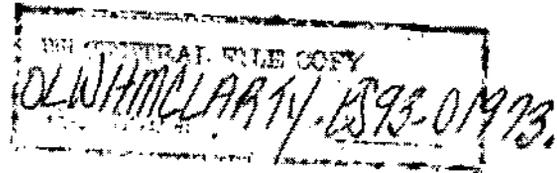




The Secretary of Energy
Washington, DC 20585



September 2, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE
FROM: HAZEL R. O'LEARY
SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Gore/Chernomyrdin Commission

In preparation for Vice President Gore's meetings this week with Russian Prime Minister Chernomyrdin, I led an Administration delegation to meet with the Prime Minister in Houston, Texas, August 30-31. The Russian delegation included Minister of the Atomic Energy Mikhailov and Minister of Fuels and Energy Shafranik.

The meetings with the Prime Minister were extremely positive and encouraging. At our private meeting it was clear that he understood serious reforms were necessary to encourage foreign investment. Prime Minister Chernomyrdin indicated that energy efficiency was his nation's first energy policy priority. This is a positive change in policy. He spoke of Russia's need to remove disincentives to investment in the Russian oil and gas sector. He also requested our cooperation in science and technology areas and defense conversion.

Minister Shafranik and I agreed that long lasting government-to-government relationships that promote private sector confidence are essential. These relationships are necessary to develop long-term partnerships that in turn provide certainty to the private sector. The Minister requested immediate assistance from the Department in developing an infrastructure that removes disincentives to investment and encourages capital investment in Russia's energy sector. The Department will provide Russia assistance in the following areas:

- Developing policy, legal, regulatory and technical infrastructure to encourage:
 - energy efficiency improvement;
 - natural gas and oil development;
 - manufacture of natural gas and oil equipment; and
 - an efficient refining industry.

- Exchanging scientific and technological personnel for joint work in both countries.
- Training Russian personnel to revitalize Russia's energy industry.
- Exchanging students and post-graduates.

The Gore/Chernomyrdin Commission meetings were extremely productive. Prime Minister Chernomyrdin and Vice President Gore agreed to establish a work group on energy policy that is charged with developing an infrastructure to facilitate investment. This energy policy group will develop legislative and regulatory frameworks to encourage energy production and energy efficiency. The lack of adequate pricing, tax laws, and regulatory policies are significant disincentives to investment, and our group will establish a plan within 45 days to address these issues. This assistance is necessary because many of the professionals that wanted to work in these agencies have left because of inadequate salaries.

The meetings also resulted in significant understanding between the Vice President and Prime Minister on issues involving nuclear safety and independent regulation of Russia's nuclear facilities. These understandings should lead to new agreements between the two nations in the near future. The Department will play a key role in these issues.

Superconducting Super Collider Baseline Validation Committee Report

The Baseline Validation Committee, one of the management initiatives announced in my June 30, 1993 testimony before the House Science and Technology Committee on the Superconducting Super Collider project, was established to:

- Validate the progress and the status of the project;
- Identify areas of risk associated with the project and their impact on costs of completion; and
- Assess the adequacy of the project's business management systems.

The committee issued a report which contained the following positive findings:

- The project is 20% complete after spending 20% of the estimated budget;
- The 73 major subcontracts awarded to date, in aggregate, are approximately 7% under budget.

The report also identified \$1.5 billion in "potential" cost overruns assuming no action to address these costs is taken. To be proactive and preempt these cost risks, the Department will take the following actions:

- By September 30, the Department will prepare an implementation plan for the recommendations of the Baseline Validation Committee. Subcontracts that represent cost risks will be delayed until the risks are addressed.
- Value engineering teams will be established on site to correct each potential cost overrun.
- By December 31, the Department and SSC management will identify unnecessary items within the project and eliminate them.
- A new base-line will be calculated to conform with the three-year stretch-out schedule included in the President's budget.

It is my belief that this report will be an essential management tool for making the difficult program trade-offs required for successful completion of this important project. The press reports have been mostly favorable.

CONGRESS

Outreach Meetings

Congresswoman Eddie Bernice Johnson

I addressed two fundraising events (August 26 and 27) for Congresswoman Eddie Bernice Johnson (D-Texas), organized with the cooperation of the White House and the Democratic National Committee. An audience of over 1,000 Texas State Democratic leaders from the African-American community and the Dallas-area oil and natural gas industry attended. Thursday evening, I discussed energy issues. Friday morning, I addressed Dallas area oil and gas industry executives at a second fundraiser where I discussed issues of interest to the energy industry.

The Texas Democratic Committee

I spoke to the November and August Dinner Committee for a fundraising event for President Clinton and discussed issues critical to the Administration, including the North American Free Trade Agreement and the Superconducting Super Collider.

PRESS

- National Performance Review

On September 7 and 8, I will participate in a series of press interviews to discuss the National Performance Review.

- National Electrical Manufacturers Association

I will address the Board of the National Electrical Manufacturers Association (NEMA). My remarks will focus on the Administration's global climate change initiative. The Department has worked to develop a voluntary initiative with NEMA to develop and commercialize energy-efficient motors.

- Hanford Economic Development Summit

Washington Governor Mike Lowry and I will co-chair an economic development summit at the Hanford Site September 14 and 15. This event will generate positive media attention in the region.

- Media Round Table

September 9, I will participate in a round table discussion with DeWayne Wicham, of USA Today/Gannett, Clarence Page of the Chicago Tribune, Allegra Bennett of the Washington Times and Ed Gordon, anchor for Black Entertainment Television's *Lead Story* program. The topic of discussion will be my role in the Administration.

- Greater Erie Community Action Committee Address

September 10, I will address an audience of 400 at the Greater Erie Community Action Committee's 23rd annual dinner. The topics of my address will include energy efficiency and economic development. Regional media coverage is expected.

- Deputy Secretary White's Speaking Engagements

September 10, Deputy Secretary White will address the 12th Annual Energy Impact Conference sponsored by the Corpus Christi, Texas, Chamber of Commerce. The Department's ongoing domestic natural gas and oil initiative will be the focus of his remarks.

- Distressing Article

I am including in the press clips a negative article that appeared in Robert Novak's political column. This article does not serve anyone's interest well. It does not reflect the effective working relationship that has developed between Bill White and me.

WEEK IN REVIEW

- National Petroleum Council Report Release

The National Petroleum Council released its report on the Nation's refining industry. The report addresses the cost impacts of the Clean Air Act Amendments on the refining industry. The report concludes the industry will invest \$37 billion to comply with the Amendments. The report will be used by the Department to develop cost effective regulations to impact the reformulated gasoline provisions of the Clean Air Act Amendments. Deputy Secretary White and his team will review the report and consider the implications of its findings in the context of the Domestic Natural Gas and Oil initiative. The Department will also coordinate an effort to provide a forum for those involved in this two-year study to communicate with Congress, the Environmental Protection Agency and others within the Administration who oversee the refining industry.



The Secretary of Energy
Washington, DC 20585

TUESDAY, SEPTEMBER 07, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM - 8:00 AM DEPART RESIDENCE FOR APPOINTMENT
Met by Reggie Sellers

8:00 AM - 9:00 AM Appointment

9:15 AM DEPART APPOINTMENT FOR DOE
Met by Reggie Sellers

9:30 AM - 10:00 AM HOLD

10:00 AM - 11:00 AM National Performance review unveiling

11:30 AM - 12:30 PM Events Briefing
(Rich Rosenzweig, Dan Reicher, Jana Prewitt,
Peggy Abrahamson, Dirk Forrister, Mike Gauldin,
Johannah Dottori, Steve Fried, Bob Rainey)

12:30 PM - 1:30 PM Lunch

2:00 PM - 4:00 PM HOLD: Staff Time

5:00 PM - 6:00 PM National Performance Review Press Interview
(Mike Gauldin)





The Secretary of Energy
Washington, DC 20585

WEDNESDAY, SEPTEMBER 08, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR THE NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION
Met by Reggie Sellers

8:00 AM - 9:00 AM Address the National Electrical Manufacturers Association's Board of Governors' Meeting
2101 L Street, N.W., Suite 300

9:15 AM DEPART THE NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION FOR DOE
Met by Reggie Sellers

9:30 AM - 12:00 PM HOLD

12:00 PM - 12:30 PM Bill White

12:30 PM - 1:30 PM Lunch - Mr. Timothy Wirth

1:45 PM DEPART DOE FOR THE WHITE HOUSE
Met by Reggie Sellers

2:00 PM - 3:00 PM Domestic Policy Council meeting
Roosevelt Room, WH

3:10 PM DEPART WHITE HOUSE FOR DOE
Met by Reggie Sellers

3:30 PM - 4:00 PM National Performance Review Radio Interview
(Mike Gauldin)

5:15 PM Appointment

7:00 PM Dinner- Congresswoman Blanche Lambert (D-AR)





The Secretary of Energy
Washington, DC 20585

THURSDAY, SEPTEMBER 09, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM - 8:00 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

10:00 AM - 12:00 PM Senior Staff Meeting

12:15 PM - 1:15 PM Black Entertainment Television
(Barbara Semedo)

1:30 PM - 2:30 PM HOLD

4:00 PM - 5:30 PM Planning Meeting
(B.White, R.Rosenzweig, S.Tierney,
D.Reicher, K.Simpson)





The Secretary of Energy
Washington, DC 20585

FRIDAY, SEPTEMBER 10, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:00 AM DEPART RESIDENCE FOR THE UNIVERSITY CLUB
Met by Reggie Sellers

8:30 AM - 9:30 AM Address the American for Energy Independence
Board of Directors
The University Club
1135 16th Street, N.W.

9:45 AM DEPART THE UNIVERSITY CLUB FOR DOE
Met by Reggie Sellers

10:00 AM - 11:30 AM HOLD

11:30 AM - 12:30 PM Strategy Briefing
(Bill White, Sue Tierney, Rich Rosenzweig)
Dirk Forrister, Dan Reicher, Kyle Simpson)

12:30 PM - 1:30 PM Lunch

2:00 PM DEPART DOE FOR WASHINGTON NATIONAL AIRPORT
Met by Reggie Sellers

2:30 PM TRAVEL - Erie, Pennsylvania

5:00 PM Speak - Greater Erie Community Action
Committee's 23rd Annual Dinner



Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

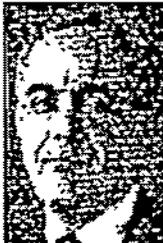
Sunday, August 29, 1993 - **SOUTH CAROLINA EDITION**
From Page 4A
Page 1 of 1

ROBERT D. NOVAK

O'Leary no figurehead; Clinton backs Robb

WASHINGTON — Energy Secretary Hazel O'Leary, making clear she has no intention of being a figurehead, is fighting White House efforts to cede real control over her far-flung department to the second in command.

Clinton aides have made no secret of the fact that Ms. O'Leary, a Wisconsin public utilities executive, was named mainly to promote diversity as a "twofor" — a woman and



a black.

The deputy secretary, Houston energy lawyer William White, was supposed to actually manage Energy Department operations.

But White House sources complain that Ms. O'Leary is having none of that. She is the secretary and wants to run the whole show, including the government's nuclear production program.

■ **PRESIDENT** Clinton's political advisers know he cannot retreat from his endorsement of Sen. Charles Robb, D-Va., for re-election, but worry about

its impact on vital black Democratic support.

The White House was not prepared for an open letter to Mr. Clinton from 50 prominent blacks expressing "outrage" that the president has put himself in the position of opposing Gov. Douglas Wilder. The nation's only black governor, Gov. Wilder is challenging Sen. Robb, his arch enemy, for Democratic re-election. The letter ominously "reminds" Mr. Clinton "that the African American community furnished ... 30 percent of your vote total."

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THE AUGUSTA CHRONICLE

Augusta, Georgia

Monday, August 30, 1993 - **SOUTH CAROLINA EDITION**
From Page 1A
Page 1 of 2

Safety gets DOE backing

■ *Threat of fines to hang over contractors' heads if safety is not aggressively pursued*

By John Winters
Staff Writer

WASHINGTON — Energy Department contractors, including the one at Savannah River Site, could be fined as much as \$100,000 daily — and in some cases even more — for violating nuclear safety rules under provisions being established by the Energy Department.

Nearly two years in the making, the new rules will encourage contractors to seek out problems aggressively and correct them before something serious develops.

If this doesn't happen, the department is prepared to step in and levy civil penalties.

The fine system marks a dramatic shift for the Energy Department, which for decades essentially has protected contractors from any liability arising from operating nuclear defense plants.

Although Congress reapproved the law allowing DOE to protect contractors from middle liability arising from nu-

clear accidents, Congress ordered the agency to set up civil penalties against contractors for breaking safety rules.

The new regulations, which include a sliding scale of fines based on the severity and location of the violation, are an attempt to meet congressional guidelines.

"DOE's enforcement program is not an end in itself, but a means to achieve compliance with DOE nuclear safety requirements. Civil penalties are not collected to swell the coffers of the United States Treasury, but to emphasize the importance of compliance and to deter future violations," a recent *Federal Register* notice said.

"The single most important goal of the DOE enforcement program is to encourage early identification and reporting of nuclear safety deficiencies and violations of DOE nuclear safety requirements by the DOE contractors themselves rather than by DOE, and the prompt correction of any deficiencies and violations so identified," the notice added.

The program will include two parts: three levels of severity and five classification levels for plants and buildings. The higher the severity level, the higher the fine. The same holds true for buildings where nuclear violations would have a greater impact.

For example, a violation in a reactor or chemical processing plant would lead to a much higher fine than a similar problem in a burial ground.

At SRS, the maximum daily fine for a violation in the reactor areas would be \$100,000; in the

chemical processing canyons the maximum fine is \$75,000; and in the Replacement Tritium Facility the maximum fine would be \$50,000. Classifications for other buildings are not yet completed.

However, a fine could be increased by 50 percent if DOE determines the corrective actions taken are unacceptable.

A Severity 1 violation involves actual or high potential for adverse impact on the safety of the public or workers at DOE facilities. A Severity 3 violation, on the other hand, is less serious but considered more than minor in that if left uncorrected, it could lead to a more serious problem.

A Severity 1 violation is equal to 100 percent of the maximum fine; a Severity 2 violation is equal to 50 percent of the fine; and a Severity 3 equal to 20 percent.

As an example, a Severity 1 violation in a reactor area would be equal to a \$100,000 fine; while a Severity 2 violation would be equal to a \$50,000 fine.

"The severity level of the violation will be dependent, in part, on the degree of culpability of the DOE contractor with regard to the violation," the notice said.

The civil penalties are apart from the contractors' operating contract, where companies receive a flat fee and then a bonus based on performance.

In essence, the Energy Department can fine companies for violating the provisions, and then again penalize contractors in their biannual performance bonus by reducing the award.

But the Energy Department also can award contractors for un-

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THE AUGUSTA CHRONICLE

Augusta, Georgia

Monday, August 30, 1993 **SOUTH CAROLINA EDITION**
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covering and exceeding problems by increasing their bonuses; in essence, a carrot and stick approach.

Westinghouse spokesman Kit Newton said the corporation will cooperate with the Energy Department to meet the new safety requirements.

Although saying the new rules should help "build a culture of safety at DOE sites," Mr. Newton said the company believes the Energy Department needs to "more clearly specify nuclear safety requirements; contractors must meet to avoid civil penalties under the amendments."

"Essentially, we want a clear understanding of what would trigger a civil penalty," he added.

The new regulations go into effect Sept. 18. However, contrac-

tors will not be penalized for the majority of violations until sometime in 1994, when the Energy Department publishes its new nuclear safety rules.

However, contractors will be liable for violating two provisions even before the final rules are published. Those provisions concern whistleblowers and properly trained plant operators.

Contractors normally would not be fined for violations resulting from matters beyond their control: equipment failures that were not avoidable by reasonable quality assurance and maintenance procedures.

However, a lack of funding is not in itself a justification for non-compliance. The contractor must either request an exemption to the rule because of lack of funding, or cease operation.

DALLAS MORNING NEWS

SEP 2 1993

AS IT APPEARS
IN PRINT

Collider 'cost risks' identified

P. 1A
Auditors' Care needed
to prevent overruns

By Anne Relfenberg

Washington Bureau of The Dallas Morning News

WASHINGTON — Federal auditors on Wednesday identified "cost risks" that could push the price tag of the Superconducting Super Collider toward \$12 billion. But as of May, they said, it was slightly under budget.

The auditors' report said that \$1.3 billion in risks — possible future cost overruns — would threaten the bottom line without "significant management initiatives" to ward them off.

Project critics, contending that the risks would prove unavoidable, said the report will aid their effort to kill the project in the Senate this fall.

But officials with the U.S. Department of Energy and the SSC Laboratory in Texas said the risks were unlikely to become reality.

They repeated earlier promises that the collider would be built in accordance with the official "baseline" estimate approved by the department in 1991.

"These risks are typical in a very challenging engineering program," said Roy Schwitters, the laboratory director. "What they give us is a sort of a priority list of the kinds of problems one goes out and attacks from a management point of view."

They are to be expected and they've got to be managed, and we will manage them.

"If we didn't have these risks, we would have overestimated the budget in the first place and we'd be building a Cadillac instead of a Chevrolet."

Energy Secretary Hazel O'Leary called the auditors' report a "guide for how to prevent cost overruns."

Those overruns, the auditors said, could occur in management,

constructing campus facilities, changing the design and production of major collider components.

The cost of the possible overruns, and their potential effect on the collider's political future, had been the topic of wide speculation for the last month in Washington and Texas.

Mrs. O'Leary also lauded the auditors' review of the work performed through May by the collider's 73 chief subcontractors. The review found that together they had spent 6.6 percent less than budgeted.

"This report is precisely what has been needed to concentrate attention and resources on the management issues that must be resolved to build the SSC as cost-effectively as possible," Mrs. O'Leary said in a statement.

"Although project critics may view this document as evidence of massive cost overruns, the report, in many respects, represents quite the opposite."

Mrs. O'Leary dispatched the auditors to Texas in July — before she announced plans for a collider management overhaul last month — with orders for them to determine whether the 1991 baseline estimate for the collider was still valid.

The auditors conducted their research after the House voted, 280-150, to kill the collider and as it faced increased scrutiny in the Senate. After similar House action against the collider last year, the Senate voted 62-32 to save it, and House-Senate conferees restored its funding.

Rep. Martin Frost, D-Dallas, whose district includes part of the collider, said he found the report "very encouraging."

"The risks are problems that could exist in the future. They haven't happened yet, and she (Mrs. O'Leary) is being very aggressive about making sure they won't happen," Mr. Frost said. "She is doing exactly the right thing to help us get votes in the Senate."

According to the 1991 baseline estimate, the underground particle accelerator and its campus could be built for \$8.249 billion if it were completed in 1999.

President Clinton's decision to push the completion date to 2002 will add about \$2 billion to the baseline. A contingency fund for the extra \$2 billion will add \$200 million more.

In a letter Wednesday to Rep.

John Dingell, D-Mich., Mrs. O'Leary said she stood by previous statements that the collider would be built for no more than the baseline plus stretch-out costs — about \$10.45 billion.

"I believe this is possible because of the initiatives we are implementing to improve management of the project and to mitigate potential cost increases," she said in the letter.

The letter to Mr. Dingell, a collider foe who is chairman of the House Energy and Commerce Committee, was in response to charges he made last month that Mrs. O'Leary had "erroneously" testified to a Senate committee that the project was on schedule and on budget.

Mr. Dingell demanded a "full explanation" from the energy secretary. Wednesday's six-page letter was her response.

In it, Mrs. O'Leary said she took the congressman's accusation "very seriously" and said she had been "extremely clear" in her disputed

BURRELLE'S

NEWS EXPRESS

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Senate testimony. She added that Congress bears responsibility for containing collider costs and schedules.

