

1993 White House Weekly Reports

Possible Mission Weeks:

- Jan 7, 93
- Jan 14, 93
- Jan 21, 93

- Feb 26, 93

- Mar 5, 93
- Mar 26, 93

- Jun 10, 93
- Jun 24, 93

- Jul 1, 93
- Jul 8, 93
- Jul 15, 93

- Nov 25, 93

- Dec 23, 93

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DLWH/MCLARTY *E 553-001434*
The Secretary of Energy
Washington, DC 20585
January 29, 1993

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1/31/93

MEMORANDUM FOR THE HONORABLE THOMAS MCLARTY
CHIEF OF STAFF TO THE PRESIDENT
FROM: HAZEL R. O'LEARY
SUBJECT: WEEKLY REPORT

Issues

o Executive Orders Regarding the President's Campaign Commitments

During the upcoming week, the Department of Energy will determine how Executive Orders should be issued regarding increased energy efficiency in Federal buildings and converting the Federal fleet to alternative fuels. Both of these orders address important campaign commitments which the President made to increase fuel efficiency in the automobile sector, while reducing pollution and the Federal Government's energy bill. We expect to forward a recommendation next week.

o Development of the Economic Package

The Department is working with the Office of Management and Budget, the National Economic Council, and other executive agencies to include provisions in the stimulus and investment package that will create jobs in the short-term and facilitate competitiveness in the long-term. In particular, we are developing a series of initiatives to enhance conservation and expedite the commercialization of renewable resources, while increasing natural gas use. Both tax and spending initiatives will be developed. In addition, we will develop initiatives that address science and technology and the role of the national laboratories in increasing long-term competitiveness to be included in the investment package.

o Coordination of Energy, Environmental and Economic Policy

The President said many times that we cannot make environmental policy without considering its impacts on energy production and consumption. Energy decisions must also consider environmental impacts. Both of these issues impact economic performance. In order to coordinate these disciplines and change the traditional approaches to these areas, we will follow-up on our initial pre-inaugural meeting with a series of regularly scheduled meetings with Secretary Babbitt and Administrator Browner.

- o Visit of Russian Minister Mikhaylov

The Department of Energy will host a visit by Viktor Mikhaylov, the Russian Minister of Atomic Energy, February 6-12. Proposed topics for discussion are the agreements for purchase of Russian highly enriched uranium (HEU), weapons dismantlement, HEU and plutonium storage, the Lisbon Nuclear Safety Initiative, and the International Thermonuclear Experimental Reactor. Discussions regarding the HEU agreement impact the Russian economy and stability and U.S. uranium markets. We will coordinate with the Department of State and work to ensure that these issues are thoroughly addressed in our discussions.

- o Fast Flux Test Facility

The Washington State delegation, including Speaker Foley, has expressed concern regarding the decision by former Secretary Watkins to place the Fast Flux Test Facility, a nuclear facility in Washington, into a long-term standby condition. The Department is working with all affected interests to develop a position on this issue.

- o Rocky Flats Grand Jury Report

There has been ongoing controversy surrounding the Department of Justice's handling of the grand jury investigation of environmental violations at the Department of Energy's Rocky Flats Plant outside of Denver. On Tuesday, January 26, a portion of the grand jury report recommending the prosecution of eight government and contractor employees was released. Controversy has raged regarding the U.S. Attorney's decision not to indict the eight individuals. Public distrust of the Department's operations at Rocky Flats and the Department of Justice's investigations will keep this story in the news. The Department identified the problem and replaced the negligent contractor, Rockwell, with EG&G several years ago. Community councils have been established to maintain open communication and regain public trust. Rocky Flats has also published a plan of correction, and we will continue to publicize our efforts to correct previous deficiencies.

Outreach

- o Initiation of Outreach

This week the Department's outreach program was initiated with a meeting with representatives from environmental groups. Opening the lines of communication with the public and interested parties is an essential part of our business. Other meetings are being planned including meeting with the Western Governors next week.

- o Western Governors Meeting

On Monday, February 1, I will meet with the Western Governors Association to receive a briefing on the continuation of a joint Federal/State initiative on waste management technology development and to discuss DOE-related issues of importance to the West.



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2/8/93

The Secretary of Energy
Washington, DC 20585

February 5, 1993

MEMORANDUM FOR THE HONORABLE THOMAS MCLARTY
CHIEF OF STAFF TO THE PRESIDENT
FROM: HAZEL R. O'LEARY *Hazel R. O'Leary*
SUBJECT: WEEKLY REPORT

What follows are major initiatives underway at the Department:

MAJOR ISSUES

• EXECUTIVE ORDERS

The Department forwarded an Executive Order to the White House and the Office of Management and Budget to increase energy efficiency in federal facilities and to expedite the conversion of the federal fleet to alternative fuel vehicles. These orders will lead to less pollution, job creation and increased utilization of natural gas-derived fuels.

• ENERGY TAX ANALYSIS

The Department participated with an Administration team to analyze the impact of various energy tax options on the economy, environment, energy imports, and domestic energy markets. This analysis will provide the President with the analytical information necessary to assist in the development of policy in this area.

• COORDINATION OF ENERGY, ENVIRONMENTAL AND ECONOMICAL POLICY

As stated last week, the Department is committed to coordinating energy, environmental and economic policies across the Cabinet. A meeting is scheduled for Friday, February 12, among principals to achieve policy integration. This coordinated teamwork will benefit the public and is consistent with the theme of re-inventing government.

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- SUPERCONDUCTING SUPER COLLIDER

During the week of February 8, the Japanese Foreign Minister will be in town. The Department will work with the White House and the State Department to coordinate strategies to secure Japanese support of the SSC.

SCIENTIFIC AND ECONOMIC INITIATIVES

- FEDERAL COORDINATING COUNCIL ON SCIENCE, ENGINEERING AND TECHNOLOGY SUMMER TEACHER ENHANCEMENT INSTITUTES PROGRAM

Announcement of Federal agencies to be provided 4 million dollars under the new Federal Coordinating Council on Science, Engineering and Technology Summer Teacher Enhancement Institutes Program will be made the second week in February. This initiative expands the use of the vast resources of the Federal laboratory system, exposing teachers to cutting-edge science in specific areas and showing them how to incorporate what they have learned into the classroom. This initiative is directly related to the Administration's emphasis on science, technology and education.

- TECHNOLOGY TRANSFER AGREEMENT WITH TENNESSEE VALLEY AUTHORITY

On February 12, there will be a signing of a technology transfer agreement between Defense Programs, Oak Ridge, and the Tennessee Valley Authority. The agreement provides Oak Ridge Y-12 Plant manufacturing technology to small business in the six states served by the Tennessee Valley Authority, including consultation, and hands-on assistance and training. This agreement will lead to the formation of many new businesses in the region.

LITIGATION

- FERNALD PLANT LITIGATION

On Tuesday, February 16, 1993, a 5-day public but non-binding "summary" trial is scheduled to begin in Cincinnati that will generate substantial local media attention to historical uranium emissions from a Government-owned uranium foundry which operated from the early 1950s through the late 1980s. The litigation, to which the Government is not a party, is a class-action emotional distress suit brought on behalf of plant workers and regular visitors during its operation. The defendant is challenging the Court of Appeals decision that the trial be conducted in public. The Department will have a media plan in place to ensure accurate information is communicated to local citizens.

OTHER ISSUES

- DELAY IN CONSTRUCTION OF HIGH-LEVEL WASTE VITRIFICATION FACILITY

The Department will propose a delay in the construction of a vitrification facility at the Hanford Site in Washington by March 31, as a result of design concerns. This is a change to the 1989 Hanford Federal Facility Agreement and will be negotiated with Region X of the EPA and the Washington Department of Ecology. The Hanford Tri-Party Agreement is viewed in the Pacific Northwest as the cornerstone for the future cleanup of the 560-square mile Hanford Site. Any change to the Hanford Tri-Party Agreement will generate media coverage throughout the region. The Department will solicit public comments on the reasons for proposing the delay in this work as part of a continuing outreach effort. Given the importance of this issue to local citizens, the Department will implement a media program which communicates the reasons for the delay in constructing the facility.

- DECISION TO RESTART PLUTONIUM PROCESSING ACTIVITIES AT THE ROCKY FLATS PLANT

The Department expects that the Defense Nuclear Facilities Safety Board, following a February 8 public meeting, will determine that it is safe to restart plutonium processing activities at the Rocky Flats Plant in support of site cleanup and deactivation. In the coming weeks we will thoroughly analyze plutonium processing requirements before determining whether restart is appropriate.

OUTREACH

- VISIT TO LOUISIANA

On February 8 and 9, I will travel with Senator Johnston to Baton Rouge to address a Historically Black Colleges and University event at Southern University and to New Orleans to participate in an informal panel discussion with energy executives and civic leaders. A visit to the Strategic Petroleum Reserve Site at Bayou Chactow is also planned.

- MEETINGS WITH MEMBERS OF CONGRESS

I met with Senator Harkin today and Senator Specter on Wednesday. On February 18, I will meet with Senator Exon and Senator Murkowski. These meetings are to get acquainted and an effort to communicate each others concerns.

U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES- 93-002481		ACCRYS NO.		DATE SENT 02/08/93		DATE DUE	
TYPE OF DOCUMENT/ADDRESSEE Memorandum to the Hon. Thomas McLarty signed by the Secretary on 02/05/93 FROM AD-33				SUBJECT Weekly Report			
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)			
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UNDER SECRETARY (US)				CONSERVATION AND RENEWABLE ENERGY (CE)			
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DEPARTMENT ADVISORY COMMITTEES (AC)				FOSSIL ENERGY (FE)			
ARMS CONTROL AND NONPROLIFERATION (AN)				DEFENSE PROGRAMS (DP)			
SECURITY AFFAIRS (SA)				ENVIRONMENT, SAFETY AND HEALTH (EH)			
PUBLIC AFFAIRS (PA)				NEW PRODUCTION REACTORS (NP)			
NUCLEAR SAFETY (NS)				ENERGY RESEARCH (ER)			
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)				INSPECTOR GENERAL (IG)			
CP 1, 10, 20, 30, 40 & 50				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)			
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CR)			
ENERGY INFORMATION ADMINISTRATION (EI)				PROCUREMENT ASSISTANCE AND PROGRAM MANAGEMENT (PR)			
ECONOMIC REGULATORY ADMINISTRATION (RG)				DEFENSE NUCLEAR FACILITIES SAFETY BOARD (DR)			
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X OTHER (SEE REMARKS)				5			
REMARKS: The attached Memo was signed by the Secretary on February 5, 1993, and was dispatched by the Office of the Executive Secretariat via special messenger. This action is hereby closed in ES files.				6			
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ES CONTACT: Arlene Mitchell X6-8924				hm			



Department of Energy
Washington, DC 20585

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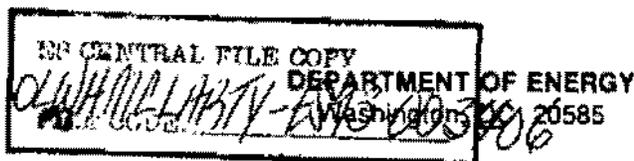
Date: Feb 5, 1993

To: Christine Verney

From: Hazel R O'Leary

Transmittal consists of 3 pages, excluding this form.

Notes:



OFFICE OF THE SECRETARY

February 12, 1993

MEMORANDUM FOR THE HONORABLE THOMAS McLARTY
CHIEF OF STAFF TO THE PRESIDENT

FROM: Hazel R. O'Leary

SUBJECT: Weekly Report

NATIONAL POLICY INITIATIVES

- Energy Taxes

As a member of the interagency team studying energy taxation issues, the Department will continue to refine the energy tax package. Fulfilling our commitment to coordinate energy and environmental policy, the Department of Energy and the Environmental Protection Agency reached agreement on the form of the tax earlier this week.

- Energy, Environmental and Economic Policy

The principals of the Natural Resources Secretary Cluster (Secretary Babbit, Secretary Espy, Secretary O'Leary, and Administrator Browner) met at DOE to discuss coordination of policy and program initiatives. We developed a process to ensure coordination among senior officials from our Departments. This process will lead to the development of rational natural resource policy while sending coherent and consistent messages to policy makers and affected stakeholders. We will also include the Director of the Office of Environmental Policy in future discussions.

- Promoting the Administration's Economic Package

The Secretary will travel to New Jersey and Minnesota to communicate the benefits of the Administration's conservation, renewable energy, and math and science initiatives to the public.

UPCOMING MEETINGS

- I am scheduled to meet with Russian Minister of Atomic Energy Mikhailov to discuss the purchase of weapons grade uranium, Russian nuclear reactor safety, and other Russian-American energy issues. The Department will continue to coordinate its positions on these issues with the National Security Council and other affected agencies.
- I will meet with Japanese Ambassador Kuyiyama to discuss Japanese participation in the Superconducting Super Collider project. We will work with the White House, the State Department, and the U.S. Trade Representative to coordinate a strategy.
- I will meet with German Environment Minister Toepfer to discuss energy taxation, global climate change, and nuclear reactor safety in Eastern Europe.

LITIGATION & OTHER INCIDENTS

- Fernald Plant Litigation

On Tuesday February 16, a five-day public but non-binding "summary" trial concerning historical uranium emissions from a Government-owned uranium foundry that operated from the early 1950s to the late 1980s begins in Cincinnati. The trial will likely generate substantial local media attention. The litigation involving a contractor, to which the Government is not a party, is a class-action emotional distress suit brought on behalf of plant workers and regular visitors during its operation. The Department's Office of Public Affairs will actively communicate factual information regarding this situation to local citizens.

- **Radioactive Waste Shipments**

Notifications were made last week to New Jersey Governor Florio and members of the congressional delegation that the Department of Energy shipped laboratory waste containing a very small amount of radioactive material from a facility in Aiken, South Carolina, to a waste disposal facility in Bridgeport, New Jersey. A similar incident occurred in Louisiana. The radioactivity is so slight that it could only be detected through laboratory analysis. Although we do not anticipate any environmental, safety, or health risks, we are continuing to conduct comprehensive assessments of this waste. DOE's Office of Public Affairs has a plan in place to communicate to the media information on the incident, the Department's activities to prevent future occurrences, and impacts on public health. This is time sensitive since I will be in New Jersey next week.



The Secretary of Energy
Washington, DC 20585

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of

February 19, 1993

MEMORANDUM FOR THE HONORABLE THOMAS McLARTY
CHIEF OF STAFF TO THE PRESIDENT

FROM: Hazel R. O'Leary

SUBJECT: Weekly Report

POLICY INITIATIVES

- Communications Program to Sell the Energy Tax

To support the President's economic program, we are mobilizing supportive constituencies and progressive industry members to communicate the benefits of the energy tax proposal.

- Promoting the Administration's Economic Package

I was in New Jersey yesterday and in Minnesota today meeting with broadcast and print media and business and labor leaders through events such as editorial boards, school science, and science museum events.

- Executive Orders

In anticipation of a proposed Executive Order mandating energy efficiency in federal facilities and increased purchase and/or conversions of the federal fleet to alternative fuel vehicles, we are developing a plan to publicize this initiative in a manner similar to the energy tax proposal.

UPCOMING MEETINGS

- I will testify before the House Appropriations Subcommittee on Energy and Water Development in support of the FY 1993 supplemental appropriations bill and on the economic stimulus program.
- I will meet with Representative Martin Frost (D-Texas) and Senator Robert Krueger (D-Texas) to discuss the status of the Superconducting Super Collider project.
- I will meet with Japanese Ambassador Kuriyama to discuss the Superconducting Super Collider project and the Japanese intent to initiate energy tax proposals complementary to those in the Administration's economic package.
- I will meet with German Minister for Environment, Nature and Conservation to discuss energy taxation and bilateral cooperation to assure the safety of nuclear power plants in the former Soviet Union.
- I expect to meet with the newly appointed Mexican Minister of Energy, Mines and State-owned Industry Emilio Lozoya for a get-acquainted session. This meeting will serve as a basis for future discussions on North American Free Trade Agreement issues, the Mexico City air quality study and energy taxes.
- I will meet with Senator John Warner (R-Virginia) to discuss free electron laser technology; a cask design for spent nuclear fuel; and the Continuous Electron Beam Accelerator Facility located in Newport News.
- United States/Canadian Coordination Meeting: The Canadian Government has requested a meeting to discuss U.S. nuclear emergency response capabilities and whether agreements exist for response to transborder accidents or emergencies.

LITIGATION AND OTHER CURRENT ISSUES

- Duty Free Entry of Superconducting Super Collider Imports

Superconducting Super Collider personnel and other Department of Energy staff met this week with representatives of the U.S. Customs Service and the Department of Commerce to discuss duty free entry for items imported for the Superconducting Super Collider project. Items contributed to the project by foreign governments and laboratories could cost the U.S. Government up to an estimated \$45 million in duties if an exemption for the Superconducting Super Collider is not obtained.

- Hanford High-Level Waste Vitrification Facility

The Department of Energy is developing a strategy for completion of a high-level waste vitrification facility at the Hanford Site in Washington State. Due to technology issues, the schedule may require alteration, which must be negotiated with the Environmental Protection Agency and the Washington Department of Ecology. Any changes to the original schedule for completion will generate substantial media coverage throughout the region. We are working closely the Environmental Protection Agency and with the public to keep them informed of our progress.

U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES- 93-004430 (OL)		ACCRYS NO.		DATE SENT 02/19/93		DATE DUE					
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FROM AD-33											
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CP 1, 1B, 2B, 3B, 4B & 5B				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)							
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CF)							
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X	OTHER (SEE REMARKS)			5							
REMARKS: The attached Memo was signed by the Secretary on February 19, 1993, and was returned to the Office of the Executive Secretariat for further processing. A copy was faxed and the original hand-carried by special messenger. This action is hereby closed in ES files.				6							
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3/16/93

The Secretary of Energy
Washington, DC 20585

EB CENTRAL FILE COPY
ES 93-006865
FILE CODE: OLNH-McLarty

March 12, 1993

MEMORANDUM FOR

THE HONORABLE THOMAS F. McLARTY
CHIEF OF STAFF TO THE PRESIDENT

FROM:

Hazel R. O'Leary

SUBJECT:

Weekly Report

CURRENT ISSUES

• Energy Tax Update

The Department, in conjunction with Treasury and other agencies, continues to communicate with parties affected by the BTU tax in an effort to gain their support of the President's economic program. Of particular note, Shell Oil and British Petroleum, usually conservative companies, have come out in public support this week. With a few other modifications, two or three other oil companies may support the program. Also important, the American Public Power Association dropped its opposition to energy taxes and stated its potential support if certain issues are addressed. Finally, I spoke to several chief executive officers of the natural gas industry to seek their support of the program. Details about the Tax Package will determine their position. Our coordinated and aggressive outreach efforts will continue in the weeks ahead.

