent with past practice, and the terms of the **Oak Ridge Work Force Restructuring Plan**, the program includes both an involuntary reduction-in-force and a voluntary reduction-in-force to be completed by September 30, 1998. Displaced Worker Medical benefits along with education, relocation and outplacement assistance will be provided under the terms of the **Oak Ridge Work Force Restructuring Plan**.

The Oak Ridge Operations Office is currently evaluating the extent of work force restructuring that will be required at the site in Fiscal Year 1999. Implementation of the new contracting strategy through the management and integrating contract is anticipated to have considerable work force impacts over the year. Significant reductions included in both the passed House and Senate Energy and Water Development Appropriations bills for the Decontaminating and Decommissioning line item could result in significant work force reductions in the coming year.

WORK FORCE REDUCTIONS ANNOUNCED AT PORTSMOUTH, OHIO AND PADUCAH, KENTUCKY

On July 15, 1998, the U.S. Department of Energy (DOE) announced that notices of separation were issued to approximately 130 workers of the United States Enrichment Corporation's (USEC) prime subcontractor, Lockheed Martin Utility Systems (LMUS). These reductions, which include an anticipated 104 positions at Portsmouth, Ohio and 11 at Paducah, Kentucky are necessary because of completion of projects associated with the Nuclear Safety Upgrade Program and reduced USEC services to DOE forecast for Fiscal Year 1998.

The Department has determined that section 3161 of the National Defense Authorization Act for Fiscal Year 1993 applies to those workers whose separation can be related to changes in DOE-funded activities. A work force restructuring plan is being developed to cover these and potential future restructuring at these sites.

A benefits package was provided to all affected workers consistent with that provided recently to separated workers at the Oak Ridge Reservation in Tennessee. The package includes severance, medical, education, relocation and outplacement benefits. Preference-in-hiring will be provided to separated workers who meet the Department's eligibility criteria. An opportunity was provided for workers to volunteer and receive severance if this will avoid an involuntary separation. It is anticipated that 30-40 of the reductions can be achieved this way.

DOE will provide funding for workers associated with changes in Departmental services, and USEC will fund costs associated with non-DOE business.

ENHANCED VOLUNTARY SEPARATION PROGRAM OFFERED AT PORTSMOUTH, OHIO

On July 24, 1998, Lockheed Martin Utility Systems and USEC announced that an enhanced voluntary separation incentive program was offered at the Portsmouth, Ohio and Paducah, Kentucky sites in an effort



to achieve reduction of approximately 250 positions related to work force changes consistent with business requirements following privatization of these facilities. A total of 257 workers were accepted for participation in this program, 143 at Portsmouth and 112 at Paducah.

This enhanced voluntary separation incentive program is identical to the program offered to approximately 54 security personnel at Portsmouth that was announced on July 15, and is consistent with the program agreed to between the Department and USEC in the recently signed memorandum of agreement. These enhanced benefits include an additional one week's pay per year of service to the severance program, and an option to receive a lump sum payment of \$7,500 or be eligible, under conditions defined in the **Portsmouth/Paducah Work Force Restructuring Plan**, for medical, education, relocation and outplacement assistance.

COMMUNITY TRANSITION ACTIVITIES

ENERGY SECRETARY BILL RICHARDSON ANNOUNCES \$5 MILLION GRANT TO BOOST NORTHERN NEW MEXICO'S ECONOMIC TRANSITION PLAN

On September 10, 1998, Secretary of Energy Bill Richardson announced the award of a \$5 million grant to the Regional Development Corporation, honoring the Department's commitment to ease the transition of Northern New Mexico communities affected by post Cold War downsizing at Los Alamos National Laboratory (LANL). The funds will assist the region in diversifying its economy, with particular emphasis on long-term, sustainable development and the infrastructure necessary to maintain and attract new businesses. The grant is one in a series of awards made to communities adversely affected by downsizing, privatization, or closing of the Department of Energy's (DOE) defense-related activities at various sites around the country.

"This investment recognizes the strengths of Northern New Mexico, established by decades of commitment to developing the cutting edge science and technologies that helped America win the Cold War," said Secretary Richardson. "The blueprint for economic development these communities have drawn up not only complements the skills and talents of their residents but will serve as a foundation for building new businesses, creating jobs and improving community resources."

Regional Development Corporation (RDC), the local community reuse organization, recently submitted an economic development proposal that was approved by DOE and the Commerce Department. Under the grant, the RDC will fund projects most likely to alleviate the negative impact resulting from downsizing.

Projects funded by the grant will promote growth in two emerging global markets: 1) investment in state-of-the-art telecommunications networks that accelerate advances in next generation Internet technologies and multimedia transmission; and 2) developing value-added agriculture markets through targeted assistance to expand both regional and global commercial opportunities for Native American/Santa Fe-style products. Additionally, the RDC will assist municipalities with commercial district revitalization efforts that attract new business and work to retain and expand existing businesses.