Critics of the collider said they still believed Congress should kill it.

"We don't think many of these risks can be handled just through good management," said Jocelyn Hong, director of OOPSI, Organizations Opposed to the SSC. "If you've got something wrong with your car muffler and one mechanic says you have to replace it but another says he can just putty it up, is it good management just to putty it up? It might be good management of your funds but it's not good for your car."

Russ Wiley, a spokesman for the SSC Laboratory, said Ms. Hong's analogy didn't work.

"These (risks) are like worst-case scenarios, and worst-case scenarios seldom come to pass," he said. "Our success to date indicates

that we have been making the kind of efforts that should give people confidence that future risks will be effectively handled so that they won't come to pass."

In issuing the auditors' report, Mrs. O'Leary also announced several actions to be taken to reduce the potential for cost overruns, including:

- Drafting an implementation plan for recommendations made in the auditors' report and delaying any subcontracts associated with cost risks until the plan is finished.

- Creating "value engineering teams" to review each major cost risk area and identify ways to limit the risk.

- Identifying items in the project design that could be eliminated or altered without significantly affecting the project's scientific objectives.



Hazel O'Leary ... calls the auditors' report a "guide for how to prevent cost overruns."

BURRELLE'S

NEWS EXPRESS

PAGE _____ OF _____

HOUSTON POST

AUG 30 1993

Russian official eyes expanded trade

BY ROBERT STANTON
OF THE HOUSTON POST STAFF

P. A. 9

Touching down in Houston for a two-day visit, Russian Prime Minister Viktor S. Chernomyrdin said Sunday he's ready to dissolve trade problems that exist with the United States.

"Through discussions with the business community, particularly the oil and gas industry, it will help clear away a lot of the problems that exist," Chernomyrdin said through an interpreter. "We no longer

have insurmountable problems."

Chernomyrdin, who is second in power to Russian President Boris Yeltsin, said he hopes the trip will increase trade and cooperative space ventures with the United States.

The trip is important for both Russia, which holds vast oil and gas resources, and the United States, which is eager to do business with the republic.

The prime minister's 70-member entourage was greeted by enthusiastic well-wishers, including Houston Mayor Bob Lanier and U.S. Energy Secretary

Hazel O'Leary. Lanier presented Chernomyrdin with the key to the city and T-shirts from students.

Lanier said the visit is "symbolic of the developing partnership" between Russia and the city of Houston.

O'Leary said she hoped the talks would help break down barriers that the superpowers encountered in the past. "Together," she said, "we can develop plans and actions that are vital to private sector investments."

Chernomyrdin will attend ceremonies today recognizing the evolving relation-

ship between Houston-based Enron Corp. and Gazprom, the Russian natural gas company, before participating in a business luncheon sponsored by the Greater Houston Partnership and U.S.-Russia Business Council. Later, Lanier and Teasdale as Gov. Ann Richards will hold a dinner in Chernomyrdin's honor.

Chernomyrdin's U.S. visit will include tours of NASA facilities in Houston and a Florida and discussions with Vice President Al Gore in Washington later this week.

BURRELLE'S

NEWS EXPRESS

PAGE 6 OF 6

DALLAS MORNING NEWS AUG 31 1993

Enron, Russian natural gas firm agree to develop new markets

Associated Press

P. 8D

HOUSTON — With the Russian prime minister looking on Monday, Houston-based Enron Corp. and R.A.O. Gazprom, the major natural gas company of Russia, signed the framework of an agreement to develop new markets for natural gas.

The signing, completed with haste, came as Prime Minister Victor Chernomyrdin and U.S. Energy Secretary Hazel O'Leary huddled in Houston to try to ease the way for American energy companies to do more business with oil- and gas-rich Russia.

"I think there are unique challenges," Ms. O'Leary said. "We are taking on a partner which for the last 30 years has had no normal framework. The challenge is quite difficult — to put a system in place. To expect it to happen overnight is

unrealistic."

The Enron-Gazprom agreement was announced as Mr. Chernomyrdin, second in power to Russian President Boris Yeltsin, began a weeklong U.S. visit with a stop in Houston.

The trip, which includes stops in Florida and Washington, is intended to increase trade and cooperative space ventures between the nations.

Under Monday's framework, Enron and Gazprom will cooperate to deliver Russian natural gas and develop projects to use the gas in European countries. Enron already operates 44,000 miles of pipelines and is one of the largest independent power producers in the United States and United Kingdom.

Mr. Chernomyrdin also visited with officials of Marathon Oil Co.,

which is involved with Shell Oil Co. and other partners in a \$10 billion project developing two offshore oil fields off Sakhalin Island.

"He was very encouraging," Marathon spokesman Bill Ryder said. "He reaffirmed his support and his government's support for the consortium."

Ms. O'Leary said she and Mr. Chernomyrdin followed up items discussed earlier in the year when Yeltsin and President Clinton met in Vancouver, Canada.

"We have been working government to government attempting to outline a very tight but a very deep list of items that need addressing," she said, identifying them as oil and gas exploration, energy efficiency, environment, nuclear energy and setting up an infrastructure.

BURRELLE'S

NEWS EXPRESS

PAGE 3 OF 6

Connecting with Moscow



Ira Strickstein/The Houston Post

Celebrating a gas-marketing agreement between Enron and Gazprom are, from left, Russian Prime Minister Viktor Chernomyrdin, Enron Chairman Kon-

neth Lay, Energy Secretary Hazel O'Leary and Gazprom chairman Rom Vyakhirev. Chernomyrdin headed Gazprom before being named prime minister.

BURRELLE'S

2/2 NEWS EXPRESS

PAGE 8 OF 8

Compromise on nuclear waste

Judge to rule on agreement that would allow up to 19 more shipments to the INEL

Associated Press

BOISE — A federal judge here has been asked to formally approve a compromise between Idaho and federal government that will allow up to 19 more shipments of federal nuclear waste to the INEL but stop other scheduled shipments.

The compromise was reached earlier between Gov. Cecil Andrus and Energy Secretary Hazel O'Leary and John Dalton, secretary of the Navy, to end a long-running battle over federal shipments of nuclear waste to the Idaho National Engineering Laboratory.

It was filed with U.S. District Judge Harold Ryan Thursday afternoon, but it's expected to be several days before he takes action on it.

Although the agreement might not be signed for a few days, Andrus said it's just a formality.

"All we're doing is working out the language," he said, adding that the parties reached oral agreement Thursday on what the compromise would cover.

On June 28, Ryan ruled for the state, holding that the Energy Department couldn't ship more radioactive waste to the INEL until it completed a full environmental impact statement. Officials say that could take two years.

Andrus and the other officials agreed to a 70 percent reduction in the 64 shipments that were scheduled to go to the INEL. In exchange, Andrus agreed to accept up to 19 shipments, mainly from Navy ships or shipyards, to meet national security considerations.

The federal government also agreed not to appeal Ryan's ruling. The deadline for filing an appeal was Friday, but federal attorneys were given a 30-day extension of

that deadline. It also will allow Ryan more time to study details of the stipulation filed with him Thursday afternoon.

The stipulation also includes an agreement that the government won't ask Congress to overrule Ryan "or attempt to modify the court's decision or the agreement without Idaho's consent."

The agreement also commits the federal government to moving nuclear waste stored temporarily in building 603 at the INEL's Idaho Chemical Processing Plant to its Fuel Storage Area at building 666.

Additional shipments of military nuclear waste would be permitted only if the federal government can show "that national security is threatened by the inability of the U.S. Naval Nuclear Propulsion Program to transport shipments of spent nuclear fuel to the (INEL)." The state has the right to approve such shipments.

The agreement requires the federal government to issue a plan for its environmental impact statement by November, issue a draft report by the end of June and to issue its final report on or before April 30, 1996.

The agreement allows up to nine containers of spent fuel from atomic-powered Navy ships and facilities, including five from the USS Enterprise, two from submarines and two from the Knolls Atomic Power Laboratory in New York state.

Up to eight shipments are allowed from the Charleston Naval Shipyard, South Carolina and Mare Island Shipyard, San Francisco "in conjunction with the cessation of nuclear operations at those shipyards."

The agreement allows two other shipments from submarines, without saying where they come from, for national security reasons.

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Idaho Falls, ID
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Section A Page 9
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also appeared
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(p. A6)

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THE AUGUSTA CHRONICLE

Augusta, Georgia

Sunday, August 29, 1993 - SOUTH CAROLINA EDITION
From Page 4A
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ROBERT D. NOVAK

O'Leary no figurehead; Clinton backs Robb

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O'Leary, a Wisconsin public utilities executive, was named mainly to promote diversity as a "twofer" — a woman and



a black.

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But White House sources complain that Ms. O'Leary is having none of that. She is the secretary and wants to run the whole show, including the government's nuclear production program.

■ **PRESIDENT** Clinton's political advisers know he cannot retreat from his endorsement of Sen. Charles Robb, D-Va., for re-election, but worry about

its impact on vital black Democratic support.

The White House was not prepared for an open letter to Mr. Clinton from 50 prominent blacks expressing "outrage" that the president has put himself in the position of opposing Gov. Douglas Wilder. The nation's only black governor, Gov. Wilder is challenging Sen. Robb, his arch enemy, for Democratic re-nomination. The letter ominously "reminds" Mr. Clinton "that the African American community furnished ... 30 percent of your vote total."

CLINTON SYNDICATE

Nuke-plant safety concerns keep O'Leary awake at night

By Paul Barton

GANNETT NEWS SERVICE

WASHINGTON—For decades, the nation's nuclear weapons complex produced nuclear bombs and warheads that never killed a soul. But the clean-up of those plants is proving anything but casualty-free.

From a string of recent worker accidents and deaths to reports of decaying facilities housing radioactive and hazardous substances, the safety issue looms increasingly large over the dismemberment and clean-up of the weapons plants.

"It was one of my early observations ... that serious accidents at our facilities often appeared to be treated by Department of Energy personnel too much as a matter of course, a part of day-to-day business," Energy Secretary Hazel O'Leary said in recent congressional testimony.

Incidents at plants across the country increasingly make the news. Investigations into many blame inadequate training and a failure to follow procedures.

A worker at the Hanford Nuclear Reservation in Washington state was contaminated last week when he lowered a rock on a rope into a radioactive storage tank. Another worker at Hanford violated safety procedures by accidentally starting machinery in a potentially explosive part of the plant.

Still another Hanford worker was killed in June when a steam valve broke, and a worker died there last year when he fell through a roof onto a concrete floor.

At Fernald, Ohio, site of a former uranium processing plant, a sump designed to hold a radioactive uranyl nitrate

"... Serious accidents at our facilities often appeared to be treated by (DOE) personnel too much as a matter of course."

Hazel O'Leary
Energy secretary

solution overflowed in April, spilling an estimated 30 gallons of the liquid onto the ground outside of the building.

A safety issue of a different sort surfaced at Fernald last week when workers protested that plant management refused to evacuate the facility Aug. 6 when a bomb threat was received. A spokesman for Fluor Daniel, contractor at Fernald, said no evacuation was ordered because the threat was seen as a crank.

"There is not a night when I put my head down on my pillow that I am not concerned about each one of these sites because there exists always the potential for harm - to employees, to contractors - and any responsible person on this job always has that (concern)," O'Leary said last week at a USA Today International breakfast.

But she denied any Energy Department plants have the potential of becoming an American Chernobyl.

At Fernald, officials are claiming a sparkling safety record - so far.

The injury rate per every 200,000 man hours worked is 0.09 so far this year, compared with a nationwide average for Energy Department facilities of 1.14 in 1992. The plant records about 93,000 work hours per week.

Averages for other industries

are many times that, say officials of the Fernald Environmental and Restoration Management Corp., the Fluor Daniel subsidiary hired to perform the Fernald clean-up.

"FERMCO considers the safety of workers and the public as its absolute top priority," company spokesman Bob Walker said.

But union members at Fernald have a different view.

Gene Branham, vice president of the Fernald Atomic Trades & Labor Council, which represents about 600 workers, said safety has become an issue with the union.

"We do have safety concerns and are in the process of evaluating the best manner in which to address them," Branham said, refusing to give details.

He added that the recent change in contractors at the plant, from Westinghouse to FERMCO, has increased their concern about safety.

"You do encounter some problems during the transition period when you change the mission and introduce a new culture," Branham said. "These problems must be addressed."

Despite the tensions, some longtime observers of the clean-up effort are giving the Energy Department credit for being more concerned about safety.

"DOE's attitude until recently

CONTINUED

Summit meeting set on Hanford cleanup

■ Environmentalists complain that they aren't involved in planning for the session

By JAMES LONG
of The Oregonian staff

E-4

U.S. Energy Secretary Hazel O'Leary and Washington Gov. Mike Lowry said Wednesday that they would be the hosts for a two-day summit meeting in Richland, Wash., Sept. 14-15 on environmental restoration at the Hanford Nuclear Reservation.

But several environmental organizations on the list of expected participants were irked that they hadn't been asked to help with the planning.

Cynthia Sarthou, staff attorney for Heart of America Northwest, the largest of Hanford's watchdog groups, said she didn't even know that a time and place had been definitely set until the media asked for comment Wednesday.

"I'm not sure that a summit of this nature, especially when it's organized by the U.S. Department of Energy and its contractors, is going to accomplish its goal," Sarthou said.

"To my personal knowledge, no stakeholders have received invitations to participate in the summit, which is less than a month away," she said. "I've talked to Columbia River United, and they hadn't heard anything about it. Betty Tabbutt of the Washington Environmental Council was trying to get information from me, and I hadn't heard

anything about it myself, so I'm confused."

Janet Penfield of Hanford Watch in Portland also said she was unaware of the summit plan but that she thought it was a good idea as long as all the interested parties were invited.

Clarence Moriwaki, a spokesman for Lowry, declined immediate comment.

O'Leary, meanwhile, issued a statement saying "our goal is to establish Hanford as a model for cleanup and revitalization of similar national defense waste sites around the country."

"We want to discuss with corporate leaders, government leaders and interested stakeholders what must be done if they are to take advantage of the economic opportunities posed by the cleanup of large volumes of waste at the Department of Energy's current and former defense sites."

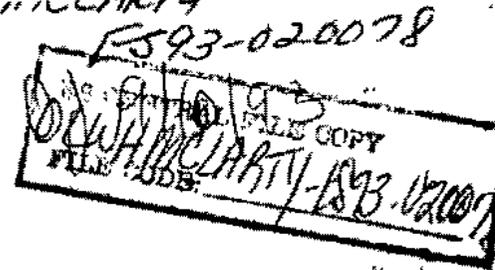
Lowry's office said the head of virtually every Washington state agency involved in environmental or economic issues would attend.

"This summit is an important step in bringing together diverse groups that will play such an important role in determining Hanford's future," Lowry said in a statement. "By everyone working together, we will clarify the issues to make Hanford a model of economic development partnership between government and private industry."

Lowry's office also said members of the public were welcome to register and participate in the meeting.



The Secretary of Energy
Washington, DC 20585



September 9, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE
FROM: HAZEL R. O'LEARY *Hazel R. O'Leary*
SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Hanford Economic Development Summit

Washington Governor Mike Lowry and I will co-chair an economic development summit at Hanford, Washington, September 14 and 15. Hanford was the Department's largest weapons production facility, and now is the most challenging site to clean up. We estimate that site clean up will cost \$60 billion.

The summit will chart a course toward a more diversified post Cold War economy in Washington and Oregon and will help stimulate more effective and efficient responses to Hanford's serious environmental and safety problems. The summit will address issues such as:

- The local economy after clean up;
- Worker health and safety; and
- Support for hazardous materials management and emergency response.

The agenda includes:

- Meeting with local stakeholders, including State officials, facility employees, business leaders, Native American groups and environmental organizations;
- Announcing the Department's Safety Initiative;
- Touring the environmental remediation facilities;
- Participating in a Contract Reform Public Stakeholder meeting; and
- Participating in several regional media events including a live segment with K-PER TV, Washington, an editorial board with *Tri-City Herald* and an interview with the Associated Press.

Contract Reform Initiative

Both Deputy Secretary Bill White and I will hold press events next week to highlight the Department's Contract Reform Initiative. The Department, which contracts more work than any other Federal agency, faces a lack of contractor accountability that results in wasteful spending and inadequate program execution. The goal of this initiative is to examine the Department's current contractual policies and create new policies that provide better services at reduced cost.

On September 15, while at the Hanford Summit, I will talk to the press about the Department's initiative to improve its contractual policy. Deputy Secretary White will hold two press events: September 14 in Washington, D.C., for national media and September 15, in Idaho Falls, Idaho.



The purpose of these media events is not only to bring attention to the Department's on-going Contract Reform Initiative but also to promote our efforts in defense of a *60 Minutes* program scheduled to air on September 26 which will portray the Department's contract policy unfavorably.

- Limited Radioactive Contamination at Los Alamos National Laboratory

Monday, August 30, four workers at the Department's Los Alamos National Laboratory in New Mexico inhaled very small quantities of plutonium fluoride when an accidental leak occurred. Each employee received small amounts of exposure.

DOE Headquarters was not promptly notified despite explicit reporting requirements. The Assistant Secretary for Defense Programs traveled to Los Alamos as soon as Headquarters was notified of the incident. During his visit he spoke with three of the four exposed workers and with Laboratory management to discuss how such health risks can be avoided in the future and how communication and emergency response can be improved in the event of such an accident.

- National Association of State Energy Officials

Senator Jeff Bingaman (D-NM) and I are scheduled to deliver the keynote addresses at the annual meeting of the National Association of State Energy Officials on September 13. My address will focus on the Administration's initiatives in energy efficient technologies, climate change and the Clean Cities Initiative. Approximately 150 state energy officials will attend. Regional press coverage is anticipated.

CONGRESS

- Outreach Meetings

This week I met with Congresswoman Blanche Lambert (D-AR) and Congressman Billy Tauzin (D-LA) to discuss Administration initiatives and specific departmental site concerns.

- Mark-ups and Floor Actions

The Senate is expected to consider the Defense Authorization Act this week. This bill authorizes many of the Department's programs. There does not appear to be any substantial obstacles to passage of this legislation.

The Senate is expected to consider the FY 94 Department of Interior and Related Agencies Appropriations Act (H.R. 2520) following the passage of the FY 94 National Defense Authorization Act (S. 1298) next week.

The Appropriations Subcommittee on Energy and Water Development is expected to mark up its FY 94 Energy and Water Development Appropriations Act (H.R. 2445). This legislation contains funding for 90 percent of the Department's programs, including defense, environmental cleanup and a majority of the civilian programs.

- Hearings

Wednesday, September 15, Tara O'Toole, Assistant Secretary for Environment, Safety and Health designate, and Jay Hakes, Administrator for Energy Information Administration designate, will appear before the Senate Energy and Natural Resources Committee for confirmation.

As we discussed, I have met with virtually every member of the committee and am more confident that Dr. O'Toole's confirmation hearing will not be controversial.

PRESS

- National Performance Review

Following Tuesday's National Performance Review unveiling, I participated in a series of press interviews to discuss this important Administration initiative. Tuesday and Wednesday, I conducted radio interviews with five Minnesota radio stations and spoke with reporters from the *Energy Daily* and the following Idaho newspapers:

- *The Idaho Statesman*
- *The Post Register*
- *The Lewiston Tribune*
- *The Twin Falls Times-News*

- National Electrical Manufacturers Association

I addressed the Board of the National Electrical Manufacturers Association (NEMA). My remarks focused on the Department's Energy Efficiency Initiative and the Administration's global climate change initiative. The Department has worked to develop a voluntary initiative with NEMA to market and commercialize energy-efficient motors.