• Technology Transfer

Department staff initiated a dialogue with colleagues from the Commerce Department to develop a coordinated position on two pieces of legislation introduced by two different committee chairmen that could impact the nation's competitive posture. Lack of coordination could lead to contentious jurisdictional disputes. Our goal is to develop a joint position on this legislation and minimize any differences within the Administration on these issues to secure passage of beneficial legislation. We will continue discussions next week to prepare for a series of hearings before the Senate Energy and Natural Resources Committee and House Energy and Commerce Committee.

• Superconducting Super Collider

The Department is working with its colleagues in the Administration to determine the appropriate timing and circumstances to request Japanese support of the Superconducting Super Collider program. We will work together to develop a common position in an upcoming meeting.

- Global Climate Change

The Department is participating in the Administration-wide review of global environmental issues. These issues will be resolved so that the President can announce his policies at the April Energy and Environmental Initiatives Summit. In addition, we are developing initiatives to be included in the new National Action Plan that will allow our nation to achieve stabilization of greenhouse gases in an efficient fashion.

- Reinventing Government

Members of my senior staff met with Dr. Stephen Covey, author of The Seven Habits of Highly Effective People to discuss our desire to implement his leadership training program at the Department. I have had this training and believe in its value. We have offered our colleagues in the Administration the opportunity to participate in the training program.

UPCOMING CONTENTIOUS ISSUES

- Meeting with Washington Governor Mike Lowry

I will meet with Governor Lowry next week to discuss the Department's request for a 6-month delay in four of the construction and start-up goals involving the Hanford Waste Vitrification Plant. This delay is necessary because the scope of the technical requirements for the building is incomplete. To proceed at this time would be costly, which is the finding of a recent GAO study with which I concur. As mentioned in prior reports, any actions which impact the region's Tri-Party Agreement to clean up Hanford will generate substantial media coverage throughout the region. To indicate our willingness to work with the State on this issue, I am flying to Washington for a one day meeting with relevant State officials. In addition, the Department is working with all affected interests to develop new milestones that all parties can support. After my meeting with the Governor, I will meet with regional media to make clear the Department's commitment to moving forward with the Hanford facility.

- New York Times to Publish Series on Clean-Up Policy

Keith Schneider, reporter for the New York Times, plans a series of articles starting March 14 about the increasing amount of money spent on clean-up and the lack of risk-based environmental requirements. He visited the Savannah River Site March 8 for an overview of its clean-up program and associated costs. In the series or in a separate story he is expected to write about cost overruns and delays in bringing the Defense Waste Processing Facility on-line, as reported by the General Accounting Office in a June 1992 report. He may stress that the success of this facility is critical to DOE's ability to safely store high-level waste. Mr. Schneider was invited to discuss DOE's policy with senior officials in Washington. DOE's Public Affairs Office is tracking the progress of the stories and is prepared to respond if they are critical of DOE.

UPCOMING MEETINGS

- **Economic Stimulus Package**

I will meet with the following members of Congress over the course of the next week to advocate the Administration's economic program. Please also note any relevant issues of particular concern to each member.

Senator Bennett Johnston (D-Louisiana)

Senator Carol Moseley-Braun (D-Illinois)

(The impact of the BTU tax on coal and nuclear power and funding of science projects in Illinois.)

Senator Ernest Hollings (D-South Carolina)

Senator John Warner (R-Virginia)

Senator Kent Conrad (D-North Dakota)

(The impact of the BTU tax on agriculture and a large facility in North Dakota.)

Senator Frank Lautenberg (D-New Jersey)

Representative Richard Gephardt (D-Missouri)

Representative George Miller (D-California)

Representative Thomas Bliley (R-Virginia)

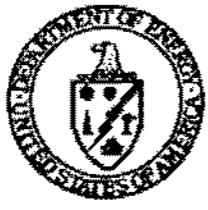
- **Signing of CRADA in North Carolina**

I will sign a Cooperative Research and Development Agreement between all of the Department's National Laboratories and "The AMTEX" Partnership, a consortium of five non-profit research, education and technology transfer institutions associated with the textile industry. This CRADA will bring high technology capabilities to the textile industry, including minimization of manufacturing waste and fabrication defect detection. The signing ceremony will be held at North Carolina State University in Raleigh, North Carolina. This ceremony is likely to generate substantial national media coverage and provides an excellent opportunity to promote the President's economic program.

U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES- 93-006865 (OL)		ACCRYS NO.		DATE SENT 03/17/93		DATE DUE					
TYPE OF DOCUMENT/ADDRESSEE Out-going letter to the Hon. Thomas F. McLarty signed by the Secretary on 03/12/93 FROM AD-33				SUBJECT Weekly Report							
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO				
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)							
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ES CONTACT: Arlene Mitchell X6-8924 hm											

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The Secretary of Energy
Washington, DC 20585

3/16/93
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FILE COPY

March 19, 1993

MEMORANDUM FOR THE HONORABLE THOMAS F. MCLARTY
CHIEF OF STAFF TO THE PRESIDENT

FROM: Hazel R. O'Leary

SUBJECT: Weekly Report

CURRENT ISSUES

- Cray Research Massively Parallel Computing System Proposal

The Department and its Laboratories after over a year of discussion with Cray Research, a manufacturer of high speed scientific mainframe computers, has declined an unsolicited proposal for a joint effort to expand a massively parallel programming system. Despite our initial interest, a non-competitive award of financial assistance on the basis of this unsolicited proposal has since been determined to be inappropriate, and possibly illegal, under the Department's financial assistance regulations.

Cray was informed of the regulations, and a competitive process has been initiated. In view of the importance to Minnesota--Cray headquarters--I have spoken personally with Senators Wellstone and Durenberger on this issue, and have committed to work with them within procurement policy constraints.

- Technology Transfer Initiatives

I will testify before the Senate Committee on Energy and Natural Resources on "The Department of Energy National Competitiveness Technology Transfer Act of 1993." The legislation is designed to utilize the resources of the Labs to enhance U.S. competitiveness by expediting technology transfer. There are currently competing initiatives to achieve these goals. I will communicate the need for coordination and cooperation between the Congress and the Administration to achieve these goals.

The Cooperative Research and Development Agreement (CRADA) that I signed last week between the Department and the AMTEX textile partnership exemplifies the type of cooperation that this Act is intended to foster. Tom Malone, President of Milliken & Co., will also testify in support of the Act and the AMTEX CRADA.

In addition, I will meet with the Directors of the Department's National Laboratories next week. The discussion will focus on the roles and missions of these laboratories, the Administration's initiatives in technology transfer, and plans for Defense Conversion implementation. The emphasis at this meeting will be on establishing an approach to utilizing these assets to achieve the Administration's economic goals. This is only the second time that an Energy Secretary has met with the Lab Directors.

- Meeting with Washington Governor Mike Lowry

I am meeting today with Governor Lowry to discuss the Department's request for a suspension of four of the construction and start-up goals involving the Hanford Waste Vitrification Plant. I will also meet with affected State legislators on the issue. The suspension is necessary because new information about the technical requirements for the building put the design in question. Thus, to proceed at this time would be inefficient and costly. A recently released General Accounting Office study reaches similar conclusions. The Department is working with all stakeholders to redesign goals for the program that all parties can support. It is estimated that a new more efficient approach can increase the clean-up capacity of the facility fourfold over the same timeframe.

Afterward, I will meet with regional media to communicate the Department's dedication to cleaning up the Hanford site in a timely fashion. The intended result of my trip is to foster a new, more positive relationship between the Department and the State of Washington. I will use this opportunity to discuss with State officials the effect of the Energy Tax on States like Washington, which depend heavily upon hydroelectric power and the aluminum industry. It is my hope to garner Washington State support for the Energy Tax.

- Energy Tax Update

The Departments of Energy and Treasury continued to build industry support for the Energy Tax during this week. Two more oil companies, CITGO and Pennzoil, came out in support of the program this week. Also, six electric utilities wrote a letter to the President pledging to work with the Administration on the Economic Program. We are confident that other electric utilities will take similar positions in the next week. Finally, it is possible that the American Public Power Association, which represents consumers in several States, will come out in support of the plan in the near future.

We will continue our aggressive outreach program in the weeks ahead to build support for this important element of the President's program.

- Nonnuclear Reconfiguration

On January 19, Former Secretary Watkins made a decision to consolidate the weapons complex as a result of the Nonnuclear Reconfiguration Cost Effectiveness Report, a Department of Energy study on the budgetary ramifications of the reconfiguration of several DOE facilities. Assumptions

made in the original report had been called into question because of changing budgetary priorities. As this was a last minute decision of the prior administration affecting thousands of workers, I have taken steps to review the decision carefully.

To ensure an expeditious and impartial review of this decision, independent experts will be appointed to perform the review. The scope of the assessment will be agreed upon by officials from the affected States: Ohio, South Carolina, Florida, New Mexico, Kansas, Colorado, Missouri, and Tennessee. The assessment should take between 60 and 90 days and should be completed no later than June 1, 1993.

Senator John Glenn (D-Ohio) had been attempting to prevail upon the Department to reexamine the issue of nonnuclear reconfiguration for over two years. The Senator is now satisfied with the Department's efforts to address his concerns; however, some Republican Members of Congress have expressed strong dissatisfaction.

OUTREACH MEETINGS

- **Congressional Meetings**

Once again this coming week, I will meet with representatives from a diverse spectrum of the Department's constituency groups to actively promote the Administration's Economic Package. These constituencies include two Senators, four Representatives, environmental groups, and various industry executives.



OLWH... 17 (3) 13 00 9116 04/16/93

The Secretary of Energy
Washington, DC 20585

April 2, 1993

**MEMORANDUM FOR THE HONORABLE THOMAS F. MCLARTY
CHIEF OF STAFF TO THE PRESIDENT**

FROM: Hazel R. O'Leary

SUBJECT: Weekly Report

A handwritten signature in black ink that reads "Hazel R. O'Leary".

Current Issues

• Budget Briefing

The Department will continue to brief affected stakeholders on the Fiscal Year 1994 budget submission, including press briefings. The controversial elements of the budget include the loss of jobs from reductions in the defense and nuclear areas. We have developed plans to mitigate employment dislocation through defense conversion activities and shifting workers to environmental clean-up at defense facilities. The briefings also provide the opportunity to communicate the shift in the Administration's energy priorities to meet economic and environmental goals.

• Hanford Waste Clean-up

The Department and the Washington Governor's Office have finalized adjustments to the *Hanford Tri-Party Agreement*. All parties agreed that the original agreement contained serious flaws in technical aspects of the vitrification plant's design, which made proceeding on schedule wasteful and inappropriate. Construction of the high-level waste vitrification facility will be delayed for six months. The Department will work closely with the State and other stakeholders to formulate new milestones for the agreement to accelerate Hanford clean-up and decontamination. Governor Lowry and I are both committed to the success of the Hanford project and are enthusiastic about the positive relationship that these negotiations have fostered between the State of Washington and the Department of Energy.

• Meeting with Governor Robert Miller of (D-Nevada)

Governor Miller accepted my invitation to meet today to discuss two critical issues concerning the Department's activities in Nevada. One topic was the economic effects of budgetary cuts on the Nevada Nuclear Weapons Test Site,

and the future utilization of the Test Site for weapons system reconfiguration or other scientific activities. We also discussed initiation of underground exploration at the Yucca Mountain Nuclear Waste Repository, necessary to determine the suitability of the site for waste disposal. Although this issue is extremely contentious, it represents the critical path toward implementing the Nuclear Waste Policy Act. The overriding need however, is to develop an effective strategy for nuclear waste management and disposal.

We agreed to keep communications open to reduce the conflict between the State and the Department. Governor Miller is in a difficult political situation with respect to this issue. Thus, this meeting represented the Department's commitment to collaborate with all stakeholders affected by Departmental decisions and marked the beginning of a more positive and cooperative relationship with Nevada.

Despite our efforts to improve communications, through unfortunate timing the notice to Congress of my decision to continue the tunnel was made public within minutes of the meeting. You may hear from Governor Miller about the timing of the announcement, which was clearly embarrassing to him and for which I take responsibility.

- Department Realignment

We officially announced the realignment of the Department today. This realignment will allow the Department to achieve the energy, environmental and economic goals of the Department and the Administration. Our flattened organization will reduce reporting requirements and allow the Department to respond more quickly to the needs of the public.

A key feature of the realignment has been to fold the Office of Environment, Safety and Health into the Office of Nuclear Safety, with the new organization reporting directly to the Office of the Secretary. This is intended to highlight to the public the Administration's commitment to the health and safety of all communities, and tracks actions taken in the private sector.

This announcement followed extensive consultation with the White House and appropriate stakeholders in Congress and elsewhere. Within the Department, we have taken a team approach to the realignment that will involve employees in its implementation. This approach was successfully tested today, when I met with employees of our Germantown, MD, facility who were concerned about implications for staffing.

Outreach

- New Mexico
 - Invitation of Senator Jeff Bingaman (D-NM).
 - Tour of the Department's Sandia and Los Alamos National Laboratories.
 - Signing of a partnership agreement with SEMATECH, a consortium of the leading U.S. semiconductor companies. Senator Bingaman and Governor Bruce King will also participate in the signing, along with the President of SEMATECH, Bill Spencer, and Director of Sandia National Laboratories, Al Narath. The partnership is a 5-year program with a projected \$100 million commitment shared between DOE and SEMATECH to improve semiconductor manufacturing technologies. This is another example of the Department's labs transferring technology to the private sector to create jobs.
- Texas
 - Invitation of Senator Robert Krueger and Congressman Martin Frost.
 - Inspect progress on the Superconducting Super Collider project.
 - Possible announcement of Deputy Secretary nomination.

Attachment

****DRAFT****

TRIP OF THE SECRETARY OF ENERGY
TO
ALBUQUERQUE AND LOS ALAMOS, NEW MEXICO
AND
DALLAS/FT. WORTH, TEXAS

Tuesday, April 6 - Friday, April 9, 1993

EVENTS: TUESDAY, APRIL 6, 1993

*Travel from Washington, D.C. to Albuquerque,
New Mexico

WEDNESDAY, APRIL 7, 1993

*Brief Meeting with Governor King and Senator
Bingaman

*Tour of Sandia National Laboratory, to
include a CRADA Signing Ceremony and a
Briefing on WIPP

*Working Lunch with Community Leaders

*Travel from Albuquerque to Los Alamos

*Tour of Los Alamos National Laboratory

*Travel from Los Alamos to Dallas, Texas

THURSDAY, APRIL 8, 1993

*Attend Meeting with SSC Minority Contractors
and Representatives from Dallas and Fort
Worth Black and Hispanic Chambers of
Commerce

*Tour and Briefings at SSC

*Press Availability

*Attend Lunch TBD

*Editorial Board with the Dallas Morning
News

FRIDAY, APRIL 9, 1993

(T)*Speak at Meeting with the Dallas Democratic
Forum

*Travel from Dallas to Newport News, Virginia

STAFF: Bob DeGrasse Special Assistant
Steve Fried Office of Public Affairs

CONTACT: Office of Scheduling and Logistics, U.S.
Department of Energy 202-586-5534

As of 4/2/93 4:30pm

Department of Energy
Office of the Secretary

Autopen Authorization

Date: 4/2

ES No. _____

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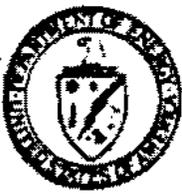
Signature requested:

Hazel R. O'Leary

Hazel



Authorizing Official Signature



Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
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Date: April 2, 1993
To: Honorable Christine Varney
From: Hazel R. O'Leary
Secretary of Energy

Transmittal consists of 4 pages, excluding this form.

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U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES-93-009116		ACCRYS NO.		DATE SENT 04/06/93		DATE DUE					
TYPE OF DOCUMENT/ADDRESSEE Out-going Memo signed by the Secretary on 04/02/93				SUBJECT Weekly report							
FROM AD-33											
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO				
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)							
DEPUTY SECRETARY (DS)				MIS DIVISION							
UNDER SECRETARY (US)				CONSERVATION AND RENEWABLE ENERGY (CE)							
INTELLIGENCE (IN)				NUCLEAR ENERGY (NE)							
DEPARTMENT ADVISORY COMMITTEES (AC)				FOSSIL ENERGY (FE)							
ARMS CONTROL AND NONPROLIFERATION (AN)				DEFENSE PROGRAMS (DP)							
SECURITY AFFAIRS (SA)				ENVIRONMENT, SAFETY AND HEALTH (EH)							
PUBLIC AFFAIRS (PA)				NEW PRODUCTION REACTORS (NP)							
NUCLEAR SAFETY (NS)				ENERGY RESEARCH (ER)							
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EW)				INSPECTOR GENERAL (IG)							
CP 1, 10, 20, 30, 40 & 50				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)							
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CR)							
ENERGY INFORMATION ADMINISTRATION (EI)				PROCUREMENT ASSISTANCE AND PROGRAM MANAGEMENT (PR)							
ECONOMIC REGULATORY ADMINISTRATION (RG)				DEFENSE NUCLEAR FACILITIES SAFETY BOARD (DN)							
CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)				MINORITY ECONOMIC IMPACT (MI)							
OFFICE OF EMERGENCY PLANNING AND OPERATIONS (OE)				OFFICE OF CONTRACTOR PROTECTION (OC)							
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ACTION REQUIRED (ES USE ONLY)				STAFF ACTION SUMMARY							
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	INFORMATION			2							
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	COMMENTS AND/OR RECOMMENDATIONS			4							
X	OTHER (SEE REMARKS)			5							
REMARKS: The attached Memo was signed by the Secretary on April 2, 1993, and returned to the Office of the Executive Secretariat for further processing. A copy was faxed and the original hand-carried to the addressee via special messenger by ES. This action is hereby closed in ES files.				6							
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The Secretary of Energy
Washington, DC 20585

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April 9, 1993

**MEMORANDUM FOR THE HONORABLE THOMAS F. MCLARTY
CHIEF OF STAFF TO THE PRESIDENT**

FROM: Hazel R. O'Leary *Hazel R. O'Leary*
SUBJECT: Weekly Report

CURRENT ISSUES

Technology Transfer

On Monday April 12, Science and Technology Advisor Gibbons, Governor Cuomo, myself, and members of the Northeast-Midwest Congressional and Senate Coalitions will speak at the *White House Technology Reinvestment Project Regional Briefing* in New York City. These briefings kick off a week of regional events to promote the President's Technology Reinvestment Project to business, States, non-profit organizations, and others interested in technology transfer initiatives. This briefing will highlight the Administration's commitment to defense conversion activities and augment the recent Baltimore event. We are expecting an audience of 1,000-1,500 people.