ASSET MANAGEMENT

ASSET SALES/LEASES

Net revenues deposited at the U.S. Treasury, as part of the Asset Sales Initiative (ASI), will no longer be tracked. The ASI had as its goal the return of \$75 million, over a 5-year period (Fiscal Years 1996 - 2000), to the Treasury which would result from the selling of excess Departmental personal and real properties. As of the end of Fiscal Year 1998, net revenues totaling slightly more than \$31 million had been deposited at the Treasury. As referenced in an August 17, 1998 memorandum for Heads of Departmental Elements from then-Acting Secretary Elizabeth Moler, "The sale of the Naval Petroleum Reserve alone yielded over \$1.0 billion more than anticipated, well exceeding the \$45 million remaining target for the Asset Sales Initiative, one of the programs under the Strategic Alignment Initiative. Thus, we have more than met our overall savings target for the sale of assets." The final ASI chart will be posted on the Office's web site at

LABOR RELATIONS

CONTRACT NEGOTIATIONS

The following is a list of collective bargaining agreements that have been recently negotiated or are scheduled to be negotiated in the third quarter of calendar year 1998:

<u>Site</u>	<u>Union</u>	<u>Type of Employees</u>
Fernald	FATLC	All metal trades crafts
Fernald	IGUA	Guards
Idaho	UPGWA, Local 3	Guards
Idaho	OCAW	Operation personnel
Idaho	IBT	Warehouse workers
LBNL	UPTE	Lab technicians
Mound	UPGWA	Guards



COMMUNITY COLLEGE NETWORK (C²NET) ACTIVITIES

The Community College Network (C²Net) team continues to travel to DOE sites and national laboratories to share information about work force planning, restructuring, training, and retraining. The Office of Worker and Community Transition (the Office) has supported C²Net site visits since early 1997 when the Office sponsored a work force planning effort at the Fernald site in Ohio. The lessons learned at that time provided the basis of the message shared at subsequent site visits.

The Department of Energy (DOE) maintains that five groups of stakeholders are essential to accomplishing any successful manpower planning effort. These stakeholder groups include: 1) DOE Headquarters, field, and site office personnel; 2) contractor human resources and training personnel; 3) labor union representatives; 4) staff and/or faculty from institutions of higher learning; and, 5) members of Community Reuse Organizations (CRO). C²Net works to ensure that these potentially affected parties are part of any dialogues resulting from a restructuring event that maintains the work force needed to continue DOE's missions and allows the downsized workers to maximize their training and career options.

Any restructuring effort encompasses a significant manpower challenge and most of the sites now face not only doing more work with fewer resources, but also they are required to closely examine the skills of the remaining work force and make adjustments to accommodate changing missions. The Fernald initiative obligates line managers to assess their project and support needs and provide a yearly notice of surpluses and shortages. By determining the work force status, the task of categorizing workers who need retraining becomes easier and workers who are targeted for layoffs know earlier and are more able to begin planning for their futures. It is hoped that workers will receive enough notice of an impending restructuring event or layoff to take advantage of community college or other higher education and career opportunities.

During this year, the C²Net team visited Sandia National Laboratory in Albuquerque, New Mexico; the Mound Plant in Miamisburg, Ohio; the Idaho National Engineering and Environmental Laboratory in Idaho Falls, Idaho; and the Oak Ridge Reservation in Oak Ridge, Tennessee.

The most common theme among the sites is that the work force staffing projections are essentially level at each of the sites. The sites slated for closure are evaluating shifts in the skills needed to continue, and in some cases accelerate, the cleanup efforts. Also, shifts in the skills are needed at the sites not scheduled to close, but where the mission is changing. In addition, the sites have largely been able to accomplish their downsizing goals through voluntary actions and attrition, thus eliminating the need for 120-day notices.

Sandia National Laboratory, New Mexico

At Sandia, the site visit participants learned that the laboratory has a well-defined Integrated Staffing Program that enables its projects and support areas to achieve their business goals. The program begins by establishing both near-term (1 year) and long-term (3-5 years) mission-oriented objectives and translates those objectives into the skills needed to obtain them. Program staff then identify any issues and obstacles to success and determine the methods necessary to meet the "people needs" to perform the tasks. Some of the methods commonly used are matrixing, training (often followed by internal realignment), contracting, and external hiring. One of the most important components of the program is establishing indicators that show whether the strategies have been successful. This program is being used effectively at Sandia and is being shared widely with the other sites in the Albuquerque complex.



Sandia is unique in that a large percentage of its staff have Masters or Doctorate degrees. Because many of their programs are uncommon, maintaining critical skills and ensuring that those skills will be available in the future can be a challenge. Sandia is pro-active in working with the local educational institutions to design programs to develop needed skills and in creating opportunities for their workers to pursue degrees. The site's integrated Corporate Training, Development, and Education organization also helps by providing technical, compliance, and targeted quality training; fostering degree programs; and providing consulting services and classes in areas of business, leadership, and management.