- Media Round Table

Today I am participating in a round table discussion with DeWayne Wicham, of *USA Today*, Gannett, Clarence Page of the *Chicago Tribune*, Allegra Bennett of the *Washington Times* and Ed Gordon, anchor for Black Entertainment Television's *Lead Story* program. The topic of discussion will be my role in the Administration.

- Greater Erie Community Action Committee Address

Friday, September 10, I will address an audience of 400 at the Greater Erie Community Action Committee's 23rd annual dinner. The topics of my address will include energy efficiency, economic development, NAFTA, and reinventing government. Regional media coverage is expected.

- Americans for Energy Independence Address

Tomorrow I will address an audience of approximately 80 members of Americans for Energy Independence. The focus of my address will be the Department's efforts to reconcile the interests of energy producers with those of the environmental community. I will also discuss the Department's Domestic Energy and Energy Efficiency Initiatives.

- Deputy Secretary White's Speaking Engagements

Friday, September 10, Deputy Secretary White will address the 12th Annual Energy Impact Conference sponsored by the Corpus Christi, Texas, Chamber of Commerce. The Department's ongoing domestic natural gas and oil initiative, NAFTA and reinventing government will be the focus of his remarks.

FRIDAY, SEPTEMBER 10, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:00 AM DEPART RESIDENCE FOR THE UNIVERSITY CLUB
Met by Reggie Sellers

8:30 AM - 9:30 AM Address the American for Energy Independence
Board of Directors
The University Club
1135 16th Street, N.W.

9:45 AM DEPART THE UNIVERSITY CLUB FOR DOE
Met by Reggie Sellers

10:00 AM - 11:30 AM Allen Weinstein
(Rich Rosenzweig)

11:30 AM - 12:30 PM Strategy Briefing
(Bill White, Sue Tierney, Rich Rosenzweig,
Dirk Forrister, Dan Reicher, Kyle Simpson,
Mike Gauldin)

12:30 PM - 1:30 PM Lunch
(Rich Rosenzweig, Mike Gauldin)

2:00 PM DEPART DOE FOR WASHINGTON NATIONAL AIRPORT
Met by Reggie Sellers

2:30 PM TRAVEL - Erie, Pennsylvania

5:00 PM Speak - Greater Erie Community Action
Committee's 23rd Annual Dinner

MONDAY, SEPTEMBER 13, 1993

SCHEDULE FOR HAZEL R. O'LEARY

1:45 PM

**Speak - National Association of State
Energy Officials Annual Meeting**

TUESDAY, SEPTEMBER 14, 1993

SCHEDULE FOR HAZEL R. O'LEARY

Travel - Washington State

WEDNESDAY, SEPTEMBER 15, 1993

SCHEDULE FOR HAZEL R. O'LEARY

THURSDAY, SEPTEMBER 16, 1993
SCHEDULE FOR HAZEL R. O'LEARY

12:00 PM - 5:00 PM HOLD

FRIDAY, SEPTEMBER 17, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

11:00 AM - 12:00 PM Minority Business Summit Panel
Congressman Kweisi Mfume (D-MD)

12:30 PM Congressional Black Caucus Luncheon

3:00 PM Briefing for the U.S. DOE/DOC Electric
Power Mission to China
with Secretary Brown
(Jack Siegel)

6:30 PM DEPART DOE

Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

Tuesday, September 7, 1993 - SOUTH CAROLINA EDITION

From Page 7A
Page 1 of 1

Aiken site of public meeting

By John Winters
Staff Writer

WASHINGTON -- The Energy Department will hold a public meeting later this month in Aiken to get ideas on how the agency can improve its contracts with companies that operate defense plants like Savannah River Site.

The meeting is one of several being held throughout the country for the department to seek input on contract reform, an item Energy Secretary Hazel O'Leary has marked as a major area of focus for her administration.

The Aiken meeting will be Sept. 27 at the Aiken Conference Center, 216 The Alley. There will be three sessions: 10 a.m. to 1 p.m.; 3 to 5 p.m.; and 6:30 to 9 p.m.

The Energy Department has set up a "contract review team" headed by deputy secretary William H. White.

In testimony earlier this year, Ms. O'Leary said the team, which is expected to finalize a report by the end of the year, is to provide a "top-to-bottom review of the department's contracting mechanisms and practices."

She said the team will "recommend specific administrative, financial and legislative improvements to the contracting mechanisms and practices that will increase accountability, stimulate competition and simplify administration."

Already the DOE has extended Westinghouse's operating contract for SRS by one year so the department can complete its review and implement changes before new contracts are signed.

In announcing that extension, Mr. White said, "This unique contracting system that built this nation's nuclear arsenal needs an overhaul to accomplish the changed missions of this department."

"We have an obligation to every American taxpayer to change the nature of our contracting practices so they are as efficient and effective as possible," he added.

DOE's contracts are unique amongst the government in that almost all work is handled by contractors who work on a cost-plus-award-fee system.

That means the federal government pays all operating costs — equipment, salaries and overhead — gives the contractor a flat fee and also awards performance with a bonus.

But Ms. O'Leary has said the government has been too lax in overseeing contractors, and promised Congress to implement changes in contracts to ensure the department remains in control.

Overall, Ms. O'Leary wants to ensure tax dollars are spent efficiently and effectively and increasing federal staff to ensure oversight. She also wants the contract team to develop clear language so contractors know exactly what is expected.

Clinton's team looks pretty much like him

By ROBERT S. BOYD
And ANGIE CANNON
Observer Washington Bureau

14A

WASHINGTON — President Clinton has hired an extraordinary number of women and minorities for key jobs in the White House and big federal departments, a Knight-Ridder analysis of his first 518 appointments reveals.

More than one of three high-level jobs in the administration is held by a woman, a 50% increase over the previous record set by President George Bush.

And more than one in five presidential appointments went to an African-American, Hispanic, Asian-American or American Indian, another all-time high.

The Clinton White House is like a "little U.N.," said Flo McAfee, a 41-year-old black woman who works in the Office of Public Liaison. "We have Asian-Americans, African-Americans, German-Americans, Italian-Americans. We have Protestants, Jews, Catholics. We are very much across the board."

While Clinton has aggressively sought ethnic and gender diversity, in other respects he has fallen short on his pledge to create a government that "looks like America."

The president has staffed his administration mostly with members of the same well-educated, upper-crust Eastern elite that ruled the nation for much of its history, the analysis shows.

A typical top Clinton official is about the president's age, holds an advanced degree from an Ivy League school, formerly worked in Washington, New York or Boston, and spent most of his or her career on the public payroll.

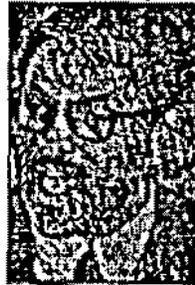
"Sometimes it feels like a college reunion around here," said Shirley Segawa, 32, who works



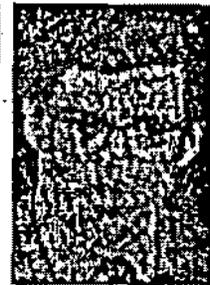
Janet Reno
Attorney general



Madeleine Albright
U.N. ambassador



Mike Espy
Agriculture
secretary



Federico Pena
Transportation
secretary



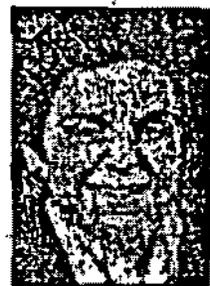
Henry Cisneros
HUD secretary



Hazel O'Leary
Energy secretary



Ron Brown
Commerce
secretary



Donna Shalala
HHS secretary

with Hillary Rodham Clinton on health-care reform and is one of the more than 100 Harvard graduates picked by Clinton.

This elite crew is not what Clinton led people to expect when he moved to Washington from Arkansas promising change.

Instead, many of Clinton's key aides are former neighbors and classmates of people who worked for Presidents Bush, Ronald Reagan or Jimmy Carter.

"These are the people he hung out with," said Bruce Buchanan, a University of Texas political scientist.

To understand the makeup of the Clinton team, Knight-Ridder collected information on the origin, education and career of every high-level official appointed by the president from January through

August, ranging from cabinet secretaries to deputy assistant secretaries to midlevel White House aides.

The data was analyzed by computer and showed that:

- More than half the senior officials already lived in Washington. Many worked as lawyers or lobbyists or in the think tanks and congressional staffs that formed a Democratic government-in-exile during the Republican years. One in five served under Carter, the last Democratic president.

- Eight out of 10 key appointees were based in the narrow Washington-to-Boston corridor or along the Pacific coast. Barely 20% came

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BURRELLE'S

NEWS EXPRESS

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from middle America, which often sees the world in markedly different ways.

■ Although only 24 came from Arkansas, more than 50 — 1 in 10 — can be counted as "Friends of Bill" or "Friends of Hillary." They are the college pals and public policy enthusiasts with whom the Clintons spent much of their time during their climb to power.

■ The Clinton "meritocrats" are extraordinarily well-educated. Eight out of 10 have one or more postgraduate degrees from major universities. One in three attended Harvard or Yale, or both. At least 21 went to Oxford in England — most of them, like Clinton, as Rhodes Scholars.

"It's a reflection of the president's own educational background and his deliberate effort to network at college and law school," said Ross Baker, a political scientist at Rutgers University.

Diversity

Clinton's effort to raise the level of sexual and racial diversity is a radical change from the 30 years from Franklin Roosevelt to John Kennedy.

From 1933 to 1963, 12 women received high-level presidential appointments — less than 1% — according to Calvin Mackenzie, a political scientist who has studied the makeup of presidential staffs back to Roosevelt. Minorities were so rare that they don't even show up in the statistics.

Matters improved somewhat over the past 30 years. Women's share of the top jobs rose to 4% under Lyndon Johnson and Richard Nixon, 6% under Jerry Ford and 15% under Carter, the last Democratic president, Mackenzie found. Female appointees dipped to 10% under Reagan, but rose to 24% under Bush.

The number of women in top jobs increased to 37% under Clinton — well under the female proportion of the population but a

substantial gain over the previous record.

Minorities held less than 10% of the presidential appointments before Clinton. Their share now is 22%.

At a White House prayer breakfast on Aug. 30, the president preached a little sermon on the value of diversity: "Unless we can find strength in our diversity — our diversity of race, our diversity of income, our diversity of region, our diversity of religious conviction — we cannot possibly meet the challenges before us," he said.

"When you have diversity, you are given additional insights," said McAfee, the White House aide. "Instead of one viewpoint on an issue, you get another side."

Geography

The high percentage of top-level job holders from Washington and the Northeastern seaboard is striking, but not unusual.

"It's pretty standard for a Democratic president," said Michael Beschloss, a presidential scholar based in Washington. "I suspect it would have been the same if Michael Dukakis (the former Massachusetts governor and 1988 Democratic presidential candidate) had been elected."

Beschloss noted, however, that the geographic distribution of Clinton's appointees is "different than the campaign suggested. It's not an administration that 'looks like America.'"

The tendency to pick officials already working in the nation's capital has grown over the past 60 years. Presidents from Roosevelt to Kennedy drew 31% of their senior staffs from this region, according to Mackenzie's study. Since Johnson, the proportion rose to 48%.

Of Clinton's first 518 presidential appointees, 270 came out of Washington or its suburbs. California sent 42 people, New York 41 and Massachusetts 23.

No other state received more than a dozen top jobs, except Arkansas.

At last count, 24 senior administration officials were born or lived in Clinton's home state. Sixteen came directly from Arkansas to Washington. They include Thomas "Mack" McLarty, his kindergarten pal and chief of staff; Bruce Lindsey, his personnel director; and James Lee Witt, director of the Federal Emergency Management Agency.

This pattern is typical of presidents who bring along a collection of familiar faces, like Kennedy's "Irish Mafia," Carter's "Peanut Brigade" and Reagan's California cronies.

The nine states between Washington and Boston produced 350 appointees. California, Oregon and Washington state brought the total for the two coasts to 395, or 80% of those whose last residence could be determined.

"Presidents always have more of these people from the cosmopolitan part of the country," said John Green, director of the Bliss Institute of Politics in Akron, Ohio. "It's neither good nor bad, but it shows the contradiction between Clinton the outsider who is really the insider."

Education

Higher education seems to be precondition for service in the Clinton administration.

Four of the 518 top officials did not complete college. Approximately 98% have at least one college degree — compared with 20% for the population as a whole. Eighty percent earned master's degrees or doctorates.

Graham Allison, assistant secretary of defense for plans and policy, is an example of the academic superstars on the Clinton team. Allison, 53, has a bachelor's degree from Harvard, a master's degree from Oxford and a PhD from Harvard. He taught a generation of national security experts at Harvard's John F. Kennedy School of Government, and wrote or co-wrote seven books on foreign policy.

"These really are the best and the brightest," said Green, using a

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BURRELLE'S

NEWS EXPRESS

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phrase sardonically applied to the "whiz kids" who came to Washington to work for Kennedy and Johnson and left a country torn apart by the Vietnam War and racial violence.

"The best and the brightest sure can screw up," Baker acknowledged. "Academic credentials may be an indicator of raw intelligence, but they don't say much about common sense or emotional stability. But of course, you don't want the worst and dumbest."

Beschloss said Clinton may be "over-reverent of elite credentials from the great universities."

Clinton is following past practice. Mackenzie found that 96% of the senior officials in the past 30 years graduated from college, and 77% had advanced degrees, slightly lower than Clinton's crew.

Age

As in geography and education, the age level of the president's appointees fits the mold of the past 60 years. This is somewhat surprising, since Clinton, the first baby boomer to reach the White House, is younger than any of his predecessors since Kennedy.

The median age of Clinton's top officials is 47 — his own age — meaning that half of them are older than he is and half are younger.

Since the Roosevelt administration, the median age of senior officials also averaged 47 years. It ranged from a high of 51 under President Dwight Eisenhower to a low of 46 under Harry Truman, Ford, Carter and Reagan, according to Mackenzie.

"It's good to know there are others my age here," said Paul

Diamond, 49, a Michigan lawyer who works on community development projects at the White House. "I don't feel like I'm the old guy."

The youngest Clinton appointee is Susan Rice, a 28-year-old graduate of Stanford and Oxford universities, who coordinates U.S. policy toward the United Nations from her desk at the National Security Council. The oldest is Treasury Secretary Lloyd Bentsen, 72, who was elected to Congress when Clinton was 2 years old.

As usual, the White House staff is younger — median age 44 — than the people who work elsewhere in the administration — median age 48.

Some observers worry that the highly educated baby boomers around Clinton lack the wisdom that age and experience bring. "This shows up in a lot of the bumbling around they've been doing," said Green.

But Stephen Hess, who worked in the Eisenhower White House when he was in his 20s, noted that even Clinton's younger aides have considerable previous experience

in government.

"What youth has is energy and enthusiasm to shake people up," said Hess, now a presidential scholar at the Brookings Institution. "The most dreadful wounds of this White House seem to be the responsibility of the older members of the staff."

Previous occupation

Clinton's staff also is largely composed of people who have spent all or much of their lives in the public sector rather than private enterprise.

Two out of three senior officials previously held government jobs at the federal, state or local level. Many of the others were involved in public policy as professional politicians, academics, economists, lawyers, lobbyists or journalists.

Eleven percent came directly from the business world.

This pattern is typical of Democratic presidents. Mackenzie found Roosevelt and Truman each drew 20% of their senior aides from business, Kennedy 17%, Johnson 11%, and Carter 13%.

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BURRELLE'S

NEWS EXPRESS

More women:
Percent of female appointees since the Johnson administration

Johnson	10
Nixon	12
Ford	16
Carter	15
Reagan	10
Bush	24
Clinton	37

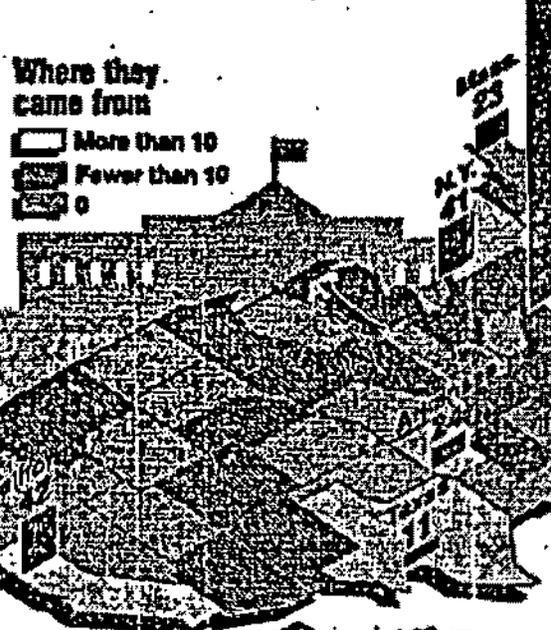
...and more blacks
Percent of black appointees since the Johnson administration

Johnson	0
Nixon	4
Ford	5
Carter	8
Reagan	8
Bush	(not available)
Clinton	18

SOURCE: Knight-Ridder research; Calvin Mackenzie, National Academy of Public Administration

WHO'S RUNNING THE GOVERNMENT

President Clinton's appointees are more diverse and about the same median age as those in past administrations. Here is a demographic profile of the first 518 people Clinton has named to high-level positions in the federal government.



NOTE: Presidential appointees include senior to mid-level positions at the White House; cabinet secretary to deputy assistant secretary in the departments.

Factbox: Maryland and Virginia suburbs have one appointee living outside the suburbs.

Many are about Clinton's age
The median of 518 appointees is the age 39 year.

Johnson	47
Nixon	46
Ford	46
Carter	40
Reagan	40
Bush	(not available)
Clinton	47

How the ages vary
Number of Clinton appointees by age group

25-29	16
30-34	33
35-39	73
40-44	66
45-49	115
50-54	86
55-59	39
60-64	23
65-69	11
70-74	1

Better educated
Percent with advanced degree

Roosevelt to Kennedy	60%
Johnson to Reagan	77%
Clinton	80%

Knight-Ridder Tribune

Republicans were more business-oriented. Eisenhower filled 34% of his jobs with businesspeople, Nixon 22%, Ford 16% and Reagan 22%. Data on the Bush administration is lacking.

Buchanan is not surprised by the large number of former government workers in Clinton's talent pool. "That's what it takes to get a grip on government," he explained. "Carter had a lot of trouble until he brought in experienced people."

Hess, a veteran of three Republican White Houses, said there is "nothing insidious" about the elite

class surrounding Clinton, even though it may clash with the populist image he tries to portray.

"These are the people who care about public policy, study it, teach it, write about it, apply for the jobs and are always around," Hess said.

As the Knight-Ridder survey shows, there may be a new management at the White House but, by and large, the same old meritocracy is still running things.

"Political appointees were an elite group 50 years ago and they still are today," Mackenzie said.

BURRELLE'S

4/6/94

Collider 'cost risks' identified

**Auditors: Care needed
to prevent overruns**

By Anne Reiffenberg

Washington Bureau of The Dallas Morning News

WASHINGTON — Federal auditors on Wednesday identified "cost risks" that could push the price tag of the Superconducting Super Collider toward \$12 billion. But as of May, they said, it was slightly under budget.

The auditors' report said that \$1.5 billion in risks — possible future cost overruns — would threaten the bottom line without "significant management initiatives" to ward them off.

Project critics, contending that the risks would prove unavoidable, said the report will aid their effort to kill the project in the Senate this fall.

But officials with the U.S. Department of Energy and the SSC Laboratory in Texas said the risks were unlikely to become reality.

They repeated earlier promises that the collider would be built in accordance with the official "baseline" estimate approved by the department in 1991.

"These risks are typical in a very challenging engineering program," said Roy Schwitters, the laboratory director. "What they give us is a sort of a priority list of the kinds of problems one goes out and attacks from a man-

agement point of view.