In addition to the briefing, we will visit EDO Corporation in Long Island. The visit will allow us to not only focus on the defense conversion, but also communicate the Administration's intention to convert the federal fleet to alternative fuel vehicles. EDO Corporation, a manufacturer of military hardware since 1925, has developed civilian applications for its technology and was recently awarded a \$710,000 grant by the State of New York to assist in converting its manufacturing facility to civilian production of storage cylinders for Compressed Natural Gas Vehicle Refueling Stations. This new division is expected to increase the company's workforce by 12.5% in the near future. EDO Corporation serves as an excellent example of the benefits of shifting emphasis from defense to civilian markets. We will follow the visit with a press conference and a briefing on the initiative to business leaders.

The New York Times' Editorial Board will meet with me to discuss this and other Administration initiatives. The entire day's events should generate excellent publicity in the region for the Administration's conversion initiatives.

- Trip to Savannah River Complex

Representative Butler Derrick has asked me to visit the Savannah River Complex on April 16. Due to defense cutbacks, the Department is reducing staff there by approximately 2,000 people, but has already saved 2,000 jobs through attrition and conversion activities. During this trip, we will communicate the Department's efforts to mitigate the economic impacts of defense cutbacks through a press conference with Mr. Derrick, meetings with local business leaders, and a tour through the facility.

- Release of the FY 1994 Budget

There will be media interest in the Department's FY 1994 budget because of reductions in the civilian nuclear research and development and weapons programs. These cutbacks will result in lay-offs primarily in Illinois, Idaho, South Carolina, Colorado, Tennessee, Ohio, and Missouri. The Department continues its aggressive plan to mitigate the impacts of these lay-offs through early retirement plans, conversion activities and shifting personnel to clean-up activities. The Department is also keeping local communities informed of developments through an aggressive outreach and public affairs program.

- Chemical Explosion at Russian Fuel Processing Facility

The Department has been tracking the developments of the April 6 explosion near Tomsk-7 in Siberia. During a Department of Energy sponsored Waste Management Seminar, Deputy Minister Nilolai Yegerov of the Russian Ministry of Atomic Energy stressed to a scientist in the Department the Russian Government's sensitivity over releasing preliminary information on the accident and asked that requests to interview technical experts visiting the U.S. be referred to the Russian Embassy.

The Department, in cooperation with the State Department, has drafted a cable to offer assistance to Russia.

- Agreement with Russia on Highly-Enriched Uranium Issues

The Department is working with its colleagues in the National Security Council and the State Department to assist in completion of the Russian-American High-Enriched Uranium Agreement.

OUTREACH

- Meetings

The following meetings will take place in the next two weeks:

- Representative Henry Waxman (D-CA), and
- Representative David Skaggs (D-CO).

- During the week of April 19, I will testify before the House Energy and Power Subcommittee of the Energy and Commerce Committee and the Energy and Water Development Appropriations Subcommittee on the Department's FY 1994 budget request.

Attachments

D R A F T

MONDAY, APRIL 13, 1993

SCHEDULE FOR SECRETARY O'LEARY

Travel to New York for the following events:

- White House Technology Reinvestment Project Regional Briefings Northeast Conference
- Tour of the EDO Corporation and Press Conference
- Editorial Board with the New York Times

TUESDAY, APRIL 13, 1993

Jay Hakes - Interview

LUNCH - Howard Pastor

Assistant to the President and Director of Legislative Affairs
(Rich Rosenzweig)

Richard Morris - Interview

Janet Anderson - Interview

Prebrief for FY 94 Budget Hearing

Subcommittee on Energy and Power (Cong. Sharp)

(Hearing scheduled for Wednesday, April 21, at 9:30am)

WEDNESDAY, APRIL 14, 1993

Team Lunch

Prebrief for Appropriations, Energy and Water Development
Subcommittee Hearing (Congressman Bevill)
(Hearing scheduled for Thursday, April 22, at 10:00am)

Terry Rumsey - Interview

THURSDAY, APRIL 15, 1993

Senior Staff Meeting

Jan Brown - Interview

Media Event - Black Entertainment TV
(Steve Fried)

Congressman Henry Waxman
Room 2408 Rayburn House Office Building
(225-3976)

Dr. Lenneal Henderson - Interview

Dr. Chulsu Kim, Korean Minister of Trade and Industry

Reception - American Association of Blacks in Energy

FRIDAY, APRIL 16, 1993

SCHEDULE FOR SECRETARY O'LEARY

Travel to South Carolina to tour Savannah River Complex



The Secretary of Energy
Washington, DC 20585

April 2, 1993

**MEMORANDUM FOR THE HONORABLE THOMAS F. MCLARTY
CHIEF OF STAFF TO THE PRESIDENT**

FROM: Hazel R. O'Leary

SUBJECT: Weekly Report

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 - Inspect progress on the Superconducting Super Collider project.
 - Possible announcement of Deputy Secretary nomination.

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STAFF: Bob DeGrasse Special Assistant
Steve Fried Office of Public Affairs

CONTACT: Office of Scheduling and Logistics, U.S.
Department of Energy 202-586-5534

As of 4/2/93 4:30pm



Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
FACSIMILE TRANSMITTAL FORM

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Date: April 9, 1993

To: Christine Varney

From: Hazel R. O'Leary

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Transmittal consists of 9 pages, excluding this form.

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Notes:

ACTIVITY REPORT

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U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES. 93-009617		ACCTS NO.		DATE SENT 4-12-93		DATE DUE	
TYPE OF DOCUMENT/ADDRESSEE Action Memorandum to Hon. Thomas F. McLarty signed by the Secretary FROM AD-33				SUBJECT Secretarial Weekly Report			
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)			
DEPUTY SECRETARY (DS)				HIS DIVISION			
UNDER SECRETARY (US)				CONSERVATION AND RENEWABLE ENERGY (CE)			
INTELLIGENCE (IH)				NUCLEAR ENERGY (NE)			
DEPARTMENT ADVISORY COMMITTEES (AC)				FOSSIL ENERGY (FE)			
ARMS CONTROL AND NONPROLIFERATION (AM)				DEFENSE PROGRAMS (DP)			
SECURITY AFFAIRS (SA)				ENVIRONMENT, SAFETY AND HEALTH (EH)			
PUBLIC AFFAIRS (PA)				NEW PRODUCTION REACTORS (NP)			
NUCLEAR SAFETY (NS)				ENERGY RESEARCH (ER)			
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)				INSPECTOR GENERAL (IG)			
CP 1, 10, 20, 30, 40 & 50				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)			
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CF)			
ENERGY INFORMATION ADMINISTRATION (EI)				PROCUREMENT ASSISTANCE AND PROGRAM MANAGEMENT (PR)			
ECONOMIC REGULATORY ADMINISTRATION (ER)				DEFENSE NUCLEAR FACILITIES SAFETY BOARD (DNFSB)			
CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)				MINORITY ECONOMIC IMPACT (MI)			
OFFICE OF EMERGENCY PLANNING AND OPERATIONS (OE)				OFFICE OF CONTRACTOR PROTECTION (OC)			
OSE O'Leary (Central Files)			X				
ACTION REQUIRED (SEE USE ONLY)				STAFF ACTION SUMMARY			
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INFORMATION				2			
CONCURRENCE				3			
COMMENTS AND/OR RECOMMENDATIONS				4			
X OTHER (SEE REMARKS)				5			
REMARKS:				6			
The attached Memo was signed by the Secretary on April 9, 1993, and was faxed also hand-carried to the Addressee. A copy was provided to the Office of the Executive Secretariat for final dispatch. This copy is provided to your office for appropriate handling. This action is hereby closed in ES files.				7			
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ES CONTACT: Arlene Mitchell 6X8924							



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The Secretary of Energy
Washington, DC 20585

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April 16, 1993

**MEMORANDUM FOR THE HONORABLE THOMAS F. MCLARTY
CHIEF OF STAFF TO THE PRESIDENT**

FROM: Hazel R. O'Leary
SUBJECT: Weekly Report

CURRENT ISSUES

• The Russian Highly Enriched Uranium Agreement

The Department of Energy played a key role in ensuring that our government can finalize the agreement with Russia to purchase highly enriched uranium. Initiatives taken by the Department, the Office of Management and Budget, and the National Security Council should allow for completion of the agreement by the President's April 25 deadline and will have significant economic and national security benefits.

• Earth Day Activities

The Department has been instrumental in drafting and negotiating an Executive Order which will meet the President's campaign commitment to expedite the conversion of the federal fleet to alternative fuel vehicles, emphasizing natural gas. This order will stimulate markets for natural gas, encourage the development of a service infrastructure for public use, reduce pollution and oil use in transportation and will be included in the Administration's Earth Day message.

• Meeting with Officials from the State of Nevada

Senior officials from the Department will engage in a dialogue initiated by elected officials and business leaders from the State of Nevada next week. The meetings' focus will be on the Department's plans for future use of the Nevada Test Site and joint opportunities to work cooperatively to create jobs for the State. The meetings are important because it demonstrates the State's willingness to work with the Department, even in light of the need to determine the suitability of Yucca Mountain as an adequate site to store the nation's spent nuclear fuel. We intend to use this opportunity to improve the Department's relationship with the State.

- National Science Bowl

The National Science Bowl is a collaborative effort between the Department of Energy and private industry which was established to provide national recognition to America's most talented high school science students and generates significant media attention. I will address the Awards luncheon to stress the Administration's commitment to revitalizing America and the critical role that these students can play in that effort.

- Meeting with Military Production Network

The Department is holding a second meeting with representatives of the Military Production Network, a coalition of citizen organizations concerned about nuclear weapons production and waste clean-up issues, to explain several initiatives the Department is undertaking to reduce secrecy, expand public involvement in the Department's decision-making, and increase compliance with environmental laws. We will also solicit the views of the coalition on goals the Department should set for the next four years. The meeting is important because the coalition had requested meetings with other senior officials and had not received an audience.

OUTREACH

- Meetings

The meetings which follow provide the Department with an opportunity to continue advocating the President's Economic Package.

- Representative David Skaggs (D-CO)
- Congressional Black Caucus Reception
- Dinner hosted by Representative Dingell with members of the Energy and Commerce Committee, Secretaries Brown, Shalala and Peña, Administrator Browner and Trade Representative Kantor

- Testimony

Testifying before the House Energy and Power Subcommittee of the Energy and Commerce Committee and the Energy and Water Development Appropriations Subcommittee on the Department's FY 1994 budget request.

- Speeches

April 26, Addressing the Joint Session of the Louisiana State Legislature at the request of Representative Billy Tauzin.

April 27, Addressing Millsaps College.



The Secretary of Energy
Washington, DC 20585

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FILE CODE

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April 23, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

- Domestic Natural Gas and Oil Production

A Department initiative to analyze policies to encourage cost-effective and environmentally correct domestic natural gas and oil production will be announced to the Joint Session of the Louisiana State Legislature on Monday. As previously discussed, this is important to the Administration because it fulfills the President and Vice President's campaign commitments to assist the industry and consumers and because of the projected tightening of natural gas supply and reduced production.

THE WEEK AHEAD

- Address to Louisiana State Legislature

In addition to announcing the Department's initiative on natural gas and oil, the themes of my address before the Joint Session of the Louisiana State Legislature will be the President's initiatives to create jobs, stimulate long-term investment and reduce the deficit, and our Administration's near-term initiatives to promote natural gas. The Department estimates that the alternative fuel vehicles initiative, combined with the R&D budget, will create 2,500 jobs in Louisiana by 2000.

- Address to Millsaps College, Jackson, Mississippi

The address, before an audience of elected officials and business leaders, is part of the college's ongoing lecture series to discuss national policy issues and their impact on the Mississippi economy. The focus of my discussion will be the impact of the President's economic initiatives to create jobs and the initiatives undertaken by the Department to benefit the State's economy.

CONGRESS

- Hearings

Testimony was given at hearings before the following Committees this week:

- Energy & Power Subcommittee of the House Energy & Commerce Committee, regarding the Department's FY 94 budget request. Both Democrats and Republicans on the committee expressed concerns with the Administration's proposed BTU tax.
- Energy & Water Development Subcommittee of the House Appropriations Committee, regarding the Department's FY 94 Budget Request.
- In the next two weeks, Departmental personnel will testify in 10 other budget hearings before various committees on the Department's FY 94 Budget Request.

- Outreach

Next week's meetings with the following members of Congress provide an opportunity for me to advocate the Administration's Initiatives:

- Congressman Billy Tauzin (D-LA)

REGULATORY ACTION

- Proposed Settlement of Litigation--Murphy Oil Corporation

Representatives of the Department of Energy's Economic Regulatory Administration and Murphy Oil Corporation met to discuss settlement of the litigation now pending before the Federal Energy Regulatory Commission. The Economic Regulatory Administration seeks in excess of \$60 million for crude oil overcharges and interest imposed during the pricing caps on crude oil and products.

PRESS

- Economic Stimulus Package

We have communicated the Administration's position on the Economic Stimulus Package through the following methods:

- Participated in a *Monitor* radio interview (100 radio stations across the country reaching 11 million citizens).

- Distributed a statement to local and regional media via the Department's field offices in 16 states (Washington, California, Idaho, Nevada, New Mexico, Colorado, Texas, Missouri, Illinois, Tennessee, Ohio, South Carolina, Florida, New York, Louisiana, Kansas).
- Held interviews with print and broadcast media in Minnesota -- *WCCO Radio*, *Minnesota Public Radio*, *St. Paul Pioneer Press*, and the *Minnesota Tribune* (reaching 90% of the major media market in the area).

- Nuclear Safety Issues

Subsequent to his resignation, the former director of the Office of Nuclear Safety distributed to the press an internal document raising concerns about nuclear safety. The Office of Nuclear Safety, which formerly reported to the Secretary, now reports to the Assistant Secretary for Environment, Safety and Health, which now reports directly to the Secretary because of importance of safety to the Department. Nuclear safety is a closely monitored and professionally maintained priority within this Department and the concern generated by the former director's letter is unfounded. The environmental community supports this reorganization.

- Potential Department Related Television News Stories

CBS' *60 Minutes* may air two programs concerning the Department; one on the dismantlement of weapons and the handling of plutonium now and in the future in the U.S. and in Russia by Mike Wallace. The topic of the second possible program is reconfiguration of the Weapons Complex by Leslie Stahl. We are working very closely with our field operations and with the CBS reporters to positively advocate the Department's position and remain apprised of the intent of the final story.

WEEK IN REVIEW

- Earth Day Activities

The Department was instrumental in drafting an Executive Order to meet the President's campaign commitment to expedite the conversion of the federal fleet to alternative fuel vehicles, emphasizing natural gas. This order, which was part of the President's environmental initiative as presented in his Earth Day Address, will stimulate markets for natural gas, encourage the development of a service structure for public use, and reduce pollution and oil use. The goals for the number of vehicles purchased will need to be reexamined in light of the Senate's failure to pass the Economic Stimulus Package.

- Meeting With Military Productions Network

Representatives of the Military Production Network, a coalition of citizens residing near nuclear production facilities, met with me for the second time to discuss issues of

mutual concern. I made several commitments in the first meeting and we delivered on about 90% of those commitments in the second meeting. We will continue to meet with this group, who have in the past have been openly critical and hostile to the Department of Energy.

- Testimony before two committees as described earlier in the report.

PRESIDENTIAL INITIATIVES

- Departmental Position on Global Climate Change

The Department's position on the President's statement on global climate change was incorrectly communicated in several articles during the week. The Department was supportive of the substance and timing of the commitment made on Earth Day to stabilize emissions of greenhouse gases.

U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES- 93-010801		ACCRYS NO.		DATE SENT 4-26-93		DATE DUE	
TYPE OF DOCUMENT/ADDRESSEE Action Memorandum to Mack McLarty signed by the Secretary FROM AD-33				SUBJECT Secretarial Weekly Report			
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)			
DEPUTY SECRETARY (DS)				NIS DIVISION			
UNDER SECRETARY (US)				CONSERVATION AND RENEWABLE ENERGY (CE)			
INTELLIGENCE (IN)				NUCLEAR ENERGY (NE)			
DEPARTMENT ADVISORY COMMITTEES (AC)				FOSSIL ENERGY (FE)			
ARMS CONTROL AND NONPROLIFERATION (AN)				DEFENSE PROGRAMS (DP)			
SECURITY AFFAIRS (SA)				ENVIRONMENT, SAFETY AND HEALTH (EH)			
PUBLIC AFFAIRS (PA)				NEW PRODUCTION REACTORS (NP)			
NUCLEAR SAFETY (NS)				ENERGY RESEARCH (ER)			
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)				INSPECTOR GENERAL (IG)			
CP 1, 10, 20, 30, 40 & 50				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)			
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CF)			
ENERGY INFORMATION ADMINISTRATION (EI)				PROCUREMENT ASSISTANCE AND PROGRAM MANAGEMENT (PR)			
ECONOMIC REGULATORY ADMINISTRATION (ER)				DEFENSE NUCLEAR FACILITIES SAFETY BOARD (DR)			
CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)				MINORITY ECONOMIC IMPACT (MI)			
OFFICE OF EMERGENCY PLANNING AND OPERATIONS (OE)				OFFICE OF CONTRACTOR PROTECTION (OC)			
OSE/O'Leary (Central File)			X				
ACTION REQUIRED (ES USE ONLY)				STAFF ACTION SUMMARY			
SIGNATURE				OFFICE	NAME/INITIALS	DATE	
APPROVAL				1			
INFORMATION				2			
CONCURRENCE				3			
COMMENTS AND/OR RECOMMENDATIONS				4			
X OTHER (SEE REMARKS)				5			
REMARKS: The attached Memorandum was faxed and handcarried to the addressee on April 23, 1993, and signed by the Secretary. A copy of the letter was forwarded to the Office of the Executive Secretariat for dispatch. This action is closed in ES files.				6			
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ES CONTACT: Arlene Mitchell 6X8924							

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The Secretary of Energy
Washington, DC 20585



April 30, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

Hazel R. O'Leary

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Gas and Oil Initiative

As referenced in last week's report, the Department will launch an initiative to encourage domestic gas and oil production. The Department will include other affected agencies in this effort and solicit input from 100 energy industry campaign supporters to make recommendations to the President on mechanisms to achieve increased domestic production. This initiative addresses a major campaign commitment to assist energy producing regions of the country.