The Mound Plant, Ohio

When the C²Net team visited Mound, the Department had just signed an agreement to convey the site to the city of Miamisburg. Site workers were aware that Mound is in a closure mode and know that career decisions are imminent. Among the site's objectives were fostering economic development and lessening the adverse impacts on the workers. Mound projected a flat staffing level for the next three years, but faced many skills mix issues as DOE accelerated site cleanup and turned parcels over to the city for economic development. The site contractor, Babcock & Wilcox, was new at the site and was generating a process to determine work force needs, to retrain where possible to address the needs, and to identify and notify workers targeted for downsizing.

Because the site was moving ahead rapidly with cleanup and closure, workers were increasingly taking advantage of internal and corporate training opportunities. The local colleges and universities were encouraged to provide multiple platforms and times for training and education and also were encouraged to initiate "backside billing" to make paying for classes, books, and materials easier for the students. Backside billing means that the class is paid for upon completion, thus eliminating the need for the student to have the money prior to registration. C²Net colleges that have adopted this policy have seen as much as a three- to four-fold increase in enrollment.

As parcels at the site are released for economic development, DOE has worked closely with the local CRO to generate job opportunities for site employees. DOE maintains a transition center where all new employers and available jobs are posted. As of the site visit, 80-85 percent of the available space was filled with more than 30 businesses and 50 percent of their employees formerly worked at Mound.

Idaho National Engineering and Environmental Laboratory, Idaho

Unlike Sandia and Mound, which are located in metropolitan areas with low unemployment rates and numerous job opportunities, the Idaho National Engineering and Environmental Laboratory (INEEL) is located in an area where it dominates the job market and local pay scales. This is true for many of DOE's more remote sites and presents a dilemma for workers leaving the site. At the time of the site visit; however, the employment projections were flat and the prime contractor, Lockheed Martin Idaho Technologies Company, was working closely with its contract partners to maintain needed skills and retrain current employees to fill vacancies.

INEEL performs its staffing needs analysis quarterly in a rolling three-year effort. The employees participate in an annual skills self identification and this information is available to all staff, as are the staffing projections. Funding is provided both through the contract and by the State of Idaho to retrain workers for open positions.



Workers at INEEL have a powerful tool to help them maintain their skills and to acquire new job skills or pursue a new career. The INEEL Institute, Academic and Education Relations, provides a Work Force Retraining Program to meet immediate and long-term needs. Workers have the opportunity to take courses both in and out of their job classification and they can register at local universities directly through the Institute with no cost to the student for successful course completion. The Institute also works with line management to identify workers for retraining programs to fill vacant positions and upgrade skills for promotional advances.

Oak Ridge Reservation, Tennessee

When the C²Net team visited Oak Ridge, the site had just established a new way of operating from one large organization to multiple organizations with different relationships to each other and to DOE. Management recognized that they faced potential difficulties in understanding their collective resources, in predicting their needs and excesses, and in effectively sharing resultant information. All participants at the site visit were committed to systematic work force planning and creatively filling the gaps and reducing the excesses. With this goal in mind, the Oak Ridge site visit focused on training and retraining.

Bechtel Jacobs had just assumed oversight and administration of the contract at Oak Ridge. They were developing a process for skills assessment, but noted that it was up to each team contractor to assess their work force and communicate the results. Team contractors were predicting staff reductions due to increases in outsourcing and changing missions, but had identified noticeable skills deficits in areas such as specialized machinists (machinists were identified as a national shortage), refabrication specialists, and radcon technicians. In most cases, displaced workers were being sought to fill open positions and for one contractor, BNFL, Inc., comprised about one-fourth of the work force.

Oak Ridge hosts a premier facility in the Manufacturing Skills Campus that gives upgraded training for journeymen in precision machining, machine maintenance, industrial maintenance, and measurement and metrology. There is no curriculum duplication with local community colleges, but the colleges do give credit for certification in any of the Skills Campus programs. The Campus uses knowledgeable crafts people as instructors with an average 20 years of real-world experience and are still employed “on the front line” to remain current in their discipline. This facility serves more than 30 counties in Tennessee and has trained over 700 students in advanced manufacturing for area work force needs. It is a national prototype facility with the ability to “grow our own machinists.”

At all of the site visits, participants acknowledged a growing awareness of the importance of accurately identifying needed skills and those skills determined in excess. Most sites have processes in place, but realize that there is more to be shared in effectively assessing the current staff and realigning to fit an ever-changing mission. DOE and contractor staff are approaching the issues creatively and are working constantly with the community colleges, local universities, and their CROs to maintain a competent work force and to generate as many career options as possible for those workers targeted to leave the sites.

REQUEST FOR PUBLIC DOCUMENT(S)

Name: _____
Organization: _____
Position: _____
Street address: _____
City and state: _____
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Phone: _____
Fax: _____
E-mail/Internet address: _____

DOCUMENTS REQUESTED:

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