They are to be expected and they've got to be managed, and we will manage them.

"If we didn't have these risks, we would have overestimated the budget in the first place and we'd be building a Cadillac instead of a Chevrolet."

Energy Secretary Hazel O'Leary called the auditors' report a "guide for how to prevent cost overruns."

Those overruns, the auditors said, could occur in management,

constructing campus facilities, changing the design and production of major collider components.

The cost of the possible overruns, and their potential effect on the collider's political future, had been the topic of wide speculation for the last month in Washington and Texas.

Mrs. O'Leary also lauded the auditors' review of the work performed through May by the collider's 73 chief subcontractors. The review found that, together they had spent 6.8 percent less than budgeted.

"This report is precisely what has been needed to concentrate attention and resources on the management issues that must be resolved to build the SSC as cost-effectively as possible," Mrs. O'Leary said in a statement.

"Although project critics may view this document as evidence of massive cost overruns, the report, in many respects, represents quite the opposite."

Mrs. O'Leary dispatched the auditors to Texas in July — before she announced plans for a collider management overhaul last month — with orders for them to determine whether the 1991 baseline estimate for the collider was still valid.

The auditors conducted their research after the House voted, 280-150, to kill the collider and as it faced increased scrutiny in the Senate. After similar House action against the collider last year, the Senate voted 62-32 to save it, and House-Senate conferees restored its funding.

Rep. Martin Frost, D-Dallas, whose district includes part of the collider, said he found the report "very encouraging."

"The risks are problems that could exist in the future. They haven't happened yet, and she (Mrs. O'Leary) is being very aggressive about making sure they won't happen," Mr. Frost said. "She is doing exactly the right thing to help us get votes in the Senate."

According to the 1991 baseline estimate, the underground particle accelerator and its campus could be built for \$8.269 billion if it were completed in 1999.

President Clinton's decision to push the completion date to 2002 will add about \$2 billion to the baseline. A contingency fund for the extra \$2 billion will add \$200 million more.

In a letter Wednesday to Rep.

John Dingell, D-Mich., Mrs. O'Leary said she stood by previous statements that the collider would be built for no more than the baseline plus stretch-out costs — about \$10.45 billion.

"I believe this is possible because of the initiatives we are implementing to improve management of the project and to mitigate potential cost increases," she said in the letter.

The letter to Mr. Dingell, a collider foe who is chairman of the House Energy and Commerce Committee, was in response to charges he made last month that Mrs. O'Leary had "erroneously" testified to a Senate committee that the project was on schedule and on budget.

Mr. Dingell demanded a "full explanation" from the energy secretary. Wednesday's six-page letter was her response.

In it, Mrs. O'Leary said she took the congressman's accusation "very seriously" and said she had been "extremely clear" in her disputed

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Senate testimony. She added that Congress bears responsibility for containing collider costs and schedules.

Critics of the collider said they still believed Congress should kill it.

"We don't think many of these risks can be handled just through good management," said Jocelyn Hong, director of OOPSI, Organizations Opposed to the SSC. "If you've got something wrong with your car muffler and one mechanic says you have to replace it but another says he can just putty it up, is it good management just to putty it up? It might be good management of your funds but it's not good for your car."

Russ Wiley, a spokesman for the SSC Laboratory, said Ms. Hong's analogy didn't work.

"These (risks) are like worst-case scenarios, and worst-case scenarios seldom come to pass," he said. "Our success to date indicates

that we have been making the kind of efforts that should give people confidence that future risks will be effectively handled so that they won't come to pass."

In issuing the auditors' report, Mrs. O'Leary also announced several actions to be taken to reduce the potential for cost overruns, including:

- Drafting an implementation plan for recommendations made in the auditors' report and delaying any subcontracts associated with cost risks until the plan is finished.

- Creating "value engineering teams" to review each major cost risk area and identify ways to limit the risk.

- Identifying items in the project design that could be eliminated or altered without significantly affecting the project's scientific objectives.



Hazel O'Leary ... calls the auditors' report a "guide for how to prevent cost overruns."

BURRELLE'S

NEWS EXPRESS

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SRS seeks business partnerships

Environmental workshop emphasizes commitment to new era of openness at plant

By Stephen Delaney Hale
South Carolina Bureau

Never has the Department of Energy's post-Cold War commitment to opening its doors to American business been more evident than during the two-day environmental workshop that ends this afternoon.

DOE and Westinghouse Savannah River Co. acted as host to more than 125 business people representing more than 250 companies from 26 states and the District of Columbia in an exchange of ideas Tuesday at Bell Auditorium.

In his opening remarks, Mario Fiori, DOE manager at the SRS, told the attendees that they were invited so that site managers "can tell you about the problems and challenges we face" and seek innovative solutions from industry.

The site also will share its environmental restoration and waste management expertise with the attending companies, Mr. Fiori said.

Ambrose L. Schwalle, president of Westinghouse Savannah River Co., said in a news conference during the morning session that reversing four decades of secrecy to a policy of sharing information is a major mission for the site.



Fiori

But, he pointed out, little of the cleanup work being done at the site, the subject of the forum, is classified information.

As an example of what might be accomplished by sharing knowledge, Mr. Schwalle spoke of cooperation between Medical College of Georgia researchers, who excel in telemedicine, and scientists who design high-tech sensors at the site.

"These sensors can give immediate

people we don't always get to talk to. This is good for everybody. It is a great idea for an open forum."

His co-worker, Tracy Hughes, said, "We need to find out what they want to learn and then see what we have that applies. Unless you can come to something like this, how would you know what it is they want?"

Lamar Priester Jr., president of Priester & Associates of Columbia, who designed the Chem-Nuclear Barn well low-level waste facility, said he was interested in learning the site's techniques.

Mr. Priester said he would attend demonstrations on low-level waste, municipal waste and on converting waste into usable products.

Even Brian Costner of the Energy Research Foundation in Columbia, a nuclear watchdog organization, applauded the forum.

"For once they are talking about the negatives. They are showing people their problems and asking for help. I find that productive."

Many of the attendees said they are even more interested in today's sessions.



Schwalle



Derrick

analysis of the components in fluids, in this case body fluids, which can instantly be relayed from the field to doctors at the center for diagnosis," Mr. Fiori said.

In welcoming the conferees, U.S. Rep. Butler Derrick, D-Johnston, said they were in "the most nuclear-friendly area in the world."

Mr. Derrick said the forum will show that "business and government can become partners to solve problems and create jobs."

Chuck Clymer, senior hydrogeologist with Atlanta Testing and Engineering, said he was at the forum to "see some of the technical

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The Secretary of Energy
Washington, DC 20585

September 16, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Hanford Economic Development Summit

I met with Washington Governor Mike Lowry, former Governors Gardner and Evans, and northwest industry, union, Indian, and environmental leaders at the "Hanford Summit" in Richland, Washington this week. The summit focused on technology development and environmental protection involving the multi-billion dollar cleanup of the Hanford nuclear weapons plant. Hanford is the single most complex and expensive clean-up effort at any public or private U.S. facility and is extremely controversial in the region. The Department has not enjoyed good relations with the affected parties and our success here will directly influence the success of clean-up and environmental technology development nationwide.

I committed to:

- release formerly secret information regarding the facility;
- develop a new Indian policy;
- support formation of a site advisory committee regarding cleanup;
- increase union involvement in decisions to privatize clean-up work;
- accelerate return of DOE lands to public use; and
- make payments in lieu of taxes to local communities.

I also challenged Westinghouse, the site contractor, to improve the safety and pace of cleanup or face replacement when its contract expires. We will reconvene the summit in six months to measure progress in achieving the goals that we developed. Regional press was very favorable. We have enclosed more articles than normal, but the articles address many diverse important issues.

• Joint Department of Energy/Department of Commerce Electric Power Mission with China

Several top executives from the electric power industry and their suppliers traveled to China recently to understand first-hand substantial investment opportunities in China. Secretary Brown, colleagues from 14 other affected agencies, and I met recently with these executives to learn about obstacles to increased investment in China. Our staffs were tasked with developing recommendations for removing these obstacles.

An interagency working group was established to recommend how best to remove the trade barriers that impede U.S. sales of electric power goods and services in China. The group initiated several efforts:

- Restrictions which prohibited the Export-Import Bank from offering financing to projects in China have been removed.



- The Treasury Department is actively working with Chinese officials to make their currency convertible.
- DOE will participate in Winston Lord's Interagency Group on China to represent energy interests.
- The Departments of Energy and Commerce will work with industry to develop a directory of U.S. companies interested in providing electric power goods and services in China.

Secretary Brown and I will meet again with the CEOs to listen to their recommendations. As we discussed recently, we will move cautiously since there are many concerns with on-going activities in China.

I am also meeting with China's Minister of Electric Power next week to discuss these issues.

- International Atomic Energy Agency Conference

The International Atomic Energy Agency (IAEA) is an arm of the United Nations that serves as the world's central inter-governmental forum for scientific and technical cooperation in the field of nuclear energy. I will lead the U.S. delegation and address the representatives of the 112 Member States in Vienna, Austria September 24-29. My remarks will focus on the Administration's strong commitment to curbing the spread of nuclear weapons and the safety of existing nuclear plants.

THE WEEK AHEAD

- National Coal Association

I will address the National Coal Association's annual legislative meeting September 23. Approximately 150 people will attend. My remarks will focus on the environmental challenges facing the industry and the Administration's desire to open significant foreign markets for export.

- Energy and Environmental Study Institute (EESI)

I will address members of Congress who are members of the Energy and Environmental Study Institute September 22. My remarks will focus on the Administration's National Action Plan to achieve the President's Earth Day commitment to reduce emissions of greenhouse gases.

CONGRESS

- Outreach Meetings

I will meet with Representative John Dingell September 23 to discuss the status of the Superconducting Super Collider project.

- Congressional Events

- Minority Business Summit

Tomorrow I will participate in a panel discussion at the Minority Business Summit sponsored by Congressman Kweisi Mfume (D-MD) here in Washington. The focus of the discussion will be the Administration's commitment to minority

business development and Department initiatives to assist the minority community which include

- a new commitment to minority contracting,
- substantially increasing the Department's commitment to Historically Black Colleges and Universities, and
- increased scholarship initiatives for minority youth.

- Congressional Black Caucus Luncheon and Presidential Reception

At the invitation of Congresswoman Eddie Bernice Johnson (D-TX), I will address a Congressional Black Caucus luncheon at the Capitol tomorrow. I will expand upon the Administration's commitment to minority business development and specific Department initiatives which I touched upon in the Minority Business Summit panel discussion.

I will also attend the President's reception for the Congressional Black Caucus tomorrow evening at the White House.

- North Carolina Congressional Chamber of Commerce Issues Seminar

Tuesday, September 21 I will address an audience of North Carolina political and business leaders at a seminar at the Capitol.

• Mark ups and Floor Actions

Yesterday the Senate passed, by a vote of 92-7, the FY 94 National Defense Authorization Act. The House is continuing to consider its defense authorization bill and is expected to complete action next week.

PRESS

• Black Entertainment Television

My interview with Black Entertainment Television aired on Sunday. The discussion focused predominantly on the Administration's *Reinventing Government* initiative.

• National Association of State Energy Officials

Senator Jeff Bingaman (D-NM), member of the Senate Committee on Energy and Natural Resources, and I delivered the keynote addresses at the annual meeting of the National Association of State Energy Officials September 13. My address to this audience of approximately 150 State energy officials focused on the Administration's initiatives to stimulate partnerships among the National Labs, States and industry and encourage partnerships with other levels of government to purchase alternative fuel vehicles and develop an infrastructure to support them. Regional press covered the event.

PRESIDENTIAL INITIATIVES

• North American Free Trade Agreement

At the request of the White House I remained in Seattle, Washington, through today to participate in editorial board meetings with *The Seattle Times* and the *Seattle Post-Intelligencer* and a live mid-day radio interview with KIRO Radio. These media events are

part of an Administration-wide effort to advocate the economic benefits of the North American Free Trade Agreement (NAFTA).

NAFTA is a critical issue to the energy industry. Specifically, there are significant opportunities for the electric power and natural gas industries. I am committed to strongly advocating this initiative with media and members of Congress and will coordinate activities with Bill Daley.

OTHER ISSUES

- Nomination of Tara O'Toole and Jay Hakes

The Senate Committee on Energy and Natural Resources held a hearing on the nominations of Dr. Tara O'Toole for Assistant Secretary for Environment, Safety and Health and Jay Hakes for Administrator of Energy Information Administration. Dr. O'Toole's nomination generated some controversy because of the nominee's past affiliations, but the hearing went smoothly with no controversy. Attached is a trade press article which highlights the hearing. Thank you for your support during this nomination process

MONDAY, SEPTEMBER 20, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

8:30 AM - 10:30 AM HOLD

10:30 AM - 12:30 PM China Meeting with Secretary Ron Brown
and CEOs

12:30 PM - 1:30 PM Lunch

1:30 PM - 2:30 PM Russia Team Meeting
(Jon Elkind, Dan Reicher, Jack Riggs,
Rich Rosenzweig, Kyle Simpson, Sue Tierney)

2:30 PM - 4:00 PM Staff Time

4:00 PM - 4:30 PM Irl Englehardt, CEO, Peabody Holding Company;
Jessica Holliday, Vice President
(Rich Rosenzweig, Dirk Forrister)

5:15 PM Appointment

7:30 PM Appointment

TUESDAY, SEPTEMBER 21, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

9:00 AM - 10:00 AM BRIEFING: Global Climate Change
(Dirk Forrister, Abe Haspel, Rich Rosenzweig,
Sue Tierney)

10:15 AM DEPART DOE FOR THE CANNON HOUSE OFFICE
BUILDING
Met by Reggie Sellers

10:30 AM Speak at the North Carolina Congressional
Chamber of Commerce Issues Seminar
Caucus Room - Cannon HOB

12:15 PM DEPART THE CANNON OFFICE BUILDING FOR
APPOINTMENT
Met by Reggie Sellers

12:30 PM - 1:30 PM Appointment

2:00 PM - 3:00 PM Shi Dazhen, Minister of Electric Power
of the Peoples Republic of China
Secretary Ron Brown
(Jack Siegel)

4:00 PM DEPART FOR TRAVEL - NEW YORK, NY

7:00 PM Accept "Women of Achievement in Energy" Award
West Point, New York

WEDNESDAY, SEPTEMBER 22, 1993

SCHEDULE FOR HAZEL R. O'LEARY

9:00 AM RETURN TO WASHINGTON DC

12:00 PM - 2:00 PM Address the Environment Energy Study
Institute Luncheon

2:00 PM - 4:00 PM Planning Meeting
(B.White, R.Rosenzweig, S.Tierney,
D.Reicher, K.Simpson)

4:00 PM - 5:00 PM Ambassador Vladmir Lukin of Moscow
(Rich Rosenzweig)

5:15 PM - 6:15 PM Appointment

THURSDAY, SEPTEMBER 23, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

8:45 AM DEPART DOE FOR THE HYATT REGENCY
Met by Reggie Sellers

9:00 AM National Coal Association Breakfast
Hyatt Regency on Capitol Hill

9:45 AM DEPART THE HYATT REGENCY FOR DOE
Met by Reggie Sellers

10:00 AM - 12:00 PM Senior Staff Meeting

12:30 PM - 1:30 PM Lunch- Bill Daley, Special Counselor for
the President on NAFTA

2:30 PM Rebecca Mark, ENRON

4:00 PM HOLD - Congressman John Dingell(D-MI)

FRIDAY, SEPTEMBER 24, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 10:00 AM HOLD

10:30 AM - 11:00 AM Straub Talbot

12:15 PM DEPART DOE FOR THE ENVIRONMENTAL
PROTECTION AGENCY
Met by Reggie Sellers

12:30 PM - 2:00 PM Lunch - Carol Browner, EPA
Natural Resources Cluster Group
West Tower - Suite 1200
401 M Street, SW

2:15 PM DEPART THE ENVIRONMENTAL PROTECTION AGENCY
FOR DOE
Met by Reggie Sellers

2:30 PM - 4:00 PM Planning Meeting
(B.White, R.Rosenzweig, S.Tierney,
D.Reicher, K.Simpson)

4:00 PM - 5:00 PM Dr. Jim Thurber, American University
(Rich Rosenzweig)

6:00 PM HOLD: Depart for Travel - Vienna, Austria

7:30 PM DEPART FOR TRAVEL - Vienna, Austria

O'Leary renews cleanup vows

TRI-CITY HERALD
Tri-Cities, WA

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Herald/Dorothy Adcock

Energy Secretary Hazel O'Leary is accompanied by Hanford officials on a tour of Battelle-Northwest on Tuesday. With her are, from left, Mike Knotek, senior scientist in charge of Battelle's molecular science labora-

tory; Bill Wiley, director of Battelle-Northwest and directly behind O'Leary is John Wagoner, manager of the Department of Energy's Richland operations. O'Leary was in the Tri-Cities for the two-day Hanford Summit.

By WANDA BRIGGS
and JOHN STANG

Herald staff writers

Energy Secretary Hazel O'Leary on Tuesday renewed pledges to streamline Hanford's cleanup, while ensuring that technological spinoffs from that work will keep the Tri-City economy healthy.

Meanwhile, Undersecretary Tom Grumbly said the Department of Energy is willing eventually to live by the same environmental laws that govern everyone else.

DOE's two top officials made their comments at the Hanford Summit. The two-day conference in Kennewick is examining DOE's relationship with Washington and the Tri-Cities.

About 750 people were in the Tri-Cities Coliseum to hear O'Leary and Washington Gov. Mike Lowry open the summit, which concludes today.

"One of my top priorities is the cleanup of Hanford," O'Leary said. "It was: is and shall be."

She also said the federal government owes a debt to the people of the Tri-Cities for decades of nuclear weapons production that helped end the Cold War.

"There will be life after cleanup. It's what we owe this community," O'Leary said.

Throughout the day, O'Leary stressed that DOE is no longer a militarily structured agency as it was under the former secretary, Adm. James Watkins.

She also repeated often her pledge to return responsibilities for Hanford's operations to the field manager in charge, John Wagoner.

Lowry, co-chairman of the session with O'Leary, also pushed for accelerated cleanup.

"It's not the environment versus jobs — it's the environment and jobs," he said.

O'Leary told summit delegates that she sees Hanford as a center for creating environmental technology that can be used worldwide.

Fears that a budget-minded Congress will slash money needed for cleanup have been expressed by many. The current Hanford budget is about \$2 billion.

"Technology transfer and economic development will only occur if cleanup goes forward," said state Sen. Jim Jesernig, D-Kennewick.

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working at cross purposes."

Many of the same people who want DOE to abide by all environmental laws also want simplified state and federal regulations governing cleanup.

Several said excess regulation has led to an atmosphere in which Hanford workers worry more about not making mistakes than about making progress.

Chris Renda of the Environmental Services Network said, "People are unwilling to put themselves on the line because of the severe consequences. People might use regulations to hide behind."

"There's not the incentive to accomplish cleanup. There is an incentive to be safe."

When O'Leary talked to DOE workers later in the day, she told them to "walk the edge" to get the job done — and promised they would not be hammered if they make mistakes.

However, she said, she doesn't want repeats of a recent fatal industrial accident or an incident that led to a work stoppage at Hanford's tank farms. The latter occurred when a worker lowered a rock on a rope into a pipe leading into a radioactive waste storage tank to find out if its drain was plugged.

"Everybody in Washington was laughing about the rock-on-a-rope trick," said O'Leary, who said she supports the effort to train and retrain tank farm workers before tank farm cleanup work resumes.

Grumbly said, "What we have to be careful about is that getting on with cleanup does not equate to being careless."

Also Tuesday, O'Leary said Hanford needs to look to Russia and other nations as prime markets to buy technologies that will be developed here.