• Safety Initiative

The press has focused on the Department's reorganization of the Office of Nuclear Safety because the former director resigned in protest of the reorganization. Nuclear Safety will no longer report directly to the Secretary, but will be merged with a strengthened Office of Environment, Safety and Health, which has jurisdiction over all health and safety issues within the Department and will report directly to the Secretary.

Next week the Department will announce a major safety initiative to address such issues as inspections of field operations, fatality policy, and contractor oversight. Since the press has been interested in the reorganization, it is likely that this effort will receive media attention. This initiative will highlight the commitment to safety of the Administration and the Department.

THE WEEK AHEAD

• Shell Oil Off-Shore Operations

To gain a better understanding of the environmental impacts of energy production and the need for policies which encourage investment in environmentally benign energy production, I will tour Shell Oil's off-shore operations in Louisiana.

- Purchase of Russian High Enriched Uranium

Department officials will meet with representatives of the Russian Federation Ministry of Atomic Energy next week to conclude negotiations to purchase high enriched uranium derived from dismantled Russian nuclear weapons. This initiative has major implications on national security benefits and finalizes a major initiative of the summit. The contract for these purchases will implement the Government-to-Government umbrella agreement signed in Washington on February 18 by Minister Mikhailov of the Russian Federation Ministry of Atomic Energy.

- Meeting with Japanese Science and Technology Minister Nakajima

The purpose of my meeting next week with Minister Nakajima, the principle advisor on issues of science and technology to Prime Minister Miyazawa, will be to confirm bilateral cooperation in areas of mutual interest. We will discuss international science projects such as the Superconducting Super Collider and other potential areas for cooperative efforts, such as nuclear power.

CONGRESS

- Hearings

I will testify before the Interior and Related Agencies Subcommittee of the House Appropriations Committee regarding the Department's overall FY 1994 budget request.

Representatives of the Department will testify twelve times before relevant appropriations and authorizing committees on the FY 1994 budget request during the week.

Susan Tierney, nominee for Assistant Secretary for Policy, Planning and Program Evaluation, and Thomas Grumbly, nominee for Assistant Secretary for Environmental Restoration and Waste Management, are scheduled for confirmation hearings before the Senate Energy and Natural Resources Committee next week.

- Committee Mark Ups

House and Senate committees are marking up legislation designed to enhance national competitiveness by placing increased emphasis on research and development and technology transfer and adjusting the missions of the national labs. The Senate Energy and Natural Resources Committee will mark-up legislation which attempts to rationalize the missions of the Department's defense and multi-purpose laboratories within the next two weeks. The Senate Commerce Committee will be marking up competitiveness legislation in the near future.

- Regional Outreach

Augusta, Georgia

Next week at the request of Senator Nunn, officials of the Augusta Chamber of Commerce will meet with me. Many of the citizens of Augusta are employed at the Department's Savannah River Complex, which faces reductions in employment due to defense cuts. We will be discussing implementing initiatives to benefit the region such as technology transfer, non-nuclear configuration, and environmental remediation projects. This opportunity will allow me to communicate the Administration's commitment to defense conversion.

- Congressional Meetings

Next week's meetings with the following members of Congress offer an opportunity for me to advocate the Administration's Initiatives:

- Representative Norm Dicks (D-WA)
- Representative Byron Dorgan (D-ND)
- Representative Vic Fazio (D-CA)
- Representative Dave McCurdy (D-OK)

REGULATORY ACTION

- Proposed Delays in Advanced Light Water Reactor Certification Schedules

The Nuclear Regulatory Commission has proposed delays in the schedules for certification of the Advanced Light Water Reactors being sponsored by the Department of Energy. Delays in the program will concern members of Congress and industry who support nuclear power.

PRESS

- Commencement Addresses

The following commencement addresses provide me with an excellent opportunity to communicate the Administration's messages. Both addresses are expected to generate regional media attention.

- Xavier University of Louisiana, New Orleans, Louisiana
- Hampton University, Hampton, Virginia (12,000 guests in attendance.)

- Television Interview

Julian Bond, the host of *America's Black Forum*, a weekly nationally syndicated NBC program, will interview me next week.

- Clean Coal Technology Announcement

The Department will announce the projects selected for the fifth and final scheduled round of competition in the Clean Coal Technology Demonstration Program. The Department expects to make available approximately \$568 million to cost-share with industry on projects which will demonstrate super-clean, high efficiency power systems which will exceed the post-2000 emission standards. These technologies are selected for their potential to reduce precursors of acid rain and emissions of greenhouse gases.

WEEK IN REVIEW

- Speech to Joint Session of the Louisiana Legislature

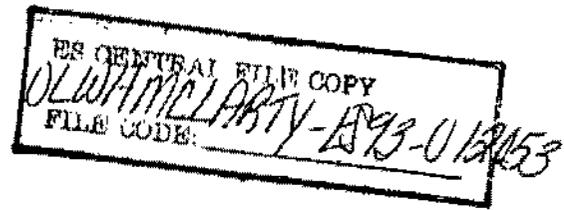
This speech provided me an opportunity to announce a Departmental initiative to stimulate production in the domestic gas and oil sectors, which received favorable media attention.

- Address to Milsaps College

This event allowed me to communicate the benefits of deficit reduction and the Administration's overall economic plan to an audience of approximately 250 people including state and local officials, regulatory commissioners, electric utility, natural gas and oil industry representatives, local business leaders, and college officials. The speech was well-received and received favorable local media coverage.



The Secretary of Energy
Washington, DC 20585



May 7, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Purchase of Russian High Enriched Uranium

Department officials met on Tuesday with Minister Mikhailov and other representatives of the Russian Federation Ministry of Atomic Energy to conclude negotiations for the United States to purchase high enriched uranium from dismantled Russian nuclear weapons. These purchases serve as an implementing contract for the Government-to-Government umbrella agreement signed in Washington on February 18 by Minister Mikhailov and accomplishes the President's commitment from the Vancouver Summit to conclude this agreement.

The Minister accepted some compromise on the U.S. purchase price of the high enriched uranium in the hope that the Administration will show some flexibility in addressing a dumping case settled by the Bush Administration against six former republics of the Soviet Union. The Department believes that some adjustments can be made to the original settlement. The Bush Administration's action is depriving the Russians of billions of dollars of hard currency by essentially limiting their ability to sell uranium in U.S. and third country markets.

• Safety Initiative

This week the Department announced a major safety initiative addressing such issues as field operations' inspections, shutting down unsafe facilities, fatality policy, contractor oversight, worker safety and declassification of data from weapons facilities. (The Administration committed during the campaign to reducing the volume of documents that are classified.) The Department's safety initiatives were strongly endorsed by citizens groups, environmental groups and members of Congress and received favorable media attention.

- Rocky Flats Inspection Issue

Officials from the Department's Rocky Flats Plant in Colorado determined that metallic plutonium pieces stored in a number of sealed containers have not been inspected for surface oxide buildup (formation of a powder similar to a version of rust) according to preset schedules established in plant safety procedures. The contractor is preparing plans, due by May 14, to inspect the materials and initiate cleaning action if necessary. At this time there is no risk to the workers, the public or the environment from these containers. Our public affairs office is drafting a press release to be issued no later than Monday.

- Nuclear Weapons Testing

Over the past week, key members of Congress and influential opinion makers from the environmental and arms control communities have expressed grave concern about the Administration's internal discussions about nuclear weapons testing and the proposed negotiating position on comprehensive test ban. Questions have been raised about options under discussion in the drafting of Presidential Review Document 19 and the President's previous commitment to abide by the Hatfield-Exon-Mitchell Amendment to the Energy and Water Appropriations Act for fiscal year 1993. Consideration of low threshold testing after 1966, in particular, has drawn fire. The Department believes that we should rethink the current direction and broaden the consultation on these issues to include well-informed members of Congress and the public in an effort to establish a working consensus.

- National Action Plan on Global Climate Change

The Department, in cooperation with the White House, designed a process which will allow for the efficient development of a National Action Plan to achieve the President's commitment to stabilize emissions of greenhouse gases. Developing an action plan is very controversial, but involving outside parties in the process will reduce controversy.

THE WEEK AHEAD

- Building Dedication

I will attend the dedication of the Bevill Biomedical Research Building in Birmingham, Alabama, named for Congressman Tom Bevill who chairs the energy and water appropriations subcommittee.

- Address to the Independent Petroleum Association of America's Annual Meeting

The Independent Petroleum Association of America's annual meeting in Washington represents an opportunity for me to communicate the Administration's intent to

develop initiatives to stimulate production in the domestic natural gas and oil industries and create jobs in several states.

CONGRESS

- Congressional Meetings

Next week's meetings with the following members of Congress offer an opportunity to discuss several important issues:

- Senator William Cohen (R-Maine) -- Nuclear Safety
- Senator Richard Bryan (D-Nevada)
- Senator Harry Reid (D-Nevada)
- Representative James Bilbray (D-Nevada)

The meetings with the Nevada members are important because we will be discussing the future of the Nevada Test Site and opportunities for technology transfer and other initiatives to boost the state economy.

- Congressional Testimony

I testified before the House Interior Appropriations Subcommittee on the Department's fiscal year 1994 budget request. No controversial subjects were raised.

- Outreach

NATIVE AMERICANS: The National Congress of American Indians -- to discuss nuclear waste, environmental issues and the implementation of the Department's American Indian Tribal Government Policy

NATIVE AMERICANS: The leadership of the Council of Energy Resource Tribes -- to discuss Indian Energy Resource Development issues, Title XXVI of the Energy Policy Act of 1992, and the implementation of the Department's American Indian Tribal Government policy.

PRESS

- Television Interview

CNN interviewed me this week for a one hour special on defense conversion. My segment of the program will focus on the Administration's technology transfer initiatives and is tentatively scheduled for June 27. Also featured in the special is an examination of Russian defense conversion efforts.

- Commencement Addresses

The following commencement addresses provide me with an excellent opportunity to communicate the Administration's messages. Both addresses are expected to generate regional media coverage.

- Xavier University, New Orleans, Louisiana
- Hampton University, Hampton, Virginia (12,000 guests in attendance)

- Tour of Offshore Oil Rig

Media coverage of my tour of an offshore oil rig in Louisiana is expected.

WEEK IN REVIEW

- Clean Coal Technology Selection

The Department announced the winners of the fifth and final round of the Clean Coal Technology Grants. Five innovative, high-technology projects valued at over \$2 billion were selected. The projects, located in New Jersey, Pennsylvania, Ohio, Kentucky, and Maryland, attempt to develop high efficiency technologies capable of generating electricity (in one case producing steel) while reducing carbon dioxide emissions by an average of 25 percent. These projects will create approximately 3,500 engineering, design and construction jobs.

- Meeting with Japanese Science and Technology Minister Nakajima

My meeting this week with Minister Nakajima strengthened the long-standing and mutually beneficial partnership between our two countries on scientific cooperation, particularly in the area of civilian nuclear reactors. The Japanese purchase of high enriched uranium is the first activity under the 1988 U.S.-Japan Agreement for Peaceful Uses of Atomic Energy.

PRESIDENTIAL INITIATIVES

- White House Briefing

I will participate in a White House briefing for 32 participants in the American Indian Ambassadors program, a training program sponsored by Americans for Indian Opportunity and funded by the W.K. Kellogg Foundation.

- White House Audit

The Department continues to work with the White House Office on Environmental Policy and the Environmental Protection Agency to plan energy and environmental

audits at the White House (announced by the President on Earth Day). The three major components -- energy, waste, and water -- will undergo feasibility studies and audits, and will lead to upgraded installations.

SPECIAL MEMBERS LIST

Correspondence from the following Members of the House and Senate should be signed by the Secretary:

Senate

Max Baucus
Robert Byrd
John Chafee
Robert Dole
Pete Domenici
Wendell Ford
Mark Hatfield
J. Bennett Johnston
George Mitchell
Sam Nunn
Strom Thurmond
Malcolm Wallop
Paul Wellstone

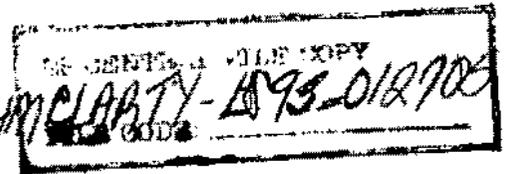
House of Representatives

Michael Bilirakis
Thomas Beville
Sherwood Boehlert
Rick Boucher
Ronald Dellums
John Dingell
Harris Fawell
Thomas Foley
Richard Gephardt
Richard Lehman
Tom Lewis
Marilyn Lloyd
Joseph McDade
Robert Michel
George Miller
Carlos Moorhead
John Myers
William Natcher
Donald Payne
Ralph Regula
Martin Olav Sabo
Dan Schaefer
Robert Scott
Phil Sharp
Robert Smith
Floyd Spence
Billy Tauzin
Tim Valentine
Barbara Vucanovich
Robert Walker
Sidney Yates
Don Young

Minority members in *italics*.



The Secretary of Energy
Washington, DC 20585



May 14, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Potential \$1.48 Billion Budget Reduction

In response to the need for further spending cuts to finance elements of the Administration's investment package or reduce the deficit, the Department has identified a method for reducing its budget by \$1.48 billion over the next five years.

This savings will be realized by freezing contractor salaries for one year. The savings multiply in the out-years because salary increases will be made from a smaller base. The freeze would be similar to the proposed freeze on federal employees. No union employees will be impacted by this proposal because of labor agreements in affect. It is my assessment that there will be little opposition to this action, notwithstanding the contractors and members of Congress with many contract employees in their States. Instead, this initiative will probably be viewed favorably by the Congress and the American people. The Department is working with the White House to develop an appropriate event to communicate the initiative. If an appropriate event cannot be developed, the Department will announce this initiative within a week.

• Energy Tax

The Department of Energy supported the efforts of the White House, the Office of Environmental Policy and the Treasury Department to advance the Btu energy tax through the Ways and Means Committee. The Department provided technical analyses to support the Administration's opposition to various elements of the Brewster Amendment. The Department will expend significant resources lining up support for the program among affected parties.

THE WEEK AHEAD

- Visit to Los Alamos

I will accompany the President to Los Alamos National Laboratory on Monday. The event will focus on technology transfer and defense conversion activities. The visit is potentially controversial due to the ongoing debate surrounding nuclear testing. The directors of the defense labs have been on the Hill advocating nuclear testing after 1996, and many observers interpret the President's visit as support for this position. Communicating the Administration's initiatives to utilize the assets of the labs to benefit civilian economic performance will be beneficial.

- Natural Resources Cluster Group

The Secretaries of Energy, Interior, Transportation, Agriculture, and Education and the Administrator of the Environmental Protection Agency will meet next week to discuss issues that crosscut our Departments. We will discuss such issues as global climate change and transportation and technology strategies. At this meeting, we will develop processes to coordinate policy development and implementation across Cabinet lines. The meeting also presents an opportunity to initiate discussions among the Departments on developing policy initiatives to stimulate domestic natural gas and oil production.

CONGRESS

- Congressional Meetings

Next week's meetings with the following members of Congress offer an opportunity to discuss several important issues:

- Senator Bennett Johnston (D-Louisiana)
- Senator William Cohen (R-Maine); Nuclear Safety
- Senator Richard Bryan (D-Nevada); Yucca Mountain
- Representative Pat Schroeder (D-Colorado); Issues which will likely arise during my testimony before the House Committee on Armed Services Military Application of Nuclear Energy Panel.

- Hearings

Testimony before the House Committee on Armed Services Military Application of Nuclear Energy Panel to provide an overview of the Department's FY 94 Budget Request for Atomic Energy Defense Activities. The hearing has the potential to receive media attention due to the ongoing debate over the Administration's position on nuclear testing and compliance with the Hatfield amendment. There are strong opponents lobbying for no new nuclear testing, and others advocating resumed testing after 1996. The Administration's intentions in this area will be closely scrutinized in

light of the issue's importance and the campaign commitment to negotiate a nuclear test ban.

PRESS

- Television Appearance

During my appearance next week on Black Entertainment Television's "Lead Story" I will be interviewed by media representatives from Gannett's *USA TODAY*; *THE WASHINGTON TIMES*, and *CHICAGO TRIBUNE*.

- International Media Interest in Nevada Test Site

A BBC crew has requested briefings and interviews at the Nevada Test Site. The story's focus is on the possibility of computer modeling replacing nuclear tests, environmental clean-up and alternative uses for the Test Site.

- Possible 60 Minutes Interview

As part of a CBS *60 Minutes* story on reconfiguration of the Weapons Complex, Leslie Stahl has asked to interview me before the story is complete. If the story airs, it will be sometime in the fall.

WEEK IN REVIEW

- Address to the Independent Petroleum Association of America's Annual Meeting

This address, the topic of which was "Addressing the Needs of Industry," offered an opportunity for me to communicate the Administration's intent to stimulate production in the domestic natural gas and oil industries in order to create jobs in several States, while enhancing energy security.

PRESIDENTIAL INITIATIVES

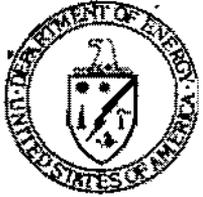
- Climate Change Mitigation Plan

The Department will make major contributions to the development of a climate change mitigation plan, due by mid-August, designed to stabilize greenhouse gases as articulated by the President in his Earth Day speech. The Department will chair or co-chair three working groups (energy supply, energy demand, transportation) and participate actively in the other three (methane and other gases, greenhouse gas sinks, and joint implementation). The Department, in conjunction with the Office of Environmental Policy, is developing a process to work with affected parties in developing the plan. Workshops held by the working groups involving representatives from industry, environmental groups, State and local governments, and key

congressional staffs will allow all stakeholders to communicate policy options for achieving the Administration's goal of stabilization.

- Alternative Fuel Vehicles

The Department is establishing the advisory committee announced by the President in his Earth Day speech tasked with developing the initiative to convert the federal fleet to alternative fuel vehicles. The committee, chaired by Gary Mauro, will include leaders from affected sectors and fulfills an important campaign commitment. The first hearing is planned for Fort Worth, Texas. The committee will develop its recommendations for implementing the plan by the federal government in 90 days and provide a report to the President in one year on the results of the effort.



Department of Energy
Washington, DC 20585

May 14, 1993

MEMORANDUM FOR THE HONORABLE CHRISTINE VARNEY
THE WHITE HOUSE

SUBJECT: WEEKLY REPORT

This note transmits a memorandum for Mack McLarty, Chief of Staff, from the Secretary of Energy. A copy is attached for your use.

Thank you for your assistance.

ACTIVITY REPORT

TRANSMISSION OK

TRANSACTION #	0178
CONNECTION TEL	84562983
CONNECTION ID	WH C VARNEY
START TIME	05/14 17:27
USAGE TIME	02:47
PAGES	5

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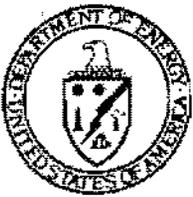
Date: May 14, 1993
 To: Mack McHarty
 From: Fayel R. O'Leary
Secretary of Energy

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Transmittal consists of 4 pages, excluding this form.

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Notes:



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The Secretary of Energy
Washington, DC 20585

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FILE CODE: 3
5/29/93

May 21, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• \$1.5 Billion Budget Reduction

As the President and I announced in this morning's Cabinet meeting, the Department will enact a one-year freeze on the salary scale of contract employees, who make up approximately 91 percent of the Department's work force. Freezing salary scales for one year will result in a savings over the next five years of \$1.55 billion. This initiative should be communicated as a willingness by the Administration to identify opportunities to save federal money and make tough decisions.

Over the five-year period, the President and I have agreed that we will attempt to allocate \$1 billion of the savings to deficit reduction, \$300 million to the Department's national laboratories, and \$250 million to energy efficiency programs. Increased investment in the labs will allow them to maintain their capabilities to engage in technology transfer and other activities with industry to create jobs, and additional funding for energy efficiency programs allow the Department to implement programs included in the Energy Policy Act of 1992.

• Nuclear Testing

The Department continues to be engaged in the process to develop the Administration's position on nuclear testing. This is an extremely difficult decision since proposed tests will be seen by many as either encouraging other nations to continue testing or weakening our deterrent if we cease an aggressive program. At the President's suggestion I am meeting with key congressional leaders to consult with them on the nuclear testing issue. This week I met with Senators Exxon and Hatfield, and next week I will meet with Senator Mitchell.

THE WEEK AHEAD

• Meeting with Governor Cecil Andrus (D-Idaho)

The purpose of my meeting with Governor Andrus will be to discuss the Waste Isolation Pilot Plant, a New Mexico facility where the Department proposes to store defense

nuclear waste. The Governor has expressed concern about whether or not the Department will conduct testing with waste in the near future at this facility. He has been critical of the Department's practices regarding the handling of waste in Idaho and would like to see the waste moved to the New Mexico facility. It is my intention to communicate the Department's commitment to work with all stakeholders surrounding the issue of waste management in Idaho and elsewhere.

CONGRESS

- Congressional Meetings

Next week's meetings with the following members of Congress offer an opportunity to discuss important issues and advocate the Administration's initiatives.

- Senator Mitchell (D-Maine)--Nuclear Testing
- Senator Bennett Johnston (D-Louisiana)
- Senator Richard Bryan (D-Nevada)

The meeting with Senator Bryan is a continued attempt to build a relationship between the Department and the State of Nevada, which has been adversely impacted by the Department's need to determine the suitability of Yucca Mountain as a storage facility for spent nuclear fuel.

- Hearings

I will testify next week before the House Energy and Commerce, Subcommittee on Oversight and Investigations (Chairman Dingell, D- Michigan) on the Department's contract management practices. The Subcommittee is particularly interested in the nature of the Department's contract management arrangements and the initiatives undertaken to improve these arrangements. My testimony will include an explanation of the one-year freeze on the salaries of all contract employees; this freeze will save \$1.55 billion over the next five years from the Department's budget. This measure is the first step in a comprehensive review to ensure accountability, responsibility, and liability in the Department's contract arrangements. This is an extremely controversial issue because of historical criticism from members of Congress of the Department's management of its contractors.

PRESS

- National Press Club Luncheon Address

My address next week before an audience of 400 at a National Press Club luncheon will receive television coverage and include a question and answer period. My message will focus on the importance of energy to the economy and the opportunities which exist for the Nation to create jobs, produce clean energy, and participate in export markets as the Department shifts its priorities to energy efficiency, renewable energy and natural gas.

discussed the President's initiatives and the Btu tax. This discussion served as an effective forum for me to advocate the Administration's proposals.

PRESIDENTIAL INITIATIVES

- National Environmental Strategy

As directed by the President in his Earth Day Speech, an interagency effort is underway to develop a national Environmental Strategy aimed at increasing exports of U.S.-made environmental products. The Department is playing a critical role in developing policy and in providing the technological resources (through its National Laboratories) necessary to realize the mission of this interagency task force.

CONGRESSIONAL INTEREST IN MAJOR DEPARTMENTAL INITIATIVES

Implementation of taxes on energy and the President's economic initiatives:

President's Economic Initiatives

Support 13 Oppose 43 Interest Expressed Only 44

BTU Tax

Support 12 Oppose 68 Interest Expressed Only 122

* Sen. Mitchell and Sen. Simpson requested further information on the BTU Tax.

Technology development. Determine further Research initiatives in Advanced Physics, Fission and Fusion Energy. Utilize the Superconducting Super Collider and other Departmental Programs to stimulate the deployment of Science and Technology developments to benefit the nation:

Support 14 Oppose 87 Interest Expressed Only 165

* Rep. Foley requested analysis of a multi-mission role for the Fast Flux Test Facility. Rep. Michel and Sen. Simpson requested continued support for Research Reactor programs.

Climate change and other global environmental issues. Position the Department to play the lead role in President Clinton's efforts to reduce U.S. greenhouse gas emissions to 1990 levels through a National Action Plan:

Support 2 Oppose 0 Interest Expressed Only 0

Environmental restoration. Clean up of Nuclear and other waste contamination at former federal nuclear weapons facilities:

Support 1 Oppose 2 Interest Expressed Only 10

Defense conversion and reconfiguration. Initiate worker and community assistance to facilitate the transition from defense missions to the developing of clean sources of energy and creating jobs through worker retraining:

Support 5 Oppose 17 Interest Expressed Only 11

* Sen. Dole expressed opposition to Non-nuclear Consolidation consultants study.

Implementation of the 1992 Energy Policy Act. Using the statute as a mechanism to enhance energy efficiency which will assist in increasing U.S. competitiveness by reducing energy costs:

Support 1 Oppose 1 Interest Expressed Only 5

Nuclear waste. Resolve issues related to meeting the 1998 deadline for the Federal Government to take Title to spent nuclear reactor fuel. Address Nuclear Waste Fund revenue issues with States and other affected parties:

Support 0 Oppose 0 Interest Expressed Only 0

Missions of DOE's laboratories. Converting the roles of the defense laboratories from defense related activities to meet challenges confronting the civilian economy:

Support 2 Oppose 0 Interest Expressed Only 12

Conventional energy sources (oil, natural gas, coal and nuclear energy). In order to stimulate employment in the energy sector, the Department is planning to develop a set of initiatives to encourage investment decisions in environmentally correct exploration and development:

Support 0 Oppose 10 Interest Expressed Only 41

Worker safety and facility management. Allow OSHA oversight of worker safety. Empower workers to actively participate in management and oversight of safety and health programs:

Support 1 Oppose 0 Interest Expressed Only 2

International priorities (including defense needs and foreign markets). Assist Russia in it's transition to a democratic government, promote greenhouse gas emission reductions and provide international leadership in efficient use of energy:

Support 0 Oppose 0 Interest Expressed Only 9

Secretary O'Leary has assigned Department-wide "Task Forces" to define these issues, identify the policy direction to be taken on these initiatives and provide guidance as to implementation of these initiatives.

WHAT MEMBERS HAVE REQUESTED FROM DOE

CALIFORNIA - Both Senators Boxer and Feinstein and over half of the House Members have sought to preserve funding in the FY 94 Budget for the Stanford Linear Accelerator Center and to expedite the site selection process for a new Asymmetric B Factory.

Other requests by smaller groups of Members or individuals are for the Human Genome Laboratory, Advanced Reactor Programs and Space Nuclear Reactor Programs.

COLORADO - Both Senators Brown and Campbell and five House Members have asked the Department to reconsider the location of the Department's Energy Training Center at Kirtland Air Force Base and instead locate the Training Center at Lowery Air Force Base in Denver. Senator Brown and Representative Allard have offered Amendments to eliminate the BTU Tax.

FLORIDA - Both Senators Graham and Mack as well as a majority of House Members have requested changes in the way Formula Grant Programs are determined. They want formulas changed to help fast growing states.

IDAHO - Both Senators Craig and Kempthorne and Representatives Crapo and LaRocco have sought to retain funding for Advanced Reactor and Integral Fast Reactor Programs at the Idaho National Engineering Laboratory. All have expressed concerns about worker displacement at the Idaho Site.

Representative Crapo has expressed his opposition to a BTU Tax.

ILLINOIS - Both Senators Moseley-Braun and Simon and all Representatives including Michel, Rostenkowski and Yates have expressed strong support for funding all programs at the Argonne Lab. This includes the delegation's opposition to cuts in the Integral Fast Reactor Program, main injector program at Fermilab and Advanced Nuclear R&D.

LOUISIANA - Both Senators Johnston and Breaux express strong concerns about the BTU Tax. Additionally they both have requested Departmental funding for Oil Technology Development grants, projects and Experimental Nuclear Reactor programs.

NORTH DAKOTA - Senator Conrad has requested Departmental funding for the Great Plains Synfuels Plant, the Energy and Environmental Research Center at the University of North Dakota, enhanced oil recovery projects in the state and a Round V Clean Coal Technology Demonstration project. Senator Conrad has expressed opposition to the BTU Tax and Administration proposals to change the Rural Electrification Administration Loan program.

NEW MEXICO - Senators Dominici and Bingaman and Representatives Richardson and Schiff continually request funding for ongoing and new projects at Los Alamos and Sandia Labs. Senator Dominici has offered an Amendment to eliminate the BTU Tax.

NEVADA - Senator Reid and Representative Bilbray have written and met on several occasions to express strong concerns about future Departmental funding for non nuclear activities at the Nevada Test Site.

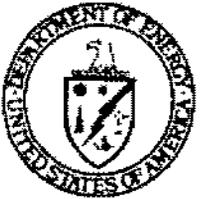
TEXAS - Senators Krueger and Gramm and a majority of the Representatives have expressed strong support for Departmental funding of the SSC. A great number of Members also want Administration funding for the multi year Southwest Border Infrastructure Initiative.

Many members, including Stenholm, have expressed support for a limited tax incentive for the oil and gas industry while opposing the BTU Tax.

WASHINGTON - Senators Gorton and Murray as well as Speaker Foley and most other Representatives have expressed a strong interest in ongoing cleanup programs at the Hanford Site. Additionally they have all requested a review and analysis of a continued multi-mission role in lieu of the Department's planned retirement of the Fast Flux Test Facility at the site.

Senator Murray and Representative Dicks and Kreidler have expressed opposition to the application of the BTU Tax to Hydro Power generated Electricity.

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The Secretary of Energy
Washington, DC 20585

May 27, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

Hazel R. O'Leary

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Nonnuclear Consolidation

On January 19, 1993, former Secretary Watkins announced his intent to consolidate the non-nuclear weapons complex based on the Nonnuclear Cost Effectiveness Report and its accompanying certifications. This decision was extremely controversial because jobs were transferred to Missouri from other States as a result. Many questioned the analytical underpinnings of the report and the timing of the decision. Based upon these questions, I appointed three independent consultants to review the decision.

The three independent consultants reviewed the report and Secretary Watkins' decision. The consultants concluded that the proposed consolidation is cost effective and will not increase the technological, environmental, safety, or health risks associated with Departmental activities. The Department will announce its decision to proceed with the nonnuclear consolidation process today.

The Department has pledged \$15 million in economic assistance to the communities which will be adversely affected by the proposed consolidation. Under the current plan, nonnuclear activities at the Mound Plant in Ohio, the Pinellas Plant in Florida, and the Rocky Flats Plant in Colorado will be relocated.

Senator Glenn and Representative Hall were most concerned with Secretary Watkins' decision. The Department has briefed their staffs on our decision and they feel that they have been treated fairly. We are also holding briefings with other affected congressional delegations to minimize controversy.

THE WEEK AHEAD

- International Energy Agency Ministerial

This meeting will allow me to discuss with my counterparts from the 23 other International Energy Agency countries issues of mutual concern. The agenda for this year's meeting at the ministerial level includes discussions of:

- Relations with nonmember countries, including energy assistance to the newly Independent States of the Former Soviet Union in the areas of nuclear safety, oil and gas development, and trade and investment regimes;
- Energy and environment, including global climate change;
- The appropriate roles of regulation, subsidization, and taxation in each member countries' mix of energy policy choices;
- Energy issues in the upcoming Economic Summit;
- International energy technology cooperation; and
- Energy Emergency Preparedness.

This meeting provides an international forum for me to articulate and advocate the Administration's energy and environmental priorities including our commitment to stabilize emissions of greenhouse gases and the need for other OECD nations to take leadership on this issue.

The semi-annual Ministerial-level meeting also establishes priorities for the work of the Agency and its Standing Committees.

In addition to press interviews with reporters traveling with the OECD/IEA party, I am scheduled to do network interviews with CNN and ABC and conduct a breakfast press briefing for the major news outlets covering the OECD and IEA, including the Herald Tribune, Washington Post, New York Times, Wall Street Journal and American and British wire services and TV networks.

At Ambassador Harriman's request, I am scheduled to make remarks to the Choisir International Conference and take a leading role in the final IEA news conference.

CONGRESS

• Hearings

The theme of my testimony before the House Energy and Commerce Committee's Subcommittee on Oversight and Investigations on May 26 was the need for increased Departmental control of and accountability from contractors. Over 90% of the Department's employees are contractors. The Congress has long criticized their performance.

Initiatives announced in my testimony to assist the Department in improving its contracting practices included, for example:

- a one-year freeze on contractor salaries saving \$1.56 billion (as announced by the President and myself on May 21, 1993);
- a goal to reduce support services contractors in Fiscal Year 94 by 10 percent;
- the creation of a Department-wide Contract Reform Team to review contracting mechanisms and practices and recommend solutions; and
- improvement of contract management through a major departmental realignment starting June 3, 1993.

These initiatives were well received by Chairman Dingell and the committee. Contract reform would be an excellent element of the Administration's reinventing government effort, given the focus on accountability and improved service delivery.

• Science and Technology Mark-up

The Senate Committee on Energy and Natural Resources marked up legislation to develop missions for the Department of Energy's defense and multi-purpose laboratories. The legislation codifies missions for the Department in areas where the labs have internationally recognized expertise and attempts to enhance the Department's technology transfer effort.

The legislation will be reported out of committee this week. The committee included language that had not been fully agreed to by the Administration. As a result, we may have missed an opportunity to fully shape the legislation because the Administration had not reached closure on its internal discussion on these issues.

PRESS

- International Energy Agency Ministerial

This biannual meeting of worldwide energy ministers will generate international media coverage, and serves as an excellent opportunity to articulate the Administration's energy positions. Press coverage is mentioned earlier in the report.

- Rutgers Law School Commencement Address

This address at my alma mater will likely attract regional media attention.

WEEK IN REVIEW

- Meeting with Governor Cecil Andrus (D-Idaho)

During this constructive meeting with Governor Andrus and two officials from the State of New Mexico a variety of issues were discussed. The Governor's primary concern was the opening of the Waste Isolation Pilot Plant in New Mexico, a proposed defense waste disposal facility. I assured him that while the Department shared his desire to begin operations at this facility, our first priority was to determine the readiness of the facility to receive waste and gain EPA approval to begin operations.

- National Press Club Speech

I spoke to the National Press Club on Tuesday, May 25. My message was the importance of energy to the economy and the need to utilize technology to stimulate economic growth and jobs creation.

- Global Climate Change Speech

I addressed an audience of utility industry officials to communicate the process which the Administration will utilize to develop a National Action Plan to stabilize emissions of greenhouse gases and to encourage them to participate in the process.

PRESIDENTIAL INITIATIVES

- White House Efficiency Audit

The pre-audit walk through of the White House took place this week to determine the scope of the full audit. This

is the first stage of a collaborative effort between this Department and the Environmental Protection Agency to examine the energy and environmental efficiency of the White House. When the audit has been completed, recommendations will be made to the American Architects Feasibility Study Team which will attempt to implement these recommendations. The effort to enhance the energy efficiency of the White House is important to demonstrate that the government is committed to cleaning up its facilities at the same time it is asking the American people to sacrifice.

ACTIVITY REPORT

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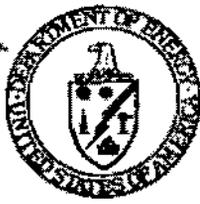
From: Hazel R. O'Leary
Secretary of Energy

Transmittal consists of 5 pages, excluding this form.

Notes:

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The Secretary of Energy
Washington, DC 20585

June 3, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

Hazel R. O'Leary

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

International Energy Agency Ministerial

The biannual ministerial-level meeting taking place this week in Paris provides an international forum for me to describe and advocate the energy and environmental initiatives of the Administration and enables me to discuss with my counterparts from the 22 other member nations issues of mutual concern. These issues include:

- relations with nonmember countries, including energy assistance to the newly Independent States of the Former Soviet Union;
- energy and environmental issues, including the Administration's commitment to global climate change mitigation;
- the roles of regulation, subsidization, and taxation in each member nation's list of energy policy options;
- energy issues in the upcoming Economic Summit of 6-7 member countries;
- international energy technology cooperation; and
- energy emergency preparedness.

Due to concern over press accounts about the trip, the Department reduced staff for the trip. My predecessor attended this meeting in 1991 with 24 staff at a cost of nearly \$100,000. In comparison, the Department's contingent this year consists of 5 staff at a cost of less than \$30,000.

THE WEEK AHEAD

- Worker and Community Transition Stakeholders Meeting

In response to the changing needs for national defense, the Department is beginning a transition process which will decrease the work force at many of our defense facilities. In order to ensure that this transition takes place with as minimal economic impact as possible on the surrounding communities and citizens, the Department has issued an open invitation to all affected stakeholders to offer their suggestions and concerns about the Department's defense conversion efforts.