Mike Schwank, president of Westinghouse's International Environmental Institute, said his organization is working on agreements with the Russian Academy of Sciences in Moscow, the International Atomic Energy Agency in Vienna and with the British to exchange cleanup know-how.

He hopes to have at least two agreements signed within a year.

Participants at the summit Tuesday also talked about:

■ Trying to end hostility and mistrust between DOE and some public interest groups by being more open and less critical of each other.

■ The importance of training and retraining Hanford workers as they move from defense work into cleanup and beyond.

Today's conference sessions will focus on economic development and technology transfer.

O'Leary said, "If we don't see that future and use the talents in the community, ... then we'll have lost the best opportunity for economic development we'll ever have."

Later in the summit, several participants criticized DOE for not being subject to the same environmental laws that other government agencies and private companies must abide by.

Michael Grainey of the Oregon Department of Energy cited a case in which one of the K Reactor basins apparently was leaking. He said DOE attempted to dodge state and federal regulations governing such leaks.

Grainey argued federal laws need to be changed to address the disparity.

Grumbly, who is directly responsible for DOE's cleanup projects, said the department will agree to additional regulatory oversight being given to other companies and agencies. But he said such a transition would take some time.

Grumbly also cautioned that such oversight can be overdone. "I fear that with so many people telling us what to do, that they may be seen

DOE promises to pay some back taxes

By ERIK SMITH

Herndon staff writer

The Department of Energy has promised to compensate county governments for years of unpaid property taxes, county officials said Tuesday after emerging from a closed-door meeting with Energy Secretary Hazel O'Leary.

Exactly how much is the unanswered question.

It's a tax bill that dates back to 1946. The federal Atomic Energy Act, which established the bureaucratic framework for the nation's nuclear weapons production complex, directed the Atomic Energy Commission to compensate counties for lost property taxes. The Hanford site, for instance, took 560 square miles off Benton County tax rolls.

Benton County Treasurer Claude Oliver has estimated the back-tax bill for Benton, Franklin and Yakima counties alone to be \$35 million.

Representatives of 15 other county governments have joined Benton County to form the Nuclear Communities National Alliance. A delegation met with O'Leary for about 20 minutes Tuesday night in a room at the Pasco Red Lion Inn, while about 300 politicians and community leaders mingled at a reception across the lobby.

O'Leary isn't making a costly promise to pay back-tax bills in full with interest, but members of the counties group were heartened by O'Leary's promise to provide some money. The group won no such assurances from O'Leary's predecessor, Adm. James Watkins.

"We're so appreciative of the advance in dialogue," said David Bolling, county executive of Anderson County, Tenn., home of the Department of Energy's Oak Ridge installation. "We couldn't even get into the elevator with the admiral."

Though it's bound to be a big tax bill, county officials say it's only just. Rick Carne, treasurer of Montgomery County, Ohio, said, "If Department of Energy contractors are making a profit on a piece of land, they shouldn't be treated any differently from General Motors or Ford or any other concern."

The county officials said they would work in conjunction with Department of Energy staff to come up with an alternative method of compensation, perhaps payment of a portion of the land's assessed value. That would force counties to find a way to assess DOE-controlled property.

Oliver said, "There's a lot of work to be done, and we'll be huddling with our respective staffs. It's a question of definition. The Department of Energy headquarters will be working with staff personnel. The secretary declared a willingness to grapple with issues."

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Unions adopt show-me attitude on DOE plans

By PAT MOSER
Herald staff writer

Show me.

That's organized labor's reaction to the Hanford Summit.

"I was impressed with (Energy Secretary Hazel) O'Leary's talk, but I'm concerned whether her people will follow her guidelines," said James Watts, Oil Chemical & Atomic Workers Union president.

"Until we see the Department of Energy change the way they do things, nothing will happen," said Gary Muth, Hanford Atomic Metals Trades Council president.

O'Leary told a summit audience of 750 in the Tri-Cities Coliseum on Tuesday that Hanford workers need more training to do jobs right. That has been a recurring theme out of the Richland labor hall over the years.

Watts and Muth talked about their relationship with DOE and its contractors in recent years as they waited to meet with O'Leary in the Federal Building.

The press was barred from O'Leary's meetings with representatives of various local interests—from local government to sovereign Native American nations.

Watts and Muth came to the meeting with a recap of their unions' recent hard times. While the Hanford work force climbed from 10,500 to 16,500 workers in recent years, 200 union jobs have been lost, bringing the total down to 3,500.

The union leaders blame the DOE for allowing subcontractors to bring in transient workers for

new projects, plus a 33 percent buildup of non-union technical workers.

Watts and Muth said the rock-on-a-string test to see if a waste tank pipe was plugged last month was performed by a transient laborer, not a resident union member trained and experienced in nuclear safety measures.

"Three weeks before the rock dipping, we complained about work going to people not qualified to do it, or by those not meeting safety code. But they figured it was OK because they were saving \$2 an hour," Watts said.

Watts estimated the incident could wind up costing taxpayers \$3.5 million in lost time, studies, paper shuffling and retraining—to say nothing of damage to Hanford's reputation.

With DOE low bid policies, jobs are being taken from resident union workers who have years of training and experience in the nuclear environment, Watts and Muth said.

The union leaders also criticized the DOE allowing labor contracts to be dropped when turning government operations over to private companies, such as the Hanford laundry contract last year.

"They have figured out a way to break out the union," Muth said.

Watts said leaving Hanford jobs to improperly trained transient workers usually increases safety incidents by 20 to 30 percent.

"Sure it's a job security issue for us," Watt said, "but it's also safety."

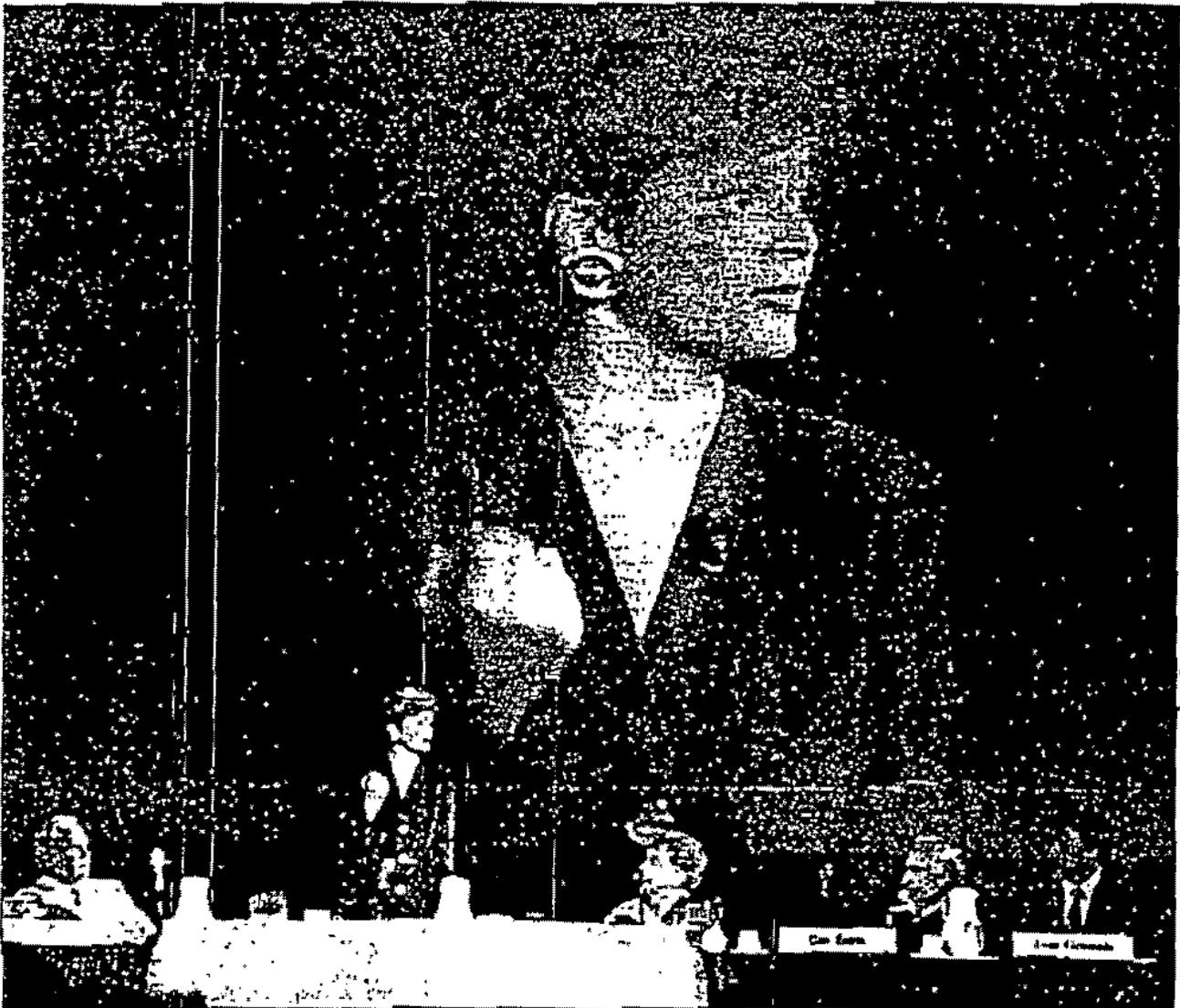
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O'Leary challenges Westinghouse

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Secretary of Energy Hazel O'Leary is backed by her image on a big screen TV Wednesday as she emphasizes a point during her closing remarks at the Han-

ford Summit. Seated are, from left, former Gov. Booth Gardner, Gov. Mike Lowry, former Gov. Dan Evans and Tom Grumbly, assistant energy secretary.

Herb photo/Corbis Assoc.

Dot 2 Pages

Hanford contractor must deliver, DOE chief says

By WANDA BRIGGS
Herald staff writer

Energy Secretary Hazel O'Leary stopped short Wednesday of saying Westinghouse Hanford Co.'s contract will be extended, but made it clear the firm will be given time to prove it can manage Hanford's environmental cleanup.

"The process does not permit me to say the Westinghouse contract will be continued," O'Leary told Herald editors.

But later, she applauded Westinghouse as a "top company, a quality operation," and said she believes "they can deliver."

"We're going to get out of their way and let them do it," she said.

Historically, Hanford contractors were awarded five-year agreements with automatic two- or three-year extensions. DOE recently banned such extensions pending a review of its contract procedures.

Westinghouse Hanford Co. won a five-year, \$4 billion primary contract in 1987. Company officials signed a new two-year pact worth an estimated \$1 billion in December 1992.

At Hanford, DOE officials traditionally notify DOE headquarters about 18 months before a contract is to expire of their recommendation to extend a contract or open it for bidding.

That's done, in part, to give companies time to prepare competitive bids if that's the route DOE takes.

That recommendation — made at Hanford by site manager John Wagoner — has not been submitted to headquarters, but is expected soon, said spokesman Tom Bauman.

Meanwhile, O'Leary said, "I have expectations Westinghouse will run this operation and tank farms in a way that protects health and safety of our workers ... and I put full accountability to Westinghouse to get that job done.

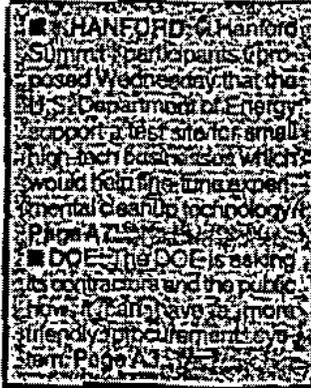
"They will deliver, or they will hurt," she said simply.

"We've created an opportunity for Westinghouse to act as the prime contractor on this site using other contractors to integrate and do work," she added.

Contract authority already has been transferred from DOE to Westinghouse Hanford for two major contracts, and in addition, Kaiser Engineers Hanford will on Oct. 1 become a subcontractor to Westinghouse.

Consolidating contracts under Westinghouse Hanford's umbrella means, "We have one contractor in charge and not so many stumbling and bumbling over each other," she said.

The changes are intended to streamline management, particularly of the tank farms, where 61 million gallons of highly radioactive and chemical wastes are stored in 177 underground tanks.



A long-term contract, probably for five years, won't be awarded to Westinghouse or any company until O'Leary is "clear that we understand elements of what ought to be a decent contract. We want to know the right people are managing the contracts."

Tom Anderson, president of Westinghouse Hanford Co. said, "We're ready to accept the challenge.

"I'm pleased we will get some time without that day-to-day pressure," of not knowing Westinghouse's status on the federal reservation, he added.

"The secretary made it clear we are expected to lead the effort to get this job done, and she said the department will give us enough time to show we can. That's all we ask," Anderson said.

Anderson would like Westinghouse now to be awarded a long-term contract.

But, realistically, "I'm looking for something that will take us into 1994." However, he emphasized that there has been no official decision.

O'Leary pledged to return responsibility for Hanford to Wagoner and said repeatedly the site can't be managed from Washington, D.C., as it was under former Energy Secretary James Watkins.

In addition, Wagoner can make decisions here that before have been made at headquarters.

That's significant, Anderson said.

"It means she is going to give us authority and responsibility to get the job done. If we can't make it happen, we're out of here."



A crowd of 600 gamers Wednesday at the Hanford Summit in the M-Cities Coliseum as speakers turn up their thoughts on the last day of the meeting.

09/10/93 08:24 BUCK CUM CENTER

TRI-CITY HERALD ^{A3}
Tri-Cities, WA SEP 16 1993

O'Leary makes tank safety top priority

By WANDA BRIGGS
Herald staff writer

Energy Secretary Hazel O'Leary toured this nation's first production nuclear reactor Wednesday and supported its historic preservation, then stood in front of Hanford's most dangerous underground radioactive waste tank and stressed worker safety.

Work at all 177 tanks was halted after a series of safety mishaps. Standing in front of 101-SY, O'Leary applauded "quality employees on site who share my set of concerns regarding safety."

And, she offered a "more aggressive and focused approach" to short-term safety and health problems, long-term disposal problems, and a new strategy using hand-picked teams to perform key work on those waste tanks. Those teams will teach and train others.

"I have put the monkey squarely on your backs," she told Westinghouse Hanford Co. president Tom Anderson.

Her plans will speed up clean up, Anderson said.

In fact, he said, work on the tank farms probably will resume "step by step" next week, with the next phase of testing a giant mixer pump inside 101-SY to begin in early October.

Harry Harmon, vice president of

Westinghouse's Tank Waste Remediation System, agreed.

He said O'Leary "gave us a challenge to accelerate progress."

During that phase of testing, the pump will be operated faster and for longer periods, from 20 minutes up to four hours. The pump was installed in July to prevent potentially explosive buildups of hydrogen gases by causing continuous venting rather than large bursts of gas.

In addition, O'Leary promised more money and staff will be coming to Hanford, much of it earmarked for tank waste issues.

Currently the tank waste remediation budget is \$500 million. In the new fiscal year, which begins Oct. 1, that is expected to go to \$607 million, Harmon said.

And O'Leary told DOE's Hanford manager, John Wagoner, that a hiring freeze under which Wagoner was operating is lifted.

"As of today, this artificial ceiling has been lifted. ... What we need here at Hanford is more management oversight people, and John's going to get them." How many new DOE hires and when is unknown.

She also emphasized repeatedly throughout her stay in the Tri-Cities that Wagoner is in charge of Hanford and that he has authority to make timely decisions here and not wait

for a decision from Washington, D.C.

Former Energy Secretary James Watkins managed all DOE sites from his headquarters.

That's not O'Leary's style. She sets policy and leaves it to field managers, like Wagoner to carry out. "That frees the contractors to get the job done," she said.

DOE headquarters is not relinquishing its oversight at Hanford, or any of its other sites. "What I want are clear lines of responsibility and accountability."

She also wants no accidents at Hanford or any DOE site and no repeat of the recent accident when a Hanford worker died after being scalded.

"My vision is zero harm to other people," she said. "Safety is the responsibility of each and every one of us."

She told people gathered outside the underground tanks that "this has been a helluva year, one which has anguished each and every one of us. We will correct that."

O'Leary, who served in the Energy Department during the Carter and Ford administrations, said she only wants this job four years. If she does her job right, she says, it won't matter who's Energy secretary, cleanup work will get done.



Westinghouse Hanford Co. photo

Energy Secretary Hazel O'Leary stands in front of tank 101-SY on Wednesday.

4

DOE to release more Hanford documents

SPOKESMAN REVIEW
Spokane, WA

B2

SEP 16 1993

O'Leary plans series of reforms

Kennewick

By Karen Dorn Steele
Staff writer

Energy Secretary Hazel O'Leary announced a number of reforms Wednesday to reduce secrecy at Hanford and increase public involvement and contractor accountability. With the support of President Clinton, O'Leary has started a departmentwide review of secret documents. Next month, the department will declassify large numbers of previously restricted documents from Hanford's era of weapons production, she said.

The declassification effort will help scientists directing a major study of past radiation releases from Hanford. Doctor John Till, the director of the Hanford Environmental Dose Reconstruction Study, complained this summer that DOE secrecy was hindering his efforts to conclude the study.

"Secrecy may be getting in the way of information that scientists need at our production sites. I am going to spring that information next month," O'Leary said at a news conference.

In her concluding speech at the Hanford Summit, a two-day meeting on the facility's future, O'Leary also said a new citizens advisory council will be established within 60 days.

The committee will be made up of Eastern Washington representatives who will provide input to the agencies directing the 30-year Hanford cleanup.

Gov. Mike Lowry, who participated in the summit with O'Leary, also endorsed the advisory committee and the Energy Department's new openness.

"This summit has been an historic event that portends excellent things.

\$2.2 billion still unaccounted for

The Department of Energy still has a major problem tracking Hanford cleanup expenditures, says the top cleanup official.

In his first 100 days on the job, Tom Grumbly said he has tried to account for \$2.2 billion in carry-over funds for waste cleanup.

"We can't explain to Congress where that money is," the assistant secretary for environmental restoration and waste management said during Wednesday's summit. "We have to get a better handle on how all this works."

— Karen Dorn Steele

It is a new day at the U.S. Department of Energy," Lowry said.

O'Leary said she is returning control of the Hanford cleanup to the department's Richland operations office and to the Tri-Cities contractors who are hired to carry it out.

"You have to place accountability where it belongs. I can't manage the entire complex — the work has to be done in the field," O'Leary said.

Signaling she is still concerned about mistreatment of whistleblowers despite recent reforms at Hanford, O'Leary said she will review policies and plans to address a Washington, D.C., conference of the Government Accountability Project, a nonprofit group that defends whistleblowers.

The energy secretary plans to return to Hanford in six months to check on the progress of reforms she has initiated to speed the cleanup process and involve the public.

"I won't show up in six months if I haven't delivered," she said.

O'Leary and her top cleanup assistant, Tom Grumbly, earned high marks from summit participants for listening to two days of criticism of the agencies handling of the cleanup.

Maura O'Neal, a summit partici-

pant from Seattle, said it was invaluable to have the two top officials listen to suggestions and criticism.

Summarizing the session on regulatory problems, O'Neal said the participants' consensus is that the Energy Department should:

- Comply with the same environmental laws that govern private industry after years of self-regulation and secrecy. O'Leary has already agreed to this.

- Review all department orders that often conflict with other environmental laws, causing gridlock and confusion. In his "reinventing government" initiative last week, Clinton ordered a moratorium on new agency orders, and O'Leary is reviewing existing ones.

- Reform its management structure so more workers are working on the cleanup and fewer managers are overseeing them.

TRI-CITY HERALD A7
Tri-Cities WA
SEP 15 1993

O'Leary praises Battelle, DOE molecular lab

By WANDA BRIGGS
Herald staff writer

Energy Secretary Hazel O'Leary on Tuesday praised the marriage between the Department of Energy and Battelle-Northwest that could culminate next month in a ground breaking for a \$218 million world-class scientific laboratory.