The Department is hosting a meeting in Washington on June 11 to involve the affected stakeholders in the planning process and attempt to achieve consensus opinion on how best to mitigate the economic impacts of defense conversion. The attendees represent all groups affected by the transition process including: unions, government contractors, universities, and environmental organizations. The information coming out of this meeting will be provided to our Operations Offices to assist in the preparation of draft work force restructuring plans.

CONGRESS

- Hearings

- My testimony before the House Natural Resources Committee, Subcommittee on Energy and Mineral Resources (Chairman Lehman, D-California) will include discussion of the Department's FY 1994 Budget Request and a description of the planned departmental reorganization.

- The topic of my testimony before the Senate Armed Services Committee, Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence (Chairman Exon, D-Nebraska) will be the Department's Atomic Energy Defense Accounts.

- Outreach Meetings

Meetings with the following members of Congress are part of my continuing effort to advocate the Administration's economic initiatives and discuss specific Department issues of importance.

- Senator Robert Byrd (D-West Virginia)
- Representative Jay Inslee (D-Washington)
- Representative Richard Lehman (D-California)
- Senator Sam Nunn (D-Georgia)
- Senator Paul Simon (D-Illinois)

PRESS

- Satellite Interviews

To promote the Administration's Economic Package, at the request of the White House I will be interviewed on specific impacts of the package on the States of Louisiana, Oklahoma, and Texas which will be televised in these States through a satellite feed.

- International Energy Agency Ministerial

In addition to interviews with reporters traveling with the International Energy Agency (IEA) party, I am scheduled to do network television interviews with CNN and ABC. I will also hold a breakfast press briefing at the home of Alan Larson, Ambassador to the Organization for Economic Cooperation and Development, for the major news outlets covering the IEA, including the Herald Tribune, Washington Post, New York Times, Wall Street Journal, American and British wire services and TV networks.

- Address to American Stock Exchange Conferences

The theme of my address to 100 CEOs of member companies of the American Stock Exchange will be "The Role a New Energy Policy will Play in the Economic Recovery." Media coverage is expected.

- Alliance to Save Energy

I will deliver the keynote address at the Alliance to Save Energy's dinner honoring Senator Tim Wirth.

WEEK IN REVIEW

- Nuclear Weapons Testing Issues

Attendance at this week's meeting of agency principals on Nuclear Weapons Testing chaired by National Security Advisor Anthony Lake was part of the Department's continuing effort to work closely with other agencies to develop a cohesive policy on this matter. The Department's recent efforts to build consensus on the testing issue include my meetings last week with Senators Exon and Hatfield and six hours of briefings by nuclear testing experts inside and outside of government.

PRESIDENTIAL INITIATIVES

- Reconciliation Bill

I spent significant time with the following members asking for their support of the Administration's Economic package on the House floor:

- Representative Billy Tauzin
- Representative Cleo Fields
- Representative Jim Cooper
- Representative Marilyn Lloyd
- Representative Blanche Lambert
- Representative Jim Inslee

- Launching the Process to Develop the National Action Plan to Stabilize Greenhouse Gas Emissions

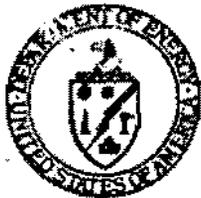
The Administration will launch its initiative to develop a National Action Plan designed to stabilize emissions of greenhouse gases to 1990 levels by the year 2000 to fulfill the President's Earth Day commitment. This initiative is designed to involve affected interests in the process to develop the plan. On June 10 and 11, the Administration will conduct a plenary session with affected parties and hold workshops on six different issue areas. We expect the press to attend. I will attend the plenary session and urge the participants to work with the Administration to develop a cost-effective plan which meets our goals.

U.S. DEPARTMENT OF ENERGY
OFFICE OF THE EXECUTIVE SECRETARY
DISPATCH DOCUMENT TRANSMITTAL FORM

CONTROL NO. ES- 93-014254		ACCRYS NO.		DATE SENT 6-8-93		DATE DUE	
TYPE OF DOCUMENT/ADDRESSEE Action Memo to the White House signed by the Secretary FROM AD-33				SUBJECT Weekly Report			
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO
THE SECRETARY (S)				OFFICE OF DOMESTIC AND INTERNATIONAL ENERGY POLICY (EP)			
DEPUTY SECRETARY (DS)				RIS DIVISION			
UNDER SECRETARY (US)				CONSERVATION AND RENEWABLE ENERGY (CE)			
INTELLIGENCE (IN)				NUCLEAR ENERGY (NE)			
DEPARTMENT ADVISORY COMMITTEES (AC)				FOSSIL ENERGY (FE)			
ARMS CONTROL AND NONPROLIFERATION (AN)				DEFENSE PROGRAMS (DP)			
SECURITY AFFAIRS (SA)				ENVIRONMENT, SAFETY AND HEALTH (EH)			
PUBLIC AFFAIRS (PA)				NEW PRODUCTION REACTORS (NP)			
NUCLEAR SAFETY (NS)				ENERGY RESEARCH (ER)			
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)				INSPECTOR GENERAL (IG)			
CP 1, 18, 29, 30, 48 & 50				ADMINISTRATION AND HUMAN RESOURCE MANAGEMENT (AD)			
GENERAL COUNSEL (GC)				CHIEF FINANCIAL OFFICER (CF)			
ENERGY INFORMATION ADMINISTRATION (EI)				PROCUREMENT ASSISTANCE AND PROGRAM MANAGEMENT (PR)			
ECONOMIC REGULATORY ADMINISTRATION (ER)				DEFENSE NUCLEAR FACILITIES SAFETY BOARD (DR)			
CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)				MINORITY ECONOMIC IMPACT (MI)			
OFFICE OF EMERGENCY PLANNING AND OPERATIONS (OE)				OFFICE OF CONTRACTOR PROTECTION (OC)			
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COMMENTS AND/OR RECOMMENDATIONS				4			
X OTHER (SEE REMARKS)				5			
REMARKS: The attached document was signed by the Secretary on June 3, 1993, and faxed to the White House. A copy was provided to the Office of the Executive Secretariat for dispatch after the fact. This action is hereby closed in ES files.				6			
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The Secretary of Energy
Washington, DC 20585

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June 17, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM:

HAZEL R. O'LEARY

SUBJECT:

Weekly Report

KEY DEPARTMENT NEWS

• Meeting With the Department's Lab Directors

Today, I am meeting for the second time with key Department personnel and the directors of the Department's National Laboratories to continue the collaborative process of developing a vision and new missions for the Labs in the post-Cold War era. The Lab Directors have identified eight areas for future focus:

- Semiconductor Industry;
- Biotechnology;
- Environmental Technology;
- High Performance Computing/Information Infrastructure;
- U.S. Automotive Industry;
- Manufacturing Industry;
- Materials; and
- Utility Interactions.

The significant scientific and technological capabilities of the Labs can benefit the Nation by enhancing competitiveness and creating jobs in the defense conversion effort and transfer of technology to industry.

• Yucca Mountain

The Department notified Nevada officials of its intent to conduct an independent review of the financial management of the Yucca Mountain project and to request their input into designing the scope of the effort. Governor Miller and Senator Reid praised this action. Senator Bryan has complained that Governor Miller was informed of the decision prior to him and criticized the review as being inadequate. We informed Governor Miller the evening before Senator Bryan met with me and the Governor did not think that he would get any press that evening. We also informed Governor Miller of our decision because White House officials had urged us to discuss Yucca Mountain issues with the Governor before making any policy decisions. We have cultivated strong, productive relationships with Senator Reid and Governor Miller.

A financial review of the project is necessary to address recent criticisms of the financial management of the project contained in a General Accounting Office report. The need for this review arose in a discussion with Representative Barbara Vucanovich (R-Nevada) during my testimony on June 8 before the House Subcommittee on Oversight and Investigations of the Natural Resources Committee. We further developed the idea after the hearing.

Senator Bryan believes that this review is inadequate and is requesting an independent review which focuses on the policy governing the site characterization of Yucca Mountain. He objects to the mandate in the Nuclear Waste Policy Act of 1982, as amended, which requires the Department to characterize Yucca Mountain to determine if it is an appropriate site to dispose of the Nation's spent nuclear waste. Because his request constitutes a review of existing public policy, Congress is the appropriate body to perform the review. Congress has the authority to amend the existing Act if it wishes to do so. The committee chairman strongly opposes amending the Act.

An independent review undertaken by the Administration would raise significant concerns of nuclear utilities, the regulators with authority over these nuclear utilities, Representatives, and Senators in 30 states who believe the money their ratepayers have paid into the fund to finance this project will not result in the development of facilities to accept waste by the specific dates required by law. If the Administration initiated an independent review, it would nullify recent progress and signal an intent to develop new policy which could delay further progress for many years and would be extremely controversial.

Global Climate Change Mitigation

The Administration sponsored an initial plenary session and issue-specific workshops to initiate the process to develop a plan to achieve the Administration's commitment to reduce emissions of greenhouse gases. We had originally planned for 300 participants, but over 800 individuals attended the two-day event. The attendees included representatives of state, local, and federal governments; industry; and environmental organizations, and clearly shows the interest in this initiative.

I addressed the plenary session and urged the participants to work together to develop a cost-effective plan. Six working groups held workshops with affected parties to solicit policy initiatives to reduce emissions of greenhouse gases in the areas of:

- Energy Supply;
- Energy Demand;
- Transportation;
- Methane and Other Gases;
- Sinks (planting trees and other re-forestation efforts which sequester carbon dioxide); and

Joint Implementation (a policy which encourages U.S. firms to invest in less-developed economies, reduce emissions of greenhouse gases, and transfer American technology).

The ultimate objective of this collaborative effort is to formulate a plan which will achieve our goals for reducing greenhouse gas emissions without imposing additional bureaucracy and regulation on the private sector. If the Btu tax is not adopted, achieving the President's goal will become more challenging. Reductions achieved by the tax were part of the baseline developed to determine the magnitude of the commitment necessary to reduce greenhouse gas emissions to 1990 levels by 2000.

THE WEEK AHEAD

- Savannah River Site Visit and Reception

Congressman Butler Derrick (D-South Carolina), whose district is home to the Department's Savannah River Site in Aiken, South Carolina, invited me to visit Savannah River and address a forum of local business and community leaders. Representatives Cynthia McKinney (D-Georgia) and Don Johnson (D-Georgia) will accompany us and local South Carolina and Georgia media coverage is expected.

The primary purpose of my visit is to communicate the Administration's and the Department's commitment to minimizing the impact of defense reductions on affected communities, such as Aiken and Savannah River. Due to budget reductions in defense activities, 2,500 to 3,000 jobs at this facility will be lost. To minimize the number of layoffs, however, the Department will implement an early retirement incentive plan and a voluntary separation incentive plan. We also saved over 1,000 jobs from elimination by increasing the budgets for programs to decontaminate and decommission old reactors and facilities, environmental restoration activities, and technology research and development.

- Intergovernmental Meetings

Representatives of the Departments of Energy, the Interior, and Defense, and the Environmental Protection Agency will attend the annual meeting of the Western Governors Association in Tucson, Arizona. The theme of the meeting is *New Strategies for Protecting the West*.

The purpose of the interagency participation is to discuss the Administration's coordinated waste management policy and the state/federal efforts to test new waste cleanup technologies at federal waste sites in the region. The interagency team will involve the governors in creating a cooperative, informative process for cleanup which is more cost-effective and utilizes advanced technologies. The cleanup issues facing the West are daunting. Both defense and commercial nuclear waste require safe

disposal, and given the region's importance to the Administration, we are expending a significant effort to reduce the controversy associated with these issues.

CONGRESS

- Hearings

Senate Interior Appropriations Subcommittee: No controversial issues were raised during my testimony on the Department's Fiscal Year 1994 budget request before the Senate Interior Appropriations Subcommittee. The Department's energy efficiency programs, fossil energy programs, and Strategic and Naval Petroleum Reserves fall under the jurisdiction of this subcommittee.

- Mark-ups

House Interior and Related Agencies Appropriations Subcommittee: The subcommittee protected most of the Administration's investment initiatives during markup of its Fiscal Year 1994 appropriations bill. Funding for energy efficiency programs (including grants, weatherization, state programs) was reduced by 10%. (The Administration had requested a 35% increase, so the program will still grow by over 20%.) The Administration's natural gas initiatives were reduced by 3% and the alternative fuel vehicles programs were fully funded.

House Energy and Water Appropriations Subcommittee: A significant majority of the Department's budget is under the jurisdiction of this subcommittee. Specifically, the Department's defense functions, environmental restoration effort (federal facilities clean up), renewable energy programs, and scientific efforts are funded by this subcommittee. The committee protected the Administration's high priority investments including the renewable energy programs (33% increase) and scientific projects. The Advanced Neutron Source and Superconducting Super Collider were funded at levels near the Administration's request.

- Congressional Meetings

My meetings with the following members of Congress next week are part of my continuing effort to advocate the Administration's economic initiatives and to discuss specific Departmental issues:

- Representative Richard Durbin (D-Illinois)
- Representative Cleo Fields (D-Louisiana)
- Senator Sam Nunn (D-Georgia)
- Representative Bill Sarpalius (D-Texas)
- Senator Malcolm Wallop (R-Wyoming)

PRESS

- McLaughlin One-On-One Interview

McLaughlin One-On-One is scheduled to air an interview with me on June 27. Possible issues we will discuss include energy tax proposals, global climate change initiative, nuclear testing, and the energy and environmental priorities of the Clinton Administration.

- Address to *The Partnership's* Annual Retreat

My address to 200 members of *The Partnership*, an organization of Boston-area African-American community leaders in all professions, will focus on the Administration's initiatives to enhance the economic development climate in minority communities and the Department's role in that effort. Local media coverage is anticipated.

- Keynote Address at National Energy Summit

This keynote address before an audience of industry and environmental leaders and media will be broadcast on C-SPAN and PBS. My message will focus on the Administration's focus on integrating energy, environmental, and economic policies by developing cleaner sources of energy, enhancing energy efficiency, and utilizing the Department's scientific and technological assets to develop new technologies. The Environmental Protection Agency, and the Department of the Interior will also be represented.

- White House Satellite Interview

To promote the Administration's Economic Program, at the request of the White House I am scheduled to be interviewed on specific impacts of the package on Louisiana, Oklahoma, and Texas. These interviews will be televised in these States through a satellite feed.

- Supreme Court Nomination

Following the announcement of Ruth Ginsberg as an Associate Justice of the Supreme Court, I spoke to several black media stations to support the nomination of my former Rutgers law professor.

WEEK IN REVIEW

- Worker and Community Transition Stakeholders Meeting

The Department hosted a meeting last week to involve stakeholders in the planning process for defense conversion activities at DOE sites and to achieve consensus on how best to mitigate the economic impact of defense program reductions on affected communities.

The meeting attracted over 50 representatives of non-governmental organizations, including 14 trade associations and unions, 11 private contractors, and 13 environmental, defense conversion related and other special interests.

My address focused on the Department's commitment to working with affected communities to develop defense conversion initiatives. Some of the issues the participants raised included:

- Preferential hiring for displaced workers;
- Funding for worker retraining and other economic conversion initiatives;
- Equity in the site-specific plans for early retirement and other voluntary separation plans.

Many of the participants expressed appreciation for the Department's responsiveness to their opinions and concerns. The Department's Task Force on Worker and Community Transition will provide the affected stakeholders with a report of the concerns raised during the meeting and ask for further comments. Within the next few weeks, we will develop draft Work Force Restructuring plans which incorporate their input.

- Meeting with Indonesian Minister

Minister Ida Bagus Sudjana, Minister of Energy and Mines for Indonesia, and I discussed the significant opportunities for American firms to invest in Indonesian energy markets.

PRESIDENTIAL INITIATIVES

- Council on Sustainable Development

On Monday, the President announced the establishment of the Council on Sustainable Development. The Department will play a key role in providing assistance to this Council. Dave Buzzelli, the private sector co-chair of the Council is a long-time friend.

Attachments

June 1993

WHITE HOUSE CALENDAR

Jun 21 - Monday

Visit Department of Energy's Savannah River Site, Savannah, Georgia

Jun 22 - Tuesday

2:00 pm White House Satellite Press
4:00 pm Congressman Bill Sarpalius (D-TX)

Jun 23 - Wednesday

9:30 am Congressman Cleo Fields (D-LA)
10:00 am Women's Executive Leadership Program
12:30 pm Senior Staff Team Lunch
2:30 pm Senator Malcolm Wallop (R-WY)

Jun 24 - Thursday

10:00 am Senior Staff Meeting
1:30 pm Joshua Smith, Chairman and CEO of Maxima
2:30 pm Senator Sam Nunn (D-GA)
3:45 pm Congressman Richard Durbin (D-IL)

Jun 25 - Friday

11:00 am McLaughlin Group Interview
4:45 pm The Partnership and the Boston Fellows' Sixth Annual Conference
"Business, Government and Race: Mobilization Toward Meaningful Change"
Martha's Vineyard, MA

Jun 26 - Saturday

Jun 27 - Sunday

Circulation 17,500 Daily
18,000 Sunday

AIKEN STANDARD

Aiken, South Carolina

Wednesday, June 16, 1993
From Page 1A
Page 1 of 1

Energy Secretary To Tour SRS For First Time

States News Service

WASHINGTON -- Savannah River Site will host a high-powered visitor on Monday. Secretary of Energy Hazel O'Leary is planning to tour the facility for the first time, Rep. Butler Derrick announced Tuesday.

Details concerning the visit are still being fleshed out and won't be revealed until later this week, said Carrie Rowell, Rep. Derrick's press secretary.

"Secretary O'Leary will have an opportunity to visit SRS and see some of the facilities and meet some of the people who make this operation such a valuable

asset to the nation's defense and South Carolina both now and in the future," Rep. Derrick said in a statement.

Rep. Derrick invited O'Leary to visit SRS earlier this year, but a scheduled tour was canceled due to conflicting funeral arrangements for Republican Sen. Strom Thurmond's daughter, Rowell said.

Rep. Derrick and O'Leary enjoy a "very good relationship" and he felt it was important for her to visit SRS and meet with workers, Rowell said.

Jim Giusti of the Department of Energy's External Affairs Office said Rep. Derrick's office was handling all the arrangements for the visit.

Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

Thursday, June 17, 1993
From Page 11B
Page 1 of 1

Average radiation dose lowest ever at SRS

■ *Record continues downward trend in reducing external exposures at area plant*

By John Winters
Staff Writer

WASHINGTON — The average external radiation dose for Savannah River Site workers in 1992 was the lowest in the plant's history, according to a new report.

The record for the nuclear materials production facility continues a downward trend in reducing radiation exposures. Ten years ago

workers averaged nearly nine times as much external radiation.

The average radiation dose for about 21,000 monitored SRS workers was approximately 15 millirem. A millirem is a measurement of radiation dose.

A normal chest X-ray is equal to about 20 millirem.

The 15-millirem external dose average — it was 16 millirem in 1991 — is equal to about 4 percent of what a typical resident of the area receives in radiation from ordinary sources like radon, medical checkups and flying.

The maximum 1992 annual dose to any one SRS employee was 1,560 millirem, below the site's goal of 1,500 millirem. The federal limit is 5,000 millirem annually.

"This record is part of a trend that we are working hard to continue," said Frank Jordan, manager of health protection. "We set ambitious goals for ourselves that are far below any requirement and have met them with room to spare.

"Further improvement will be a challenge, but we think we're up to it," he added.

Additional information is contained in the 1992 Health Protection Annual Report, available at the University of South Carolina-Aiken's library.

Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

Thursday, June 17, 1993
From Page 8B
Page 1 of 1

Tritium facility gets green light for final tests

■ SRS radiation statistics, 11B

By John Winters
Staff Writer

WASHINGTON -- Energy Secretary Hazel O'Leary gave the go-ahead to begin the final testing of a new tritium facility at Savannah River Site, Rep. Butler Derrick, D-S.C., announced Wednesday.

The final phase at the Replacement Tritium Facility is expected to begin Friday, according to site officials. Full-scale operations would begin later in the year after the estimated six-month test phase.

"This is great news for SRS as it begins to prepare this new facility for operation," said Mr. Derrick, whose district includes SRS. "The Replacement Tritium Facility will be a major part of the new future of SRS."

The testing involves introducing tritium into the facility. Tritium is a radioactive gas used to boost the explosive power of nuclear weapons.

Once operational, the underground facility will unload and load tritium reservoirs, as well as purify tritium that has decayed.

A decision to begin final operational checkouts on the tritium facility was delayed while three consultants reviewed whether the Energy Department's tritium work should go to SRS or an Ohio plant.

The consultants all agreed it would be more cost effective to move the work to SRS, and also would pose no undue risk to the environment, workers or nearby residents.

That decision leaves SRS as the primary location for tritium work, ensuring that as long as the nation maintains a nuclear arsenal, SRS will have production-related jobs.

The department plans to continue existing tritium work at its Mound Plant in Ohio until the SRS facility is fully operational.

Officials estimated that SRS would take over all of Mound's tritium work by the end of fiscal 1996, depending on how well the Replacement Tritium Facility does in its test program.

No gallons to the mile

Graphics by DEAN MCGADE, research by PATTY VERDELLA / The Detroit News

SPORTS

The University of Michigan has redesigned its entry for next week's Sunrayce 82, a 1,000-mile race for solar-powered cars. Unlike its car, The Mitsu & Blue, it is smaller, rides lower, is more aerodynamic and weighs 100 pounds less than the Sunrunner, Michigan's winning entry in the first Sunrayce in 1980. Here's a look at the new car, the race and the technology.

What's inside:
Lightweight plastic

Body: Two types of extruded, fire-resistant, lightweight composite material called Durac. Weight about 210 lb. (a standard hard top shell is 200 pounds more)

The Mitsu & Blue

- Length: 19 ft.
- Width: 6.9 ft.
- Height: 3.6 ft.
- Average speed: 45 mph
- Top speed: 70 mph
- Range: About 150 miles on one battery of energy
- Weight: 650 lbs. without driver
- Market cost: \$353,000

Wheeling: Four 17 1/4 inch, pressure-mounted, dual drive. About half of the axles are three-wheelers.

BURRELL'S

NEWS EXPRESS

PAGE 5 OF 10

NOTE: Road sized up

Cockpit

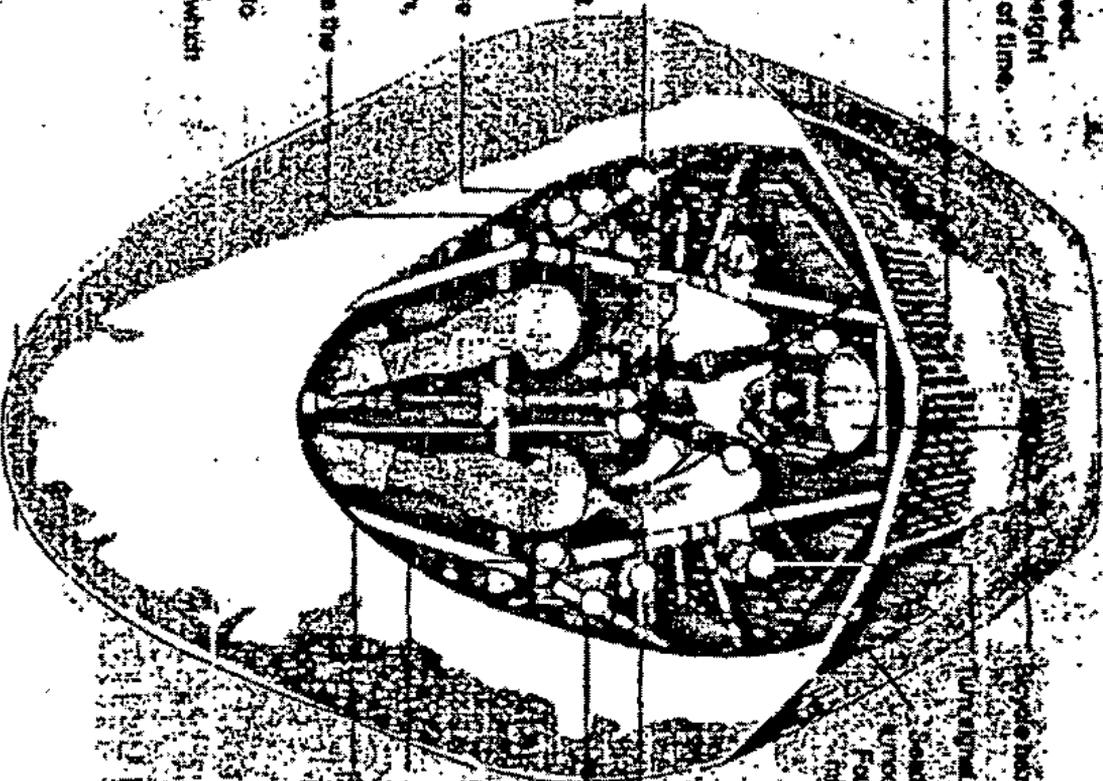
Weight means speed. Every pound of weight adds 15 seconds of time.

Microphone and headset to communicate with rest of team.

Eight microprocessors control the energy flow from the cells to the battery. If the cells are not receiving any solar energy, the microprocessors are turned off to prevent power drain.

Dist-controlled cruise control regulates energy consumption, not speed.

Fuel gauge indicates the amount of power remaining. This information is used to help calculate the maximum speed at which the car can travel.



Force harness

Turn signal light

Seatbelt is constructed from modified climbing harness. Four straps connect to the sides of a quick-release buckle.

Alternative power: One provides ventilation for driver and battery; other provides air to cool motor.

Vertical-meters relay the car's status to the trailing van for use in developing race strategy.

Five-hour TV monitor

Radio and speaker with two-replaceable steering wheel

BURRELL

NEWS EXPRESS

POWER

Solar cells:

The car is powered by 7,615 solar cells. Students cut three-inch square commercial solar cells into pieces, each about the size of a razor blade. The pieces are precisely aligned, wired and glued into place. A fine bead of silicone grout is added around each cell for waterproofing. The cells produce 1,200 watts of peak power in full sunlight, about enough energy to drive a portable hair dryer. Total cost: \$38,500.

How solar cells work

1. Light rays strike the upper layer of silicon, giving it a positive charge. The light then strikes the second layer, freeing electrons.

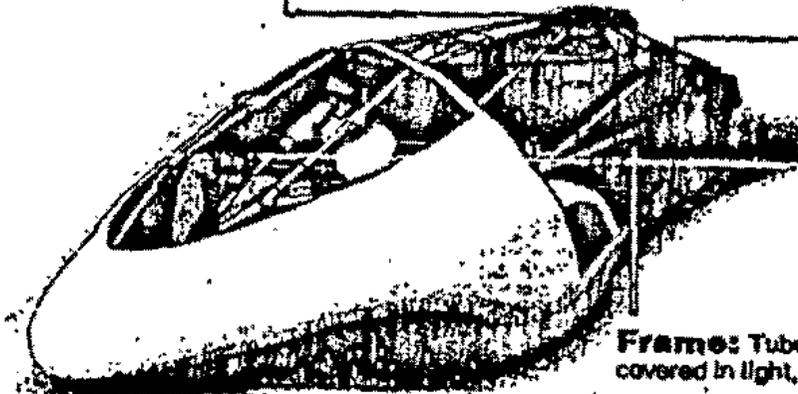


2. The freed electrons are drawn to the positive charge of the upper layer.

3. The extra electrons in the upper layer are collected by the contact. They form a current which is fed to the battery, that stores the energy for later use.



Batteries: Forty-five lead-acid batteries on board are charged by the solar cells. At 350 pounds, the batteries are the heaviest part of the car. This year, a rule change prevented U-M from using the lighter-weight, more powerful silver-zinc batteries the school used in winning the 1990 race.



Electric motor: A 26-pound, four-horsepower, frictionless motor is powered by energy from the solar cells or the batteries.

Frame: Tubular aluminum, covered in light, strong titanium.

BURRELLE

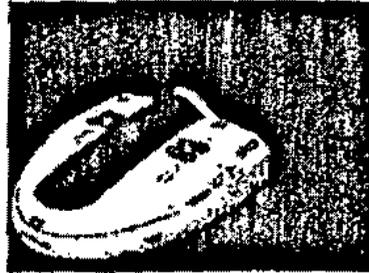
NEWS EXPRESS

PAGE 7 OF 10

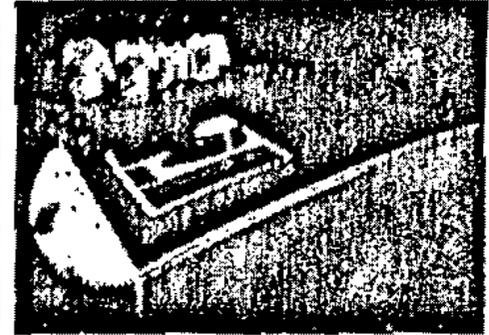
Others on the road

About 100 U-M students from engineering, business, art and design have worked more than two years getting The Maize & Blue ready for Sunrayce 93. Here's a look at some of the cars they will be competing against.

Source: U.S. Department of Energy, University of Michigan



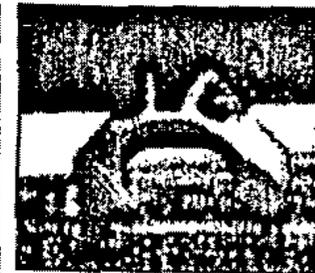
Western Michigan U.
Sunseeker 93
Length: 19.8 ft.
Width: 6.6 ft.
Height: 3.3 ft.
Weight: 550 lbs. without driver
Solar array: 1,000 watts, peak



Cal-State, Los Angeles
Solar Eagle II
Length: 16 ft.
Width: 6.1 ft.
Height: 3.3 ft.
Weight: 650 lbs. without driver
Solar array: 900 watts, peak



Drexel U.
Sundragon IV
Length: 19.2 ft.
Width: 6.6 ft.
Height: 3.3 ft.
Weight: 550 lbs. without driver
Solar array: 1,200 watts, peak



U. of Oklahoma
Spirit of Oklahoma II
Length: 15.6 ft.
Width: 6 ft.
Weight: 352 lbs.
Solar array: 1,100 watts, peak

BURRELLE

NEWS EXPRESS

The race

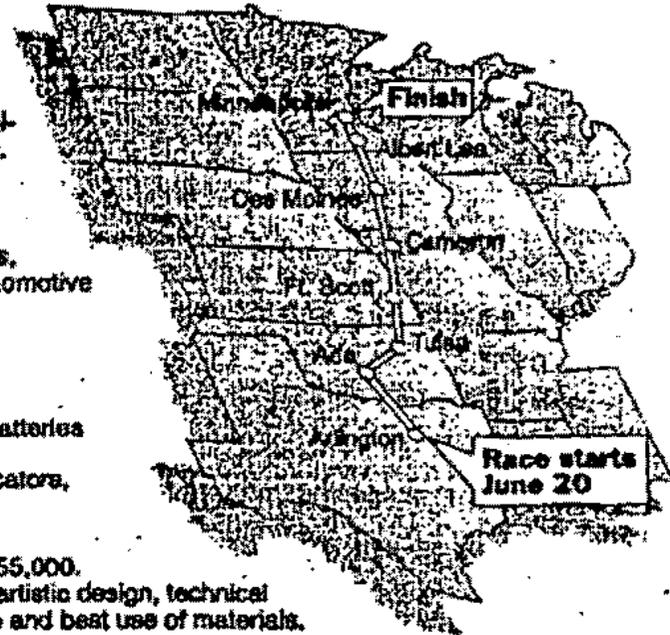
- **When:** Sunday through June 26
- **Where:** From Arlington Stadium in Texas to the Minnesota Zoo in Minneapolis, about 1,000 miles. Route follows secondary state and county roads in normal traffic. Cars run from 9 a.m. to 6:30 p.m.
- **Average daily distance:** 143 miles.
- **Who:** Thirty-five universities compete.
- **Sponsors:** U.S. Department of Energy, General Motors, National Renewable Energy Lab and the Society of Automotive Engineers.
- **Winner:** Best cumulative time.

Rules

- **Cart must be powered by sunlight.**
- **Only commercially available solar cells and lead-acid batteries can be used.**
- **Vehicle must be street legal. Seat belts, horn, turn indicators, brake lights, etc., must be included.**

Prizes

- **First place:** Winner receives prizes worth more than \$55,000.
- **Other prizes:** More than \$18,000 for achievements in artistic design, technical innovation, video production, teamwork, sportsmanship and best use of materials.



BURRELLE

NEWS EXPRESS

PAGE 9 OF 10

Strategy



Lead van: Scouts ahead for road hazards and obstacles. Carries team manager, crew members, other primary driver, spare parts and tires.

Chase van: The project's computer and telecommunications center. Carries team leader, one of the secondary drivers and a race official.

The 21-member crew obtains a race route that includes all road information including street lights, stop signs, speed limits, etc. Weather information and terrain along the route are fed into a computer to help determine race strategy. Clouds and rain affect strategy. If it's going to rain for an hour, the team may decide to use battery power until the sun comes out again. But if it's going to rain for the next two days, they would have to limit the use of batteries in order to make them last.

Las Vegas SUN, 6/14/93

(3A)

(Circulation: 34,011 daily)

Nuke hunter has a thankless job

Stallings up next in search for dump site

By Mary Manning

LAS VEGAS SUN

If former Rep. Richard Stallings is confirmed as the nation's next nuclear waste negotiator, he will step into a thankless job for \$123,000 a year.

In its three years of existence, the Office of Nuclear Waste Negotiator hasn't found a state or Indian tribe willing to accept a high-level nuclear dump.

But states and tribes have taken the money and run.

Created by President Bush, the office has searched in vain for a temporary or permanent repository, in case the proposed Yucca Mountain dump doesn't pass scientific muster.

Now Stallings, an Idaho Democrat who lost a U.S. Senate bid last year, is ready to try his hand.

"There are those who feel nuclear power is something we ought not to deal with," Stallings said last week after meeting with Energy Secretary Hazel O'Leary. "But I see only two alternatives. One is coal - and with the emphasis on clean air, that's not acceptable - and the other is nuclear."

O'Leary asked that the current negotiator, David Leroy, remain until the Senate confirms Stallings.

"The future of the nuclear industry is at stake," Stallings said. "If we can't deal with the waste issue, we won't see any more reactors built, and that source of power will cease to exist."

Stallings, 52, said he hopes to keep offices open in Idaho and

Washington, D.C. But the 10-member staff is coming under congressional scrutiny.

The General Accounting Office, at the request of Rep. George Miller, D-Calif., is probing the costs of the office. A report is due this week.

Thus far, the negotiator's office has managed to lure four states and 16 Indian tribes to apply for \$100,000 grants each to explore the possibility of building a storage site on their land. Nine of the tribes have proceeded to round two and have applied for follow-up grants of \$200,000 each.

Stallings, a former four-term congressman and history professor, has had financial problems of his own. He was caught in the 1992 congressional bank scandal when he bounced eight checks.

Leroy, a fellow Idahoan, is convinced that due to the efforts of his office, the federal government will no longer be able to site dangerous facilities without full public participation.

"The voluntary process created by the negotiator's office, which is built on broad-based voluntary public participation, is the most promising model for bridging the impasse that presently exists between competing interests and concerns," he said.

"Through hard work, we were able to make something out of nothing and build a process from the ground up which could replace confrontation and litigation with lasting cooperation," Leroy added.

TRI-CITY HERALD *De*
Tri-Cities, JUN 13 1993

DOE's concern is reassuring

It was buried in the story about the visit here last week of the new chief of cleanup for the Department of Energy.

But there was significance beyond the mere words when Thomas Grumley, in praising Hanford's efforts during and after World War II, promised that among DOE's tasks was "to prepare a way so this area remains economically sound. We're not going to abandon Hanford."

This was followed almost immediately by Secretary of Energy Hazel O'Leary's statement to businesses, workers and communities adversely affected by shifting priorities at DOE that "we need to assure equity and fairness to people who rightly deserve that care and attention."

Both statements have a somewhat different ring than the words of Grumley's predecessor, Leo Duffy, who said DOE's new job was to clean up and get out — and if nothing was left, it would be the fault of Tri-Citians.

Today Hanford and the Tri-Cities are in a nationwide contest. We were first in the race for cleanup dollars. But for a couple of years now we have been treading water in the six-foot end of that pool while other DOE sites are doing racing dives from the shallow end.

The word that comes back from the other DOE sites is of enterprising initiative being shown there in partnerships between DOE and the communities.

The word is of leadership and enterprise and a need to do more than just clean up.

DOE here will point to its Hanford Economic Transition Initiative, announced last year. But that is little more than a piece of paper full of promises.

The community cannot expect DOE to do all the work; to travel the road to economic independence for us. But, as Grumley said Thursday, there is a responsibility to "prepare a way."