"This is what we need to carry us into the 21st century ... It's facilities like that which will provide real jobs to real people," said O'Leary as she stood in front of a model of the Environmental and Molecular Sciences Laboratory.

Her words were music to the ears of Bill Wiley, director of Battelle-Northwest which operates the Pacific Northwest Laboratory in Richland for DOE, and to Wiley's boss, Douglas Olesen, president of Columbus, Ohio, based Battelle Memorial Institute.

Because the long-awaited project hasn't gone through the entire review process, O'Leary could not announce a construction date.

But Battelle officials hope to persuade Vice President Al Gore to



O'Leary

come to the Tri-Cities within the next month to do just that.

Battelle has done work for the government at Hanford since 1965.

The partnership is based on a "use permit," the only one of

its kind within DOE.

It grants Battelle permission to use

the laboratory facilities for research for other government agencies and private industry.

Battelle has the prime responsibility to develop new technologies that will be used to solve the complex environmental problems DOE faces at the 560-square-mile Hanford site.

The new science laboratory, for which Congress has approved \$70 million, will be key to accelerating that effort, Wiley said.

EMSL research will be the scientific basis for evaluating a number of technical factors associated with cleanup. Those include health effects on cleanup workers and the public, the economic effects of cleanup and the pathways and fate of contaminants as they move in the ground water through the soil, Battelle officials said.

O'Leary toured the Richland laboratory Tuesday afternoon after spending nearly an hour talking to and answering questions from 400 DOE workers in the Richland High School auditorium.

"Her manner and her method of communication is enthusiastic," Olesen said. "She made clear her support of our research programs and this project."

Wiley said the cost of the 200,000-square-foot EMSL building is about \$50 million. It will house 250 resident and visiting scientists. The remaining \$168 million is for the sophisticated equipment needed to compete in world markets.

"I've seen experimentations here that (prove) cleanup provides fabulous opportunities," O'Leary said. "Some of the best minds in America have been drawn here ... Clearly, the future will be built on visions of laboratories like this."

SEATTLE POST INTELLIGENCER
Seattle, WA

B5

SEP 16 1993

O'Leary vows improvements at Hanford

The Associated Press

KENNEWICK -- U.S. Energy Secretary Hazel O'Leary concluded a summit on the future of the Hanford Nuclear Reservation yesterday by offering a series of major commitments.

"We came to humanize, not to demonize," O'Leary said as the conference ended. The two-day series of panel discussions by diverse interest groups produced a series of technical recommendations for improving Hanford and the economy of the adjacent Tri-Cities of Richland, Kennewick and Pasco. Hanford is a U.S. Department of Energy site and the nation's most polluted nuclear reservation.

O'Leary closed the event in dramatic fashion by promising some long-sought improvements at Hanford. She pledged:

- Within three weeks to make a decision on granting millions of dollars to counties that house Energy Department nuclear weapons sites. Those counties contend they lost taxable land when the government grabbed it in the 1940s.

- To endorse recent efforts to protect whistle-blowers around the DOE complex.

- To make a 1995 budget request for a \$29 million facility to train Hanford workers in safety and disaster management.

- That steps to reduce costs by privatizing many Hanford tasks will include protections of labor unions' negotiating rights.

- To explore funding the work of citizen watchdog groups at Hanford.

- To re-examine the department's relationship with nearby Indian reservations.

- To take steps within the next month to reduce Cold War-era secrecy around Energy Department sites, including speedier declassification of documents essential for health studies and other studies.

- The department's participation on committees of local residents who make recommendations on cleanup issues.

- Aggressive efforts to return DOE's vast land holdings to "natural public use."

O'Leary also said the DOE was committed to settling with the state by Sept. 30 on when the controversial vitrification plant will be built. The \$1 billion plant will turn radioactive wastes into a glass-like substance for permanent burial.

O'Leary Issues Nine Commitments

kml-10

NICHOLAS K. GERANIOS
 Associated Press Writer

KENNEWICK, Wash. (AP) - U.S. Energy Secretary Hazel O'Leary included a summit on the future of the Hanford nuclear reservation Wednesday by offering Nine Commitments.

"We came to humanize, not to demonize," O'Leary said as the conference ended. "So much of that occurred here."

The essence of the Hanford Summit was a series of five panel discussions involving groups representing government, industry, environmentalists and other interest groups.

They produced a series of technical recommendations for improving Hanford and the economy of the adjacent Tri-Cities of Richland, Kennewick and Pasco. Hanford is a U.S. Department of Energy site.

O'Leary left most of panel discussions to her staff, spending more time touring the sprawling site that for decades made plutonium for nuclear weapons.

It is now the nation's most polluted nuclear reservation.

O'Leary closed the event in surprisingly dramatic fashion by promising some long-sought improvements at Hanford. She pledged:

- Within three weeks to make a decision on granting millions of dollars to counties that house Energy Department nuclear weapons test sites. Those counties contend they lost large chunks of taxable land when the government grabbed it in the 1940s.

- To endorse recent efforts to protect whistleblowers around the E complex and said she will address a whistleblower conference in Washington, D.C. Several Hanford whistleblowers have contended they were harassed by management for exposing safety problems.

- To include in the 1995 budget a request for funding a \$29 million hands-on facility to train Hanford workers in safety and disaster management.

- That steps to reduce costs by privatizing many Hanford tasks will include protections of labor unions' rights to negotiate with the new employers. Unions have feared their jobs will be taken by non-union workers from the private sector.

- To explore funding the work of citizen watchdog groups at Hanford, perhaps to the tune of \$20 million.

- To re-examine the department's relationship with nearby Indian reservations. She promised to visit some reservations and joked that she may have promised to go to a sweat lodge.

- Within the next month to take steps to reduce Cold War-era secrecy around Energy Department sites, including speedier classification of documents essential for health studies and her studies.

- The department's participation on committees of local residents to make recommendations on cleanup issues.

- Aggressive efforts to return DOE's vast land holdings to natural public use."

"Wow," said former Gov. Dan Evans, a co-chairman, as O'Leary concluded.

O'Leary made one additional promise, that the Hanford summitters convene. Mike Lowry, the other co-host, pronounced the conference a success. The event was funded by the state and federal governments.

O'Leary also said the DOE was committed to making an agreement with the state by Sept. 30 on when the controversial vitrification

plant will be built. The \$1 billion plant is designed to turn radioactive wastes into a glass-like substance for permanent disposal. The DOE wants to postpone construction until technical issues can be sorted out. The state is insisting the plant be built with existing technology as per its legal agreement with DOE.

O'Leary also said that the Westinghouse Hanford Co., main private contractor on the site, will immediately be given overall management authority over other contractors in an effort to speed the cleanup. Previously the other contractors reported to DOE.

She said that will leave Westinghouse few excuses if cleanup is not moving quickly and economically by the time its contract expires next year.

"I have put the monkey squarely on your backs," she told Westinghouse Hanford president Tom Anderson.

DOE]

O'Leary Closes First Summit With Promise Of Second

km2-io
 NICHOLAS K. GERANIOS
 Associated Press Writer

KENNEWICK, Wash. (AP) - The first Hanford Summit ended with U.S. Energy Secretary Hazel O'Leary calling for a second gathering.

"I suggest you come back in six months for a progress report," O'Leary told the government, business and activist groups that met for three days to discuss the future of the Hanford nuclear reservation.

"I won't show up in six months if I haven't delivered on my commitments," she joked Wednesday.

O'Leary drew a standing ovation at the Tri-Cities Coliseum by making nine commitments to improving the management of the former nuclear weapons plant.

She also reached out to Hanford workers, labor unions, whistleblowers, Indians and activist groups.

"This historic summit portends excellent things," said Gov. Mike Lowry, who co-hosted the event with O'Leary. It was funded by the state and federal governments.

The essence of the summit was a series of five panel discussions involving those who seek to do business with, co-exist with or regulate the Hanford site. Hanford is the nation's most polluted nuclear reservation and its cleanup is a huge undertaking expected to last until the year 2019 and cost upwards of \$57 billion.

The panels produced a series of technical recommendations for improving Hanford and the economy of the adjacent Tri-Cities of Richland, Kennewick and Pasco.

O'Leary left most of the panel discussions to her staff, spending her time touring the sprawling site that for decades made plutonium for nuclear weapons.

She closed the event by promising some long-sought improvements at Hanford. She pledged:

- Within three weeks to make a decision on granting millions of dollars to counties that house Energy Department nuclear weapons sites. Those counties contend they lost property tax revenues when land were bought by the federal government in the 1940s.

- To endorse recent efforts to protect whistleblowers around the DOE complex and said she will address a whistleblower conference in Washington, D.C.

- To include in the 1995 budget a request for funding a \$29 billion hands-on facility to train Hanford workers in safety and disaster management.

- That steps to reduce costs by privatizing many Hanford tasks will include protection of labor unions' rights to negotiate with the new employers. Unions have feared their jobs will be taken by non-union workers from the private sector.

- To explore funding the work of citizen watchdog groups at Hanford, perhaps to the tune of \$20 million.

- To re-examine the department's relationship with nearby Indian reservations.

- Within the next month to take steps to reduce Cold War-era secrecy around Energy Department sites, including speedier declassification of documents essential for health studies and other studies.

- The department's participation on committees of local residents to make recommendations on cleanup issues.

- Aggressive efforts to return DOE's vast land holdings to

atural public use."

"Wow," said former Gov. Dan Evans, a co-chairman, as O'Leary included.

The other co-chairman was former Gov. Booth Gardner.

O'Leary on Wednesday visited the world's first nuclear plant, the closed B Reactor, as well as a potentially explosive nuclear waste storage tank.

In an interview with The Associated Press, she said the recent "no" vote by U.S. Rep. Jay Inslee, D-Wash., on President Clinton's controversial budget package will not bring retaliation from the administration.

Some in the Hanford community had feared the Hanford budget would be slashed to punish Inslee, a freshman who has made federal budget reduction his major theme.

"This business of cleanup is not about a single point of view on any issue," O'Leary said. "It does not turn on the whim of the energy secretary."

She also said a recent proposal to bury nuclear wastes at the Puget Sound Naval Shipyard near Bremerton or at Hanford was simply being studied. "We can't forecast the outcome," she said. She said she was anxious to see the reaction at public hearings.

The department must be "morally correct" in dealing with people who contend their health was damaged by past radioactive emissions from Hanford. Studies of such exposures should continue, she said.

O'Leary also said that the Westinghouse Hanford Co., main private contractor on the site, will immediately be given overall management authority over other contractors in an effort to speed the Hanford cleanup. Previously the other contractors reported to DOE.

She said that will leave Westinghouse few excuses if cleanup is not moving quickly and economically by the time its contract expires next year.

"I have put the monkey squarely on your backs," she told Westinghouse Hanford president Tom Anderson.

Clinton]

Hanford Summit: a chance for change

"This really is a remarkable gathering," former Gov. Dan Evans said at the close of the Hanford Summit. Something was in his voice as he said it.

He could have used other words besides remarkable: historic, optimistic, hopeful or even unprecedented.

Co-chaired by Evans and former Gov. Booth Gardner, sponsored by Gov. Mike Lowry and Secretary of Energy Hazel O'Leary, it was a high-powered, results-oriented event. Bringing together all those truly interested in Hanford's future meant arguments and unwavering opinions. It resulted in some provocative ideas, though:

- Making Hanford an environmental technology testing center, with international implications and involvement. The plan needs refinement, O'Leary said in closing the summit, but she and the other participants obviously think this is an idea that can take off.
- Creating a regulatory demonstration project at Hanford, to develop ways to break through the regulatory constraints and begin faster cleanup of the site.
- Having the Department of Energy use some of its funds to encourage small and minority-owned businesses to develop around the reservation.
- Opening up even more the secrecy that still shrouds some of Hanford's operations. O'Leary promised big changes within 30 days on that one.
- Giving consideration to the idea of having Hanford Reach as "a named national resource" — thus reminding people that Hanford not is only a waste site at Hanford but also a place of beauty and of great significance environmentally.
- Developing new processes to address organized labor's concerns about privatization of jobs on the federal site.

Some problems did not find their way into an appropriate chute. The contentiousness over whether DOE should proceed with a vitrification plant and pre-treatment plant was turned aside. DOE's candid cleanup chief, Tom Grumbly, explained the department's reluctance to plunge ahead with either project without more study. He said the department "wants to make the right decision the first time," and then, a bit sardonically, he was "impressed ... by how many partially completed projects there are on the reservation." He also said, though: "I don't believe there's any doubt that we're going to vitrify waste here."

For those who have seen performances by other top-level DOE officials over the years, O'Leary and Grumbly were like sunrise in our Blue Mountains. Both displayed such mastery of their subject and such willingness to be agents of change that anyone expecting DOE-as-usual must have been stunned.

When she closed the summit, O'Leary promised real action on much more. She vowed to:

- Re-examine DOE policies for dealing with tribal concerns.
- Put the \$30 million Hazardous Materials Management and Emergency Response training center (HAMMER) in the DOE budget proposal for 1995.
- To follow through quickly on talks made with local officials about DOE payments in lieu of taxes that the federal government owes.
- To go farther than DOE has gone so far in protecting whistle-blowers and in investigating their claims.
- To take as a high priority the duty to return as much as possible of Hanford's 560 square miles to the public.

The summit allowed the regulated to hobnob with the regulators; the potential investor to question the entrepreneur. It was a crucible in which differences melted; where alliances were formed.

One of the more telling remarks was buried, almost in an aside.

In the panel on regulatory issues, where the need for a greater spirit of cooperation on Hanford affairs was mentioned in the final report, the subject of "reinventing government" was brought up. One member of a public-interest group was heard to say "We need to reinvent ourselves, too." We took that to mean to look at Hanford as a problem to be solved, not a cause to be exploited. That's maybe the simplest, and most important, message to be brought away from this summit.

Hanford needs to reinvent itself, but it can be done only if all interest groups agree on the goal. That's not so hard to do. We all want a cleaned up, restored Hanford that is a vigorous part of our local economy.

Gov. Evans was right when he said: "We've got to quit playing 'I gotcha.' We cannot change the past."

O'Leary said the same thing in a slightly different way.

She called for a relationship between all Hanford's competing interest groups that is "humanizing ... refusing any longer to demonize."

To one degree or another, all of us have been doing something like that. The Hanford Summit gives us all the opportunity to stop.

SEP 16 1993

Summit ends with O'Leary's promise list

By WANDA BRIGGS
and JOHN STANG

Herald Staff Writers

Energy Secretary Hazel O'Leary promised a lot to the Tri-Cities and Hanford Wednesday.

And O'Leary said she will return in six months to touch bases on those promises.

"I will deliver on these as soon as possible," she said.

Her pledges, made as the Hanford Summit concluded, are to:

■ Declassify large amounts of DOE material within 30 days.

■ Respond to the Indian tribes' call for more involvement in Hanford decisions, and to meet with Indian representatives within the next three months.

She has been invited to visit the local Indian reservations, including a trip to a sweat lodge.

■ "Definitely explore funding" for public involvement activities on Hanford. She also will within two weeks look into why the U.S. Department of Energy turned down a \$20 million Washington request for money for these types of activities.

■ Have DOE cooperate with the state on creating a community-oriented Hanford advisory panel for cleanup and waste management issues. "We will not seek to control it," O'Leary said.

Gov. Mike Lowry said he hoped to have the committee created within 60 days.

■ Engage local unions in future discussions on privatization of Hanford functions. Those discussions would address protecting union benefits and other contractual obligations as privatization occurs.

■ Put money for a proposed Hazardous Materials Management and Emergency Response training center in DOE's 1994-95 budget request to Congress.

The \$23 million HAMMER complex is to be a Northwest regional training center on how to han-

dle hazardous materials emergencies.

■ Push to transfer Hanford's lands to public use as soon as possible.

DOE has already indicated the Arid Lands Ecology reserve and the North Slope — 46 percent of Hanford's 560 square miles — should be ready to be released by late 1994.

■ Pay attention to employees' concerns about whistleblower issues.

She promised to speak at an upcoming whistleblower conference in Washington D.C., sponsored by the Government Accountability Project, a watchdog organization focusing on whistleblowers.

"Wow," said former Gov. Dan Evans after O'Leary finished the list.

O'Leary made other commitments Wednesday that stopped short of full-fledged promises.

These were to:

■ Consider a proposal by summit participants to allocate a small fraction of the Hanford budget to helping small businesses link up with Hanford.

Figures of 1 percent, 2 percent or 5 percent of the annual budget or \$20 million over 10 years were suggested, but no amount was nailed down.

Lowry supports the idea, but said actual figures need to be studied.

O'Leary said the idea needs more details before she would support it, adding Congress would have the final say on this proposal.

■ Decide by mid-October on whether DOE will revive the Fast Flux Test Facility from standby status or proceed to shut it down.

O'Leary said she expects to receive studies on FFTF's viability by the end of this month, but declined to give a clue how the studies are leaning.

Look to private sector for future, U.S. energy chief tells GECAC

By SCOTT WESTCOTT
Morning News staff reporter

An "entrepreneurial spirit" and a solid ties with the private sector are essential for agencies like GECAC to thrive into the 21st century, said U.S. Secretary of Energy Hazel O'Leary, who was in Erie Friday.

"Organizations like this need look to the private sector," said O'Leary, the featured speaker at a packed GECAC 23rd annual dinner at the Shrine Club, W. 28th and Zuck Road.

"Part of what we know about the way this country will be run in the future will be to answer the call of the taxpayers to pay less and less federal money for federal programs. We're all going have to do a little bit more and big and small business will be called on to do its share."

O'Leary's comments came at a pre-dinner press conference during which she addressed several energy-related issues ranging from alternative fuels to the impending 43-cent per gallon gas tax, which she claims will have "little impact" on most Americans when it goes into effect Oct. 1.

O'Leary, the first African American woman to hold a cabinet post, describes herself as "a product" of the community action programs, having served on the board of an



U.S. Energy Secretary Hazel O'Leary spoke at the 23rd annual GECAC dinner in Erie Friday.

agency while in law school.

She has also worked closely with community action agencies throughout a career that has included serving as an appointee in the Carter and Ford administrations and a stint as president of Northern States Power's gas utility.

She praised GECAC as one of the "top ten" community action agencies in the nation based on money and energy saved through the

weatherization program. The program provides energy conservation measures and energy education to lower fuel consumption and energy bills for low-income homeowners and renters in the region.

"The weatherization program started out to protect those who could not protect themselves against high energy costs," she said. "It's amazing to see where we are today, creating permanent energy savings and continuing to cut costs by using new technology."

Expanding beyond the issues directly associated with GECAC, O'Leary stressed the need to diversify U.S. energy sources and suppliers in order to reach economic and environmental goals. She said the Clinton administration will emphasize establishing viable markets for alternative fuels and will implement wind and solar power programs.

She also said the administration is working toward reducing dependence on foreign oil and the need to purchase fuel from a larger range of countries.

As for the 43 cents per gallon gas tax, O'Leary said it will have "little impact" on most Americans because of a glut in the petroleum market that is expected to continue driving down costs at the pump.

honor swimmer

honoring their favorite swimmer with a Sept. 15, and the public is invited to help

the first woman to swim across Lake Pennsylvania. Held every year in the month of August.

GOOD MORNING

LIZ ALLEN

Apr 2 Erie firefighters found two bodies in the water. On Aug 31, in light of the bodies are at 2010 E. 10th Street.

The Energy Daily

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Thursday, September 16, 1993

ED Volume 21, Number 178

Senate Panel Voices Support For O'Toole Nomination

BY GEORGE LOBSENZ

Following months of uncertainty, Tara O'Toole Wednesday cleared away a minor controversy over her past affiliations that had clouded her nomination to be the Energy Department's assistant secretary of environment, safety and health.