Other DOE units seem to be pushing that idea harder than has so far been the case at Hanford.

Federal Labs Explore New Role In Industry R&D Partnerships

6/12/93 A-13(J)
By Hazel R. O'Leary

SECRETARY OF ENERGY

Situated on an ancient volcanic lava bed over a mile above the desert floor, Los Alamos in 1943 was a town which officially did not exist. Yet there, mankind ushered in the dawn of the nuclear age.

The massive technological effort helped the United States and its allies bring about an end to World War II and created a balance of power in an uncertain world that exists to day.

The end of the Cold War and the political realities of the budget deficit have left many wondering about the role of the nation's federal laboratories, especially the nuclear weapons labs.

From the Manhattan Project has evolved the largest laboratory system in the world, with some 59,000 scientists, engineers and technicians at 21 laboratories around the country. This collective genius has been presented with an extraordinary challenge: how to apply 50 years worth of knowledge and experience in building and maintaining the most complex scientific instruments in history to new peacetime roles of working with industry to jointly research technologies with commercial promise.

Research performed at the labs, has often produced spinoff technologies with significant implications for the private sector.

Nowhere is the success of public-private research partnerships more visible than at Los Alamos National Laboratory. Long before Congress authorized such partnerships in 1989, Los Alamos was on the cutting edge of emerging technologies.

In the 1950s, Los Alamos researchers developed a new form of heat pipe which today is



standard equipment in millions of American homes and businesses and a \$100 million-a-year industry. Today's super-computing industry grew out of a need by Los Alamos engineers in the 1950s to simulate the physical effects of nuclear explosions. And during the oil embargoes of the 1970s, Los Alamos demonstrated its ability to quickly shift gears by devoting 30 percent of its budget to developing alternative sources of energy. Out of that period was also born the KIVA computer code which simulates the behavior of gases inside engines and has made automobile engines more fuel-efficient and cleaner burning. It is now used by major automakers worldwide.

Other achievements posted by Los Alamos scientists include improving existing Lidar technology to detect and monitor air pollution through the use of lasers. A technique which was demonstrated at last summer's UN-sponsored Earth Summit in Brazil, it could also be used to detect forest and chemical fires, and emissions from weapons production by a foreign country. Flow cytometry uses lasers to identify and recover rare cells and chromosomes which could lead to cancer and other diseases or genetic defects, and is currently an \$800 million-a-year industry that is creating jobs, advancing biomedical research and leading to better health care for the nation. And the Oil Recovery Technology Partnership, of which Los Alamos is a

partner, is working to develop ways to recover some of the 300 billion barrels of oil in this country which cannot be extracted with today's technologies.

Such ventures speed the movement of new technologies out of the labs and into commercial markets in the form of new goods and services for consumers; creating new manufacturing jobs, a stronger economy and a higher standard of living in the process. Some 40 cooperative research and development agreements worth \$100 million have been signed between Los Alamos and industry, and the lab has issued 34 licenses for its new technologies.

Researchers funded by the Department of Energy and its predecessor agencies have won more than 50 Nobel Prizes since 1901. Many of them, such as Los Alamos, have been involved in weapons activities, but they are enthusiastic about contributing to new national priorities.

The evolution under way at the labs to post-Cold War national priorities is not an effort to maintain current staffing or budget levels. Nor is it a guise for expanding the labs into new areas for which they have little experience. Rather, this evolution is driven by a sense that the enormous investment that has been made in Los Alamos and other institutions over the past 40 years offer the potential for continued excellence in meeting public missions, as well as providing added leverage to the task of enhancing the U.S. economy and creating jobs.

Joint partnerships between Uncle Sam and the private sector can be mutually beneficial — for the government, for industry and for the American taxpayers who are the proper beneficiaries of federally funded research and development.

DOE Freeze In Works

Long before the Department of Energy announced this month that it was freezing contractor employee salaries for one year, the Clinton Administration had already proposed a freeze on the cost of living raises for all federal employees, as well as a freeze on the locality differential raises for federal employees, which had already been approved by Congress.

While these proposals are still subject to Congressional action, it is unfair to say, as your editorial did, ("Salary Freeze At SRS Another Slap By DOE," June 7, 1993) that the Administration is angling out contractors in its plans to cut government spending and reduce the deficit.

Mike Gaudin
Director of Public Affairs
Department of Energy

Department of Energy's Contribution Ignored

Your examination of the Clinton administration's commitment to aggressively expand government's involvement in technology transfer programs ("Clinton and Gore Build Their Technology Team," Spring 1993) unfairly ignored the key role the Department of Energy has played in making industry, academia and state and local governments aware of the wealth of opportunities to collaborate with department laboratories in R&D.

Just weeks after being confirmed, Secretary of Energy Hazel O'Leary signed an agreement with a Virginia company to test uranium waste cleanup technology developed by the department's Oak Ridge National Laboratory. The agreement highlights the Clinton administration's commitment to transfer more of the government's advanced technologies to private industry, help American business become more competitive, and eventually aid clean up of nuclear waste sites.

Secretary O'Leary also signed an

agreement with America's textile industry in a first-ever attempt to refocus federal research and development on an entire industry's impact on the marketplace, from raw materials to retail stores.

This could save 350,000 jobs in the American textile and apparel industry over the next 5 years and create 200,000 new and better-paying jobs by the 10th year of the program, while at the same time helping reverse a multi-billion dollar industry trade imbalance.

Research funded by the department and its predecessor agencies have resulted in 50 Nobel Prizes over the past 50 years and led to many breakthrough technologies which have made our lives more enjoyable.

President Clinton has committed the Department of Energy to a major role in his program to strengthen the economy.

And during her confirmation hearings, Secretary O'Leary said she sees it as DoE's role to take the lead in bringing the national laboratories and U.S. industry together to enhance our technical competitiveness in world markets.

Michael Gauldin
Director of Public Affairs
Department of Energy
Washington, D.C.

Editor's Note: Technology Transfer Business has aggressively covered the Energy Department's role in tech transfer since our first issue, regularly reporting on CRADA activity and even profiling Sandia Laboratory in our Spring 1993 issue.

TRI-CITY HERALD
Tri-Cities, WA
JUN 11 1993
10 of 2 Pages

Accident at Hanford prompts Grumbly visit

By WANDA BRIGGS
Herald staff writer

Thomas Grumbly got a phone call at 1 a.m. Tuesday about an accident at Hanford that had left a Westinghouse Hanford Co. worker with burns over 56 percent of his body.

Grumbly, sworn in 10 days ago as assistant secretary of energy for environmental restoration and waste management, said he tossed and turned the rest of the night and then decided to take Wednesday's red-eye flight from Washington, D.C., to Hanford.

En route, he stopped in Seattle to visit Louis Beatty, who remains in serious condition in Harborview Medical Center. He also spoke to Beatty's family, who asked him to keep their conversation confidential.

Taxpayers will foot the bill for his \$713 airline ticket and \$42.50 motel room, but the trip was not a costly symbol promoting Energy Secretary Hazel O'Leary's commitment to safety, he said.

"I'm here," Grumbly told reporters in Richland Thursday, "because it's the only way I know to show Mr. Beatty and employees at this place that we care about them.

"Too often our government looks at people as bits on a page," he said. "One of the big knocks (we) get, and rightfully so, is that when problems happen, DOE in D.C. sits back and says, 'Oh, a worker was burned out there,' and then it's on to the next cocktail party.

"The money for this trip is worth it if we sent a message that this administration cares," he said.

It's the first time in history that DOE headquarters has taken the lead in investigating a serious accident at one of its federal sites, he said. That investigation will include participation from local union officials.

And the headquarters-led investigation at Hanford

probably won't be the last.

O'Leary has ordered that whenever a serious accident occurs, headquarters officials will visit the site where it occurred and find how why the accident happened and

how to prevent a recurrence. Until now, those investigations have been done by Energy Department officials at the location where the accident happened.

Headquarters involvement in accident investigations doesn't mean John Wagoner, DOE's Richland manager, couldn't handle the job, Grumbly said.

And Wagoner doesn't take it that way.

"I welcome their help. We need to find out why it happened to make sure it doesn't happen again," he said.

Grumbly agreed.

"We want to make sure our workers are safe in the job they do. If we don't have their support and loyalty, we won't get cleanup done. We're not here to finger-point," he said. "We hope that by having investigations led by people with nothing at stake, it will give us an independent perspective."

A potentially serious problem at Hanford as cleanup progresses is that many of the buildings and much of the equipment is 50 years old.

"We are dealing here with aging facilities, so we may have to have some new (cleanup) strategies because of the associated risks," Grumbly said. That may mean more robots.

"We won't send workers into harm's way to meet a milestone," said Grumbly, referring to the state and federal agreement to clean up Hanford over 30 years. That agreement sets out milestones — deadlines for certain tasks. DOE can be fined if milestones are not met.

An equipment failure on an old steam pipe is suspected in the accident that injured Beatty. He was turning a valve on a pipe when he was scalded.

"Despite lip service, worker safety has not, frankly, been at the top of



Herald/Dorothy Adcock

Thomas Grumbly, right, assistant secretary of energy for environmental restoration and waste management, visits Richland on Thursday. With Grumbly at a press conference at the Hanford Science Center in Richland is John Wagoner, DOE's Richland manager.

CONTINUED

2 of 2 Pages

CONTINUED

DOE D.C.'s priorities. It is now," said Grumbly.

And he added that he expects to return to Hanford within the next 45 days to spend about a week becoming familiar with the site and the men and women who work there.

"Hanford helped save this nation, and all of us honor the work done here," he said. "Our task now is to complete the circle, to return the land for future uses and to prepare a way so this area remains economically sound," he added. "We're not go-

ing to abandon Hanford."

Grumbly left behind in the Tri-Cities a six-member investigation team, including group leader Robert Barber, director of DOE's Office of Risk Analysis and Technology, and Joseph Fitzgerald, deputy assistant secretary for safety and health, who expects it will take 30 to 60 days to complete the investigation.

For that investigation, Fitzgerald said, "We will lean on people who know what goes on here day to day."

Las Vegas SUN, 6/11/93

(6A)

(Circulation: 34,011 daily)

No more secrets, DOE says

New LV office boss: Yucca info in open

By Mary Manning
LAS VEGAS SUN

The password to the Yucca Mountain Project is openness, said the new boss at the Department of Energy's Las Vegas office.

The DOE's effort to study the site 90 miles northwest of Las Vegas as a possible high-level nuclear dump has been hampered by an entrenched blanket of secrecy from the Cold War era, said Linda Smith, acting associate director of geologic disposal.

A career federal government employee, Smith, 53, said she will provide broad-based management leadership, which will allow Yucca Mountain Project Director Carl Gertz to concentrate on the day-to-day science.

"I am a Nevada. I

"We have a lot of issues that demand a lot of attention. It's a tough one, and we know that."

Linda Smith
Head of Las Vegas DOE office

understand Nevada issues," Smith said.

Since Hazel O'Leary became the Energy secretary in the Clinton administration, Smith said the attitude in the DOE's halls has become one of enthusiasm.

But an establishment that worked in a climate of secrecy won't change overnight, she said.

"It's a wrench from one direction to another," she said.

The national security blanket was definitely overused, she said. "We tended to stretch that cloak," Smith said.

Nothing will be hidden in the 10-year study proposed at Yucca Mountain to determine if the site is suitable, Smith said.

"We have a lot of issues that demand a lot of attention," she said. "It's a tough one, and we know that."

Smith came from the nuclear weapons side of the DOE, reporting to Test Site Manager Nick Aquilina until Monday, when she took the Yucca Mountain helm.

She began her career at Nellis Air Force Base in 1957. In 1965, she began working for the Atomic Energy Commission, the predecessor of the DOE.

In 1979, she moved to Phoenix, serving as a manager in the DOE's Western Area Power Administration. She transferred to the Bureau of Reclamation's Central Arizona Project in 1982.

She resumed her career with the DOE in Las Vegas in 1985.

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O'Leary: DOE needs more IFR proof to fund reactor project

By Tim Jackson

Of The Journal

Energy Secretary Hazel O'Leary told a Senate panel Thursday Idaho's Argonne National Laboratory nuclear breeder reactor research shows potential for reducing nuclear weapons stockpiles.

But O'Leary added that more proof of the project's other touted merits in recycling nuclear waste and providing safe, inexpensive electricity is needed before the Clinton administration can recommend full funding for the project.

The administration wants to reduce the project's fiscal 1994 funding from a requested \$128 million to \$23.6 million, which would eliminate 800 jobs in Idaho and 500 in Illinois by decommissioning the company's Idaho demonstration reactor and allowing only limited fuel research in Chicago.

"Do you agree with me that the stockpile of nuclear warheads is a problem that we certainly must deal with?" Sen. Dirk Kempthorne, R-Idaho, asked O'Leary during her testimony before the Senate Nuclear Deterrence, Arms Control and Intelligence Subcommittee.

"Oh, absolutely," O'Leary responded. "It was on the basis of that very attractive conclusion that I became a proponent of this project."

But Department of Energy officials examined budget priorities with deficit reduction in mind, O'Leary said, and "with a clear sense that everything on the table, even high priority, would not get funded."

When considering Argonne's reactor research, O'Leary said, the administration needed "some higher level of certainty that the project can prove out."

If Argonne's continued fuel research in Illinois shows results that give the administration more confidence in the program's merits, O'Leary said, in coming months the DOE might shift its position and request that Congress grant Argonne more money.

Members of Idaho's Capitol Hill delegation have vowed to continue attempts to save the jobs in jeopardy by convincing Congress to restore full funding for the research.

They'll have several chances to do so during the next few weeks, spokesmen for Kempthorne and Rep. Mike Crapo, R-Idaho, said today.

Energy secretary pledges safety probe at Idaho lab

The Associated Press

Energy Secretary Hazel O'Leary Tuesday promised to investigate a 1992 report that raises serious questions about the safety of a key facility used to store high level radioactive waste at the Idaho National Engineering Laboratory.

O'Leary gave the assurance to Rep. Larry LaRocco, D-Idaho, during testimony before the House subcommittee on Energy and Mineral Resources.

The report, compiled by Westinghouse Idaho Nuclear Co. and dated last October, questions the ability of the Underwater Fuel Storage Facility to withstand an earthquake, and it raised concerns that in the case of an earthquake heavily corrosion in the facility could create the possibility of a nuclear accident.

"I know this is not acceptable to me, and I can't believe it is acceptable to your department," LaRocco told O'Leary.

Westinghouse is a major Energy Department contractor at the INEL. Its report has also been offered by the state to U.S. District Judge Harold Ryan as part of its case for a court order barring the government from bringing any more nuclear waste to INEL for storage until a comprehensive environmental assessment is completed on the installation's waste management policies.

Although Ryan held a hearing on the request a month ago, he has yet to issue his ruling, and court officials indicated it could be another week.

The Andrus administration, which has been in a running battle with the federal government for 44 years over radioactive waste storage policies, maintains the report reinforces the state's contention that there are significant deficiencies in the waste storage operation at INEL that must be assessed and corrected before any more waste is brought into the state.

Although the report was dated October 1992, the state did not receive a copy of it until last Wednesday. It assesses the storage facility that was the focus of the 1991 battle over attempts by a Colorado utility to ship its waste to INEL for storage. That effort was finally blocked.

The Westinghouse report expressed concern about the integrity of the concrete walls that form the water-filled basin where the waste is stored and the mechanical system used to move the waste around in the basin should there be an earthquake.

It said there was a potential for leaks through those walls into the environment although there was no evidence that has happened yet, and that in an earthquake "gross corrosion" on the fuel storage baskets and yokes they hang from may "cause a criticality."

"Because much of the facility is well beyond the design life, equipment failures are frequent and costly," the report said, adding that the problems had been previously documented by the department and that the stored waste would eventually have to be moved to another, safer facility.

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Yucca site independent review OK'd

□ The governor hails as 'positive news' the Energy secretary's nod for a comprehensive review.

By Ed Vogel
Donroy Capital Bureau

CARSON CITY — Energy Secretary Hazel O'Leary has agreed to an independent review of the proposed Yucca Mountain nuclear dump, Gov. Bob Miller announced Tuesday.

"I consider this to be the most significant positive news on the Yucca Mountain front that we have had in Nevada

since its inception," Miller said during a hastily called news conference.

The review likely will be limited to "financial" aspects of the nuclear waste repository, Miller said, relating comments O'Leary made in a telephone conversation.

Miller, an ardent foe of placing nuclear waste in Nevada, asked candidate Bill Clinton during last year's presidential campaign to do a comprehensive review of the project should he be elected.

"At this point, I could not ask for more from O'Leary," Miller said.

The U.S. Department of Energy is

studying the suitability of placing 77,000 tons of high-level nuclear wastes in Yucca Mountain, 100 miles northwest of Las Vegas.

Last month the General Accounting Office, the investigative arm of Congress, said O'Leary should review the project's funding priorities. The agency concluded it would take far more than the department's \$6.3 billion estimate to complete the repository.

At the same time, the GAO reported that during fiscal 1992 the department spend only \$60 million on site investigation activities, or 22 percent of its \$275 million appropriation.

"The GAO and others have questioned the appropriateness of the expenditures," Miller said. "We have questioned the appropriateness of the project since Day One. This gives us an opportunity to have outsiders look in."

In Las Vegas, Linda Smith, the Energy Department's acting associate director for geologic disposal, said she would cooperate with any independent review of the Yucca Mountain Project.

"We certainly welcome any additional oversight or review," Smith said.

Smith noted O'Leary has stated on several occasions that she wanted an

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Yucca

From 1B
independent review of the nation's high-level radioactive waste program.

"Clearly that has been her intention. We certainly support her goal so she is able to make her decisions in a very informed way," Smith said.

Miller said O'Leary faces "tremendous pressure from other financial interests to railroad this thing. The fact she is allowing someone outside her control to look at this carefully is an indication that the president is doing what he said he would: Take a look and see if it is right."

According to the governor, O'Leary told him details of the review will be worked out over the next few weeks and that his office will be involved in the process of selecting the organization that will conduct the review.

Review-Journal writer Keith Rogers contributed to this report.

Department of Energy
Office of the Secretary

Autopen Authorization

Date: 6/17/93

ES No. _____

Ltr Memo Certif. Directive Other

Signature requested:

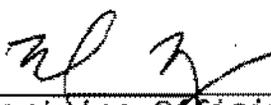
Hazel R. O'Leary



Hazel



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Authorizing Official Signature

Memo was signed by the
17, 1993, and returned to