At a confirmation hearing held by the Senate Energy and Natural Resources Committee, O'Toole succeeded in resolving GOP concerns about two listings on her resume—her membership in a "Marxist-Feminist" reading group and her contributions to an organization called the Central American Health Rights Network.

Most importantly, Sen. Malcolm Wallop of Wyoming, ranking Republican on the energy panel, told O'Toole he was "quite comfortable" with her explanations about her participation in the two groups. It was Wallop who earlier this year questioned O'Toole's past affiliations, particularly the "Marxist" group. Wallop's concerns put O'Toole's nomination on hold while the White House and Energy Department scrambled to defuse the flap.

Wallop played down the episode, going so far as to joke with O'Toole that the two groups had a decidedly anti-establishment ring to them. "Now you are the establishment," he giped, drawing a smile from O'Toole. "What do you do now?"

(Continued on page three)

FERC Opens Fall Season With Hydro Initiatives

The Federal Energy Regulatory Commission began putting a more environmentally friendly stamp on its hydropower licensing process Wednesday with a set of initiatives that aim to clarify the commission's authority and open up the process.

Also Wednesday, the commission authorized, with environmental modifications, a \$900 million natural gas pipeline project proposed by Florida Gas Transmission Co. and Transcontinental Gas Pipe Line Corp. that will extend 814 miles through Florida, Alabama, Mississippi and Louisiana and serve Florida Gas' customers with 541,000 million British thermal units of gas per day.

FERC also did some housecleaning by terminating three old electricity rulemaking proposals; tackled the issue of unbundling generation and transmission services in Northern States Power Co.'s transmission

BY MARY O'DRISCOLL

tariff; and gave the Milford Power Limited Partnership project, an exempt wholesale generator, blanket authority for market rates so it can find a buyer for 66 megawatts of unsold power.

Hydropower Initiatives

These initiatives, which came out of FERC's hydropower roundtable last June, attempt to strike a balance between the interests of the hydropower industry and environmentalists. But while some of the

(Continued on next page)

Is Real-Time Pricing In Offing For Electric Utility Industry?

BY DANIEL KAPLAN

SAN FRANCISCO—Real-time pricing (RTP) took center stage here Tuesday, as speakers outlined a future that would wipe away more than a century of utility pricing practices.

Instead of dictating prices, utilities will have to allow customers more flexibility if the industry is to survive, the speakers told a conference on utility computational needs sponsored by *The Energy Daily* and Pacific Gas & Electric Co. And this goes far beyond time-of-day pricing, which only forces customers into an artificial routine, they said.

A new world of day-to-day pricing, electricity futures, spot markets and possibly even auctions will steamroll the utility structures of the past, they said.

"Real-time pricing really recognizes customer sovereignty, utilities cannot continue to dictate demand," said Bernard Neenan, director of pricing services for Electrotek Concepts and one of the leading proponents of RTP.

Utilities will find it increasingly difficult simply to hand a bill to a customer at the end of each month and say this is how much is owed, added John Danielson, vice president of computers and telecommunications at PG&E. In the future, he said, customers are likely to demand to see how much the electricity cost on any given day.

Already Niagara Mohawk and a handful of utilities have experimented with day-to-day pricing, while Georgia Power has an hour-to-hour pricing project.

(Continued on page three)

O'Toole Nomination Back On Track *(From page one)*

In a more serious vein, Wallop said O'Toole's nomination could have been acted on much earlier if the White House had not taken such an "overpoweringly cavalier" attitude to expediting the necessary paperwork.

Committee Chairman Bennett Johnston (D-La.) gave O'Toole a strong endorsement, saying he was satisfied with her explanation of what he considered merely "some rather inadvertent statements" on her resume. Johnston said the committee wanted to make sure O'Toole was not, in fact, a Marxist, and that an exhaustive White House investigation and O'Toole's explanation had put all doubts to rest.

O'Toole told the committee she joined the Marxist-Feminist group in 1981 as a medical resident at Yale University. She described the group as an informal reading circle that met roughly three weekends a year to discuss such topics as novels by African-American women and the status of women in China. She emphasized that the group never engaged in political activity, lobbying or information dissemination of any kind.

O'Toole said she joined the group because she wanted an intellectual outlet outside her medical career. She said she had not attended a group meeting since 1990.

As for the group's name, O'Toole said the founders of the

group were economists, and its initial focus was looking at women's role in the workplace from several theoretical perspectives, including Marxism.

In a light-hearted aside, Johnston said Sen. Daniel Moynihan (D-N.Y.) had helped shed some light on the reasons for the group's name. Johnston said Moynihan told him it was simply trendy for many liberal groups in the 1970s to incorporate Marxism in their names as a sign of their intellectual seriousness.

O'Toole said her involvement with the other group in question, the Central American Health Rights Network, was limited to making a couple of donations totaling about \$200. That group had aroused GOP concerns because it sent some medical supplies to Nicaragua when it was under the control of the Marxist Sandinista government.

In her testimony, O'Toole said she had developed substantial expertise on DOE's environmental and safety problems during four years as an analyst at the congressional Office of Technology Assessment. At OTA, she helped author two widely read studies on DOE's cleanup effort. Other than her stint at OTA, O'Toole's only other professional experience appears to be as a doctor at community health centers in Baltimore.

O'Toole said her primary focus at DOE would be to infuse DOE's work force with a "safety first" attitude. "Orders and standards cannot, of themselves, ... instill the intellectual curiosity and responsible questioning that create an atmosphere of continuous improvement in safeguarding the health of workers and the public," she said. "The transition to a true safety culture is a matter of attitudes and belief."

O'Toole has been waiting for Senate action since April. While her nomination never appeared seriously in danger, O'Toole received impressive support from Energy Secretary Hazel O'Leary and the White House, both of whom said her nomination was vital to finding innovative solutions to DOE's massive environmental and safety problems. John Gibbons, a former OTA chief and now chief science advisor to President Clinton, appeared personally at the Senate hearing to urge O'Toole's confirmation.

In addition to her credentials as a medical doctor, O'Toole received broad support from many groups involved in DOE cleanup efforts, including DOE contractors, DOE worker unions, environmental watchdog groups and medical professionals.

A committee vote on her nomination and that of Jay Hakes to be administrator of the Energy Information Administration has been set for Sept. 22.

Is Real-Time Pricing Next For Utilities? *(From page one)*

At NiMo, Neenan said, costs got so high in the summer of 1989 that one day prices exceeded 50 cents a kilowatt-hour. As a result, the 19 participating customers reduced load by 30 percent, he said.

It is this type of program that will be the load control of the future, he added, not the command and control demand side management programs of today.

And in the United Kingdom, where real-time pricing has just been instituted in the wake of deregulation, one particularly hot summer day saw a 2,500 megawatt drop in demand when prices hit \$1.70 per kilowatt-hour, said Richard Tabors of Tabors, Caramanis & Associates.

Concerns that utilities would lose revenue are unfounded, he said, because if an RTP plan is structured right, the utility will sell more electricity.

Despite the general enthusiasm, many utility engineers at the conference privately said that while RTP may be a good idea, the hardware does not exist now to turn the idea into reality.

The whole utility of the future, from distribution automation to DSM to integrating distributed generation into the grid, will need incredibly complicated software. And the computer industry has yet to offer utilities a comprehensive package to bring something like RTP into reality.

But in many ways RTP is not that complicated, Tabors said. In the U.K., he noted, electricity prices for the day are listed in the newspaper, and no complicated control devices are needed to inform customers of the price.

Salt River Project, Nevada Power Sign Power Sales Pact

The Salt River Project board of directors has approved an \$11 million power sales contract with Nevada Power Co. in which SRP will provide 30 megawatts of firm summer capacity and energy for Nevada Power from 1996 through 2000.

Power from the contract will help growing Nevada Power keep up with its summer demand. For SRP, the sale will help keep electric rates low. For the fiscal year ending last April 30, SRP had sold \$104 million of electricity to other utilities.

The contract must be approved by the Nevada Public Service Commission.



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of 9/24/93

The Secretary of Energy
Washington, DC 20585

September 23, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

International Atomic Energy Agency Conference

The International Atomic Energy Agency (IAEA) is the arm of the United Nations that serves as the world's central inter-governmental forum for scientific and technical cooperation in the field of nuclear energy. I will lead the U.S. delegation and address the representatives of the 112 member states in Vienna, Austria, September 24-29.

The purpose of my address will be to first communicate President Clinton's message of strong and continuing support for the IAEA's vital role in global non-proliferation. Second, my remarks will focus on the challenges facing the IAEA as it moves into the post Cold War era. These challenges include:

- Ensuring the indefinite extension of the Nuclear Non-Proliferation Treaty;
- Refocusing past superpower priorities from weapons production to dismantlement;
- Developing a cooperative effort to ensure safe, long term disposition of dismantled nuclear materials;
- Utilizing nuclear energy appropriately in power production and in agriculture, medicine, industry, and research.

I will also conduct bilateral meetings with representatives of the following nations to ensure that careful attention is given to issues of mutual importance:

- | | |
|----------------|-------------------|
| -- China | -- Russia |
| -- South Korea | -- France |
| -- Japan | -- South Africa |
| -- Germany | -- United Kingdom |
| -- Ukraine | |

Russia Visit

I will be in Russia from September 29 through October 2 to pursue the objectives of the Gore/Chernomyrdin Commission. This trip is the result of invitations received from Prime Minister Chernomyrdin, the Minister of Fuels and Energy, and the Minister of Atomic Energy. We will discuss energy and environmental issues of great importance to our countries. Due to recent events in Moscow, we consulted with a wide range of colleagues in the Administration to determine if the timing of this trip was inopportune. Ambassadors



Pickering and Talbott think that it is important to take the trip as planned. Ambassador Lukin met with me and also thinks it is important to continue our plans for the trip.

The top priorities of this visit are:

- Responding to Minister of Fuels and Energy Shafranik's request for assistance in developing an institutional and legal infrastructure necessary to encourage investment in Russian oil, natural gas and other energy industries (investment in these sectors will not reap their potential until such an infrastructure is in place);
- Advancing the nuclear safety issues pertaining to Russian reactors outlined during the Gore/Chernomyrdin Commission meetings (issues include the need for liability legislation to encourage foreign firms to engage in cleanup at Russian facilities and the need for an independent regulatory agency similar to the U.S. Nuclear Regulatory Commission;
- Advancing work in progress on environmental remediation, scientific exchanges and a radiological health and safety agreement; and
- Signing a Memorandum of Cooperation on Energy Efficiency.

Office of Technology Assessment Report

The Congressional Office of Technology Assessment released a report entitled Dismantling the Bomb and Managing the Nuclear Materials. The Department compliments the Office of Technology Assessment for its thorough exploration of salient issues concerning weapons dismantlement and nuclear materials disposition. The report makes several recommendations to the Administration and the Department. These include:

- The need for a comprehensive national policy on weapons dismantlement and the disposition of their constituent materials; and
- The need for a coordinated effort within the Federal Government to assist Russia in its dismantlement and disposition activities.

The Department recognizes the vital importance of dismantlement and disposition policy and maintains the following priorities in addressing it:

- Non-proliferation;
- Disposition of constituent nuclear weapons material in a manner that protects public and environmental safety; and
- Making certain that this initiative is undertaken in as efficient and cost-effective a manner as possible.

The Department is developing a comprehensive strategy to address these critical issues.

Interagency Electric Power Initiative with China

Monday I chaired a meeting among Administration officials from several agencies including Commerce and State and the CEO's of twenty-four companies that participated in a electric utility trade mission to China.

The purpose of this meeting was for the interagency group to report the progress made thus far in removing the barriers identified by industry to participation of U.S. electric utility firms in the Chinese market. The industry representatives were extremely pleased with the Administration's responsiveness to their issues and its commitment to opening new economic opportunities to American industry.

This meeting accomplished two important goals. First, we communicated the clear message that the Administration is committed to soliciting input from industry and to taking action on that input. Second, this initiative has demonstrated the potential of interagency efforts to produce positive results by taking a cross-cutting approach to problem solving. The next steps for this initiative include a year-end progress report by the interagency group to the appropriate Cabinet Secretaries and a published report on the accomplishments of the group to serve as a model for other interagency efforts.

- Meeting with Chinese Electric Power Minister

Tuesday I met with Chinese Minister of Electric Power Shi Dazhen and Ambassador Li Daoiu. Our discussion focused on two principal issues: the desire of our Administration to open energy markets for U.S. firms in China and my commitment to carry out a clean coal demonstration project in China. I also mentioned the necessity of the two countries to address certain difficult political issues to ensure positive economic and technological partnerships.

The Minister expressed his commitment to making these two issues top priorities for his organization and invited me to visit Beijing in mid-November to deliver a keynote address at an international energy conference and to meet with other Chinese governmental officials.

- Hanford Economic Development Summit

We continue to receive favorable press coverage from the Hanford Economic Development Summit in Richland, Washington, last week. Several clips are attached.

CONGRESS

- Outreach Meetings

Representative John Dingell--Today I will meet with Representative Dingell to discuss the status of the Superconducting Super Collider project.

Representatives Cleo Fields and William Jefferson--Today I will meet with both Louisiana Representatives to discuss issues of interest to them.

- Mark-Ups and Floor Actions

The Senate Committee on Appropriations, Subcommittee on Energy and Water Development marked up the FY 94 Energy and Water Development Appropriations Act Tuesday, September 21; the full Committee is expected to mark up the bill today; and Senate floor consideration is expected next week. This legislation contains funding for 90 percent of the Department's programs, including defense, environmental restoration, and a majority of the civilian programs including the Superconducting Super Collider project.

PRESS

- National Coal Association

I will address the National Coal Association's annual legislative meeting today. Approximately 150 people will attend. My remarks will focus on the environmental challenges facing the industry and the Administration's desire to open significant foreign markets for export. Regional media coverage is anticipated for this event.

- Energy and Environmental Study Institute (EESI)

Yesterday I addressed members of Congress who are members of the Energy and Environmental Study Institute. My remarks focused on the Administration's National Action Plan to achieve the President's Earth Day commitment to reduce emissions of greenhouse gases.

PRESIDENTIAL INITIATIVES

- North American Free Trade Agreement

I have begun to call congressional members to determine their support of the North American Free Trade Agreement (NAFTA). I am strongly committed to assisting this effort and believe I can assist with members of the Black Caucus.

OTHER

- Nomination of Dr. Tara O'Toole

As reported last week, Dr. O'Toole's confirmation hearing for Assistant Secretary of Environment, Safety and Health was non-controversial. The Senate Committee on Energy and Natural Resources reported the nomination out of committee by an 18-2 vote.

MONDAY, SEPTEMBER 27, 1993

SCHEDULE FOR HAZEL R. O'LEARY

TRAVEL - Vienna, Austria
IAEA Conference

TUESDAY, SEPTEMBER 28, 1993

SCHEDULE FOR HAZEL R. O'LEARY

TRAVEL - Vienna, Austria
IAEA Conference

WEDNESDAY, SEPTEMBER 29, 1993

SCHEDULE FOR HAZEL R. O'LEARY

TRAVEL- Vienna, Austria
IAEA Conference

THURSDAY, SEPTEMBER 30, 1993
SCHEDULE FOR HAZEL R. O'LEARY

HOLD: TRAVEL - Moscow

FRIDAY, OCTOBER 01, 1993
SCHEDULE FOR HAZEL R. O'LEARY

HOLD: TRAVEL - Moscow

PI
EDITORIAL

O'Leary plainspoken

U.S. Secretary of Energy Hazel O'Leary made some important and heartening promises to the residents of Washington state on her visit to Richland and Seattle last week.

But we've heard these promises before:

More attention will be paid to safety at Hanford, taxpayers will get better value for the huge Hanford cleanup expenditures, medical researchers will get access to classified data on health effects of the government's past activities at Hanford, whistleblowers will be protected.

It remains to be seen if O'Leary, a refreshingly plainspoken former utility executive, can turn the hidebound Department of Energy into the professional, modern agency it must become if it is to succeed in its vital charge. We hope she makes good on these promises and wish her well in her difficult mission.

O'Leary, of course, has inherited a lethal mess left by an irresponsible generation that preceded her. But the nation's nuclear waste mess is now hers and Presi-

dent Bill Clinton's to clean up — or, as has been the custom, to babysit and pass on to the next generation's cleanup crew. History will judge their stewardship.

To her credit, O'Leary evidenced the right instincts about the changes that must be made in the agency on her visit. She told the Post-Intelligencer's Editorial Board that she wants DOE field managers and the Westinghouse Hanford contractor be freed of the crippling second, third and fourth-guessing imposed by DOE headquarters in Washington and instead be held to account and rewarded and punished as their performance warrants.

She has also shown the right instincts in making herself accessible to the citizens who are directly affected by whatever her agency undertakes at Hanford, where many hard public policy decisions lie ahead. It should go without saying that these decisions will come much easier if the department can demonstrate that it is in touch with public sentiment and worthy of public confidence.

TRI-CITY HERALD
Tri-Cities, WA

D2

SEP 19 1993

Time to organize for Hanford changes

If all we and Hazel O'Leary have when she returns to the Tri-Cities in six months are warm memories of a successful Hanford Summit, we will have failed.

The summit wasn't an end in itself. It was merely a process — and the beginning of one, at that.

If we consider what occurred at the coliseum any more than that, we would be as wrong as if we thought the jockey weigh-in was a horse race.

The secretary of energy has promised to come back to the Tri-Cities and report on her progress in the areas of concern brought up at the three-day summit.

That alone is enough for us to congratulate ourselves on an excellent program where real differences were addressed.

We can all be gratified by her willingness to take on these burdens personally. This is a new secretary of energy with new ideas. Obviously, she and her chief cleanup expert, assistant secretary Tom Grumbly, are enthusiastic about changing the bureaucratic entrenchment throughout DOE.

But we have our responsibilities, too.

Our job is to seize the opportunity and give direction locally.

Obviously, some kind of organization is needed to bring that off. Whether under the sponsorship of the Tri-City Industrial Development Council or an entirely new creation, a coordinating effort is needed.

The four triumphs of the summit could slip away if we aren't careful.

Those four triumphs were:

■ The public impression of a Department of Energy trying to remake itself. O'Leary and Grumbly listened to all suggestions respectfully. Neither seemed in a lecturing mood, although Grumbly's tinder was ignited by state environmental chief Mary Riveland a time or two. (We thought their debate was well-balanced and extraordinarily healthy.)

■ A sense of willingness by those whose primary interest is development of the Tri-Cities to listen to those whose principal concern is return of the Hanford site to pristine environmental condition. Both sides have their arguments. Compromise is the only solution.

■ Emergence of two related ideas for Hanford advancements. One is developing Hanford as a test bed for technological breakthroughs. When they occur, they can be passed on with the equivalent of a DOE "Good Housekeeping Seal of Approval" as both workable and practical. The other is development of a science and technology park at the site with federal participation. These are ideas worth pushing. We need to push hard locally to get them moving.

■ An evolving mood of cooperation and civility by all parties toward working with each other toward a loosely defined common goal — site restoration.

There were disappointments. The lack of active involvement by organized labor at the table was a big one. The summit organizers did not do as good a job as they might in bringing competing labor factions together. Hanford's future is as dependent upon labor leaders as it is on business executives and environmental advocates.

There was another disappointment — a signal that no matter how much DOE may want to change, the federal bureaucracy remains a thing out of Kafka. That was the presence of the Environmental Protection Agency at the table as an observer, rather than a participant. Since it is the principal regulator of Hanford cleanup, its silence created a real gap. Maybe it is unfair to speculate, but the idea occurred to many that EPA wasn't going to sit down with another agency unless it had control.

Problems included, the summit was an excellent chance to set a Tri-City and regional agenda for Hanford.

The future of Hanford must be secured by a coordinated effort, with a mission statement broad enough to bring in as many different groups as possible.

O'Leary will be back in six months telling what she's accomplished.

We ought to be ready for her, with a list of our own.

Safety overhaul speeds studies on tank farm

TRI-CITY HERALD
Tri-Cities

SEP 18 1993

By JOHN STANG

Herald staff writer

Some Hanford tank farm studies are being sped up under promises that Westinghouse Hanford Co. and Energy Secretary Hazel O'Leary made to each other.

The action is one of the latest developments in a tank farm overhaul prompted by a series of mishaps over the past few months.

Westinghouse officials discussed the developments Friday. They also speculated a work slowdown for the operations overhaul could last three to six more months. Additional improvements may take up to a year. Said an investigation into two recent safety incidents at the tank farm show evidence of procedural problems. The incidents were the accidental turn-on of Tank 101-SY's mixer pump and the rock-on-a-rope incident at Tank 106-C.

Westinghouse also plans to conduct an extra \$35 million worth of tank farm work in 1993-94, with much of that money coming from more efficient operations.

The company plans to conclude studies in early 1994 on how to tackle problems involving ferrocyanide in 24 tanks, diluted plutonium in several tanks, and Tank 103-C's flammable vapors. These studies were originally due later in the decade.

While the tanks' ferrocyanide contents are wet, dry ferrocyanide is potentially explosive.

And while the tanks' plutonium contents are believed to be too diluted to be dangerous, the potential for an explosion exists, said Harry Harmon, Westinghouse vice president for tank farms.

The speed-up also would accelerate removal of wastes from single-shelled Tank 106-C—which spontaneously heats up—and putting them in a more secure double-shelled tank.

Westinghouse plans to raise up to \$20 million of the \$35 million to be used for the acceleration by improving the efficiency of its tank farm operations, said William Alunkal, Westinghouse executive vice president for the tank farms.

Alunkal said O'Leary said DOE

will provide the remaining money in fiscal year 1994 from funds earmarked for these studies later in the decade.

The present 1993-94 tank farm budget is roughly \$400 million.

Meanwhile, Alunkal said, "we are making good progress" on upgrading training and procedures at the tank farm.

The Tank 101-SY and Tank 106-C investigation noted examples of the procedural problems that have plagued Hanford.

Problems noted included operators who do not know procedures, communications problems, no evacuation of the immediate Tank 101-SY area after the accidental pump start-up created the potential for escaping gas, inadequate planning before the Tank 106-C incident, workers' doubts about management's commitment to safety, unclear work expectations and poor teamwork.

"It's a combination of management failures and operator failures," Alunkal said.

Alunkal said Westinghouse agreed with the conclusions and expects DOE to order changes soon. Westinghouse is already working on anticipated changes.

Dan Swain, Westinghouse's acting director for waste tank operations, said, "Operators were succeeding in spite of the procedures instead of because of them. ... The procedures have been a roadblock to excellent performance in the past."

Swain said the investigation did not find previously undiscovered incidents.

But "there was an undercurrent of incidents in the past" with no idea how long in the past," he said. "Stories like I heard from so-and-so this happened to someone."

Westinghouse officials said most tank farm workers are committed to a well-run operation and are working hard on improvements.

One of the top priorities is renewing full-fledged testing of the mixer pump, which is designed to cure the potentially flammable hydrogen "burps" at Tank 101-SY.

Swain said the delayed tests will be renewed before the three-to-six-month slowdown is done.

Handwritten initials

SEP 17 1993

O'Leary acts to stop safety lapses at Hanford

■ The U.S. Energy secretary also opens the way for more hiring to oversee contractors and speed the cleanup effort at the nuclear site

By JAMES LONG
of The Oregonian staff

RICHLAND, Wash. -- U.S. Energy Secretary Hazel O'Leary shook up the Hanford nuclear site's management structure Wednesday in hopes of putting an end to small-like clean-up progress and embarrassing safety blunders.

"It's been a hell of a year," O'Leary said grimly, "and I promised my mother that I wouldn't swear in the media."

In town for a "summit meeting" on Hanford's economic future, the secretary discovered that her Richland field office was trying to monitor \$1.7 billion worth of contracts involving more than 17,000 contractor employees, with just 420 civil servants.

John Wagoner, Energy Department manager at Hanford, complained that he didn't even have enough specialists to monitor work on the tank farm, where one contractor crew was recently caught

"testing" an access pipe by lowering a rock on a string.

O'Leary promised that Wagoner could hire at least 20 more badly needed engineers and other helpers without getting down on his knees to Washington, which had been the required procedure.

"I don't intend to manage Hanford back in Washington," she said as she toured the dusty 560-square-mile site. "John is going to manage it."

O'Leary was in Richland for an economic summit on the future of Hanford in which she committed to a 10-point program ranging from cutting secrecy to speed up private technological development, to looking for a way to fund citizen participation in Hanford decisions.

She and Washington Gov. Mike Lowry, co-host of the summit, agreed to formation of a Hanford advisory committee within the next two months.

Meantime, O'Leary said Westinghouse Hanford Corp. the Energy Department's main contractor, would be held responsible, from now on, for the performance of dozens of minor contractors at Hanford, and not just its own performance.

"I'm making it clear that one contractor is in charge and not many (contractors) stumbling and bum-

bling over each other," O'Leary said.

Her announcement came as the Energy Department's Hanford field office, Westinghouse, and Kaiser Engineers continued to smart from a string of embarrassing safety lapses going back through the summer. One truck loaded with radiation monitoring gear backed over an access pipe on a buried waste tank, spilling a small amount of gasoline.

In a different incident, a steam line broke and killed a worker.

O'Leary said she thought Westinghouse was a good contractor and could do the job. "but if they don't, we'll find someone who can."

The future of Hanford

O'Leary envisions time when cleanup finished

By Joel Connelly
P-I National Correspondent

The Energy Department will probably quit the Hanford Nuclear Reservation when it completes the massive cleanup of radioactive wastes there, Energy Secretary Hazel O'Leary said yesterday.

"One can and should envision a time when the Department of Energy is finished at Hanford," one of America's vintage nuclear weapons plants, she said.

But the department won't be leaving any time soon. It is expected to spend more than \$50 billion to contain and control the nation's largest concentration of high-level radioactive waste.

The project is expected to last up to 25 years, O'Leary declined to speculate on a completion date, saying: "I would be a liar and you would know I was a liar if I established a date certain."

O'Leary hinted, however, that cleanup may be the final mission of the 560-square mile nuclear reservation.

The federal government virtually created the Tri-Cities economy from the time in 1943 when Hanford became a Manhattan Project site for production of plutonium for the nation's first atomic bombs.

"The presence as we've known it, and the boom times, one cannot envision that after the cleanup is complete," O'Leary said.

In a meeting with Post-Intelligencer editors, O'Leary was careful to put at arm's length the so-called Isiah Project, a plan that would create a new mission for the Department of Energy at Hanford.



Hazel O'Leary, energy secretary, sees a time when cleanup is finished.

O'Leary: Future of Hanford

The proposal is a brainchild of former Washington Public Power Supply System managing director Bob Ferguson. He proposes to have the Energy Department buy two mothballed, partially built WPPSS nuclear plants.

The reactors would be completed and used to dispose of plutonium from dismantled nuclear weapons. A trio of private contractors would run the

operation for the federal department.

O'Leary said she is not familiar with the WPPSS plan. She was annoyed by a press report that she had been fully briefed by its sponsors. "Already I have a problem with trust," she said.

"I'm not going to get out front on this without thinking the technology is sound."

Unlike previous energy secretaries, O'Leary indicated her department won't try to complete any reactors or turn nuclear swords into plowshares without support and participation from the state.

"One major consideration stands in the way: Will the people of the state of Washington get behind this?" she asked.

O'Leary, who served with the Department of Energy during the Carter administration, has implemented a 180-degree reversal from the administrative policies of her predecessor, James Watkins.

Arguing that the agency had become a series of autonomous kingdoms — and citing the Hanford and Savannah River weapons complexes as prime example — Watkins imposed central direction on nuclear weapons production and waste management.

O'Leary has given far more flexibility to Department of Energy contractors under a policy she described yesterday as "authority and accountability."

Hanford will provide a major test of the approach. The nuclear reservation has recently experienced what the Department of Energy calls "seriously deficient" safety procedures.

"The history this year has

been maudlin," O'Leary acknowledged.

In the best-known incident, Kaiser Engineers Hanford employee taped a rock to a pole and lowered it through a pipe into a nuclear waste storage tank to see if the pipe was clogged. When the rock was pulled up, the worker's hands and clothing became contaminated with radioactive waste and he needed medical treatment.

"What you had was a subcontractor without training," O'Leary said.

She said she has read the report to Hanford managers and particularly to Westinghouse Hanford Co., the reservation's main operating contractor.

O'Leary indicated that Westinghouse may not continue as Hanford's chief contractor if safety violations persist at the reservation's 177 radioactive waste tanks. "If Westinghouse does no measure up, they will not have an opportunity to compete," she said.

"They do well when they do not do the department's work," she added, referring to Westinghouse, the parent company of Westinghouse Hanford.

During meetings at Hanford this week, O'Leary got an earful about Hanford's record of safety mishaps and coverups of its mistakes.

She heard from former Gov. Booth Gardner about a 1985 inspection visit. Warning signs had been posted after a recent spill of radioactive waste. The signs were hastily taken down from the governor's inspection route although decontamination work was not complete. If anybody tries to conceal bad news from her, O'Leary said, "I will fire the person involved. It cannot and will not happen today."

(An abbreviated version of this also ran in the 9/17 Spokesman Review, p. B2)

DOE cracks down on INEL contractors under reform

By Tim Jackson

Of The Journal

IDAHO FALLS — The Clinton administration wants more accountability of contractors at sites such as the Idaho National Engineering Laboratory.

So Deputy Energy Secretary Bill White described admiringly by INEL manager Augie Pitrollo as a "zealot" on contractor reform, came to Idaho Falls this morning to gather comments on the issue.

"Today, we take another step forward in our effort to repair a broken process," White said before a meeting to gather comments. Most of those who attended work for the INEL's contractors.

Too much red tape and not enough results exist at Department of Energy sites around the nation today, White said a recent performance review of government contractors found.

In its transition from a former Cold War emphasis on producing weapons — to the DOE's new focus on research and development that can benefit the private sector — White said getting more results from the \$15.8 billion taxpayers will shell out to

contractors in fiscal 1994, is critical.

"The American public believes its government is not spending its money wisely ... We've got to do something about that."

Energy Secretary Hazel O'Leary White said, is committed to broad reforms and has set some goals.

One is to ease transfer of government technology to the marketplace by cutting in half the amount of time it takes to draw up Cooperative Research and Development Agreements between DOE labs and private industry.

Another is to prove to Congress that DOE money is spent wisely, by establishing an "independent peer review process" of contractor efficiency "that is not controlled by the contractors."

Westinghouse Electric Corp. group president John Yasinisky recommended steps to reform contractors.

Right now, contractors often "do not understand what the DOE expects from them," Yasinisky said. "There is no specific agreement on how they must perform to earn a satisfactory rating or exceed that level."



The Secretary of Energy
Washington, DC 20585

OLWHMCLARTY-ES93-0215

of 10/1/93

September 30, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE
FROM: HAZEL R. O'LEARY *Hazel R. O'Leary*
SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• International Atomic Energy Agency Conference

The International Atomic Energy Agency (IAEA) is the arm of the United Nations that serves as the world's central inter-governmental forum for scientific and technical cooperation in the field of nuclear energy.

My address to the conference communicated President Clinton's message of strong and continuing support for the IAEA's vital role in global non-proliferation and was important because it coincided with the President's address to the United Nations. My remarks stressed that all nations need to support efforts to halt the spread of nuclear weapons and associated materials and that nuclear nations should increase access to information relating to environmental and health concerns associated with production and storage of nuclear weapons. I also urged China to uphold the nuclear test ban moratorium. Finally, my address outlined some of the challenges facing the IAEA as it moves into the post Cold War era. These challenges include:

- ensuring the indefinite extension of the Nuclear Non-Proliferation Treaty;
- refocusing past superpower priorities from weapons production to dismantlement and non-proliferation;
- developing a cooperative effort to ensure safe, long-term disposition of dismantled nuclear materials; and
- utilizing productive applications of nuclear energy in power production, agriculture, medicine, industry, research and other activities.

Bilateral meetings with my colleagues offered positive dialogue on issues of mutual importance to the United States and the following nations:

- | | |
|---------------|------------------|
| - South Korea | - Russia |
| - Japan | - France |
| - Germany | - South Africa |
| - Ukraine | - United Kingdom |

I will brief appropriate State Department and National Security Council staff on the substance of my discussions on nuclear testing when I return.

Date 10/1/93
To:

Superconducting Super Collider

As a result of many efforts to garner support for the Superconducting Super Collider (SSC), the project passed the Senate by a 57-42 margin. Our focus now shifts to the Conference Committee. We will continue to address the management issues raised regarding the project because the House Energy and Commerce Committee is expected to hold a hearing to build public and member opposition to the project prior to Conference Committee. Next week I will announce several actions in connection with management initiatives for the SSC. Specifically, I will release two important documents essential to management strategies for the project: a corrective action plan which shows how the Department is implementing all of the General Accounting Office and the Office of the Inspector General recommendations and an implementation plan which addresses specific recommendations of a study which I commissioned that identified \$1.5 billion in potential cost risks and overruns for the project.

Additionally, I will announce the appointment of two individuals to provide independent oversight and address management issues associated with this project. Admiral Kenneth Woodfin, former procurement official with the Department of Defense and NASA, will assist the Department determine the best means of incorporating a new contractor into the project to execute and integrate the overall facility. A second individual, a highly-respected female physicist, will assist in developing a strategy for eliminating the cost risks associated with the project identified by the report. It is my judgement that it is necessary to communicate these actions through the media in order to highlight the Administration's intent to effectively manage the project.

These announcements and initiatives are intended to show the Department's continued aggressive stance on management integrity for this project. This message will be conveyed to members of the Conference Committee and other members of Congress. I will also work with Members of the House of Representatives to urge them to recede to the Senate position and retain full funding for the SSC in the conference report.

B-Factory

Early next week I will transmit a formal announcement of the Department's selection of a preferred site for the construction of a high-energy physics facility known as a B-factory. This facility will cost between \$100 million and \$200 million over the next five years and will benefit the Nation by helping retain U.S. leadership in the frontiers of high-energy physics. Two competing proposals for the facility are from New York State (Cornell University) and California (Stanford Linear Accelerator Center). A technical review of the two proposals was completed in July. The Department has carefully examined this review, has briefed Jack Gibbons and the Office of Management and Budget, and will begin briefing key Senators this week. We are working with the White House to ensure that the announcement next week benefits the Administration.

Assessment Report on Future of Fast Flux Test Facility Reactor

The Fast Flux Test Facility (FFTF) reactor at the Department's Hanford Reservation in Richland, Washington, was originally built as a test facility for liquid metal reactor fuels. Given the present day departure from nuclear power as a widely viable domestic energy source, the mission of the FFTF is in question. My predecessor had placed this reactor in cold stand-by.

At the request of the Washington State Congressional Delegation, the Department initiated an independent study June 15 to determine if there were missions available for the Fast Flux Test Facility which would provide revenues for these missions and thus reduce the cost of the facility to the government. The study was completed September 22. The report found no viable alternative uses for the facility and recommends that it be shut down, providing that the Department's remaining test reactors can accommodate the necessary missions.

At present there are approximately 725 workers on the FFTF project. We do not expect a large number of these individuals to be involuntarily separated from their positions because the high degree of technical skill possessed by these workers, coupled with the growing environmental remediation mission at the Hanford Reservation, will allow most of these workers to be transferred to cleanup missions.

The delegation clearly understood before the study was conducted what the results would likely be. The issue most concerns Senator Murray and Representative Inslee, and they will be personally briefed on the report's conclusions.

THE WEEK AHEAD

- Technology Transfer

Wednesday I will participate in a signing ceremony for a cooperative research and development agreement (CRADA) worth \$3.3 million which will enable Lawrence Livermore National Laboratory and Fischer Imaging Corporation to work toward commercializing a technology which digitizes mammograms. Through this technology the Nation could benefit from improved medical record-keeping and analysis of breast cancer cases. This CRADA clearly illustrates how technologies developed for defense missions are being redirected toward dual-use benefits. Senator Boxer and Representatives Marilyn Lloyd, Pat Schroeder, and Bill Baker will be involved also to bring attention to the National Breast Cancer Strategy Act. We will work to gain visibility for this event as part of the health care initiative since this technology addresses the main health issue facing women today.

- SRI International Address

Tuesday October 5, I will address members of SRI International's Corporate Circle in Washington. SRI International is one of the world's largest not-for-profit research and consulting firms. My address to over 30 chief executive officers from Switzerland, Norway, Japan, Spain, Germany, United Kingdom, Holland and Italy will focus on issues such as the North American Free Trade Agreement, energy pricing, global climate change, environmental protection, and U.S. oil import policy.

- Business Executives for National Security

Friday October 8, I will address the Business Executives for National Security. More than 65 CEO's will hear about the Administration's commitment to non-proliferation policy and the Department's initiatives to utilize the National Labs to benefit civilian economic performance.

CONGRESS

- Outreach Meetings

Speaker Tom Foley (D-Washington) -- I will meet with Speaker Foley Wednesday to discuss issues of mutual interest. He is interested in meeting with me because of the beneficial relationship that has been established between the Speaker's office and the Department.

Senator Bob Graham (D-Florida) -- At the request of Senator Graham, I will attend the Senate Majority Dinner Tuesday.

PRESS

- IAEA Conference

My address at the International Atomic Energy Agency's annual conference in Vienna, Austria received international media coverage.

- Los Angeles Times Interview

Wednesday October 4, Melissa Healey of the *Los Angeles Times* Washington, D.C. bureau will interview me. This interview will focus on the Department's strategic priorities and its ongoing work on Administration initiatives such as global climate change mitigation and the North American Free Trade Agreement.

- National Energy Awareness Month

Monday, October 4, the Department will kick off *National Energy Awareness Month* with a media event at Headquarters. The Department will transport students from Washington schools to the Forrestal Building in compressed natural gas buses to view demonstrations of energy efficient technologies. We will unveil the Department's energy efficiency initiatives which will create for the government over \$1.1 million in energy savings over the next few years. Local media attention is expected for this event.

Later in the month, I will appear on a nationally televised morning news program to highlight the Department's work in energy efficient technologies. We will hold an event each week to highlight elements of the Administration's energy policy.

PRESIDENTIAL INITIATIVES

- Non-Proliferation

In keeping with President's belief that non-proliferation is a paramount concern to the global community which he articulated to the United Nations General Assembly, I stressed non-proliferation as a central theme to the IAEA and in bilateral meetings with the representatives of eight different nations.

- North American Free Trade Agreement

I made several calls to congressional members to determine their support of the North American Free Trade Agreement (NAFTA) and communicated the results to the White House.

Friday October 8, I will participate in satellite television interviews at the request of the White House to explain the Department's renewable energy technologies which are part of several side agreements to the North American Free Trade Agreement. This event is part of the Department's overall effort to advocate the benefits of NAFTA through the media and with members of Congress.

Russia Visit

Tomorrow we will fax updated information on my meetings in Russia with senior officials and Prime Minister Chernomyrdin.

MONDAY, OCTOBER 04, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

9:00 AM - 9:45 AM Daily Operations Report
(Don Pearman)

10:00 AM - 11:00 AM Senior Staff Meeting

12:30 PM - 1:30 PM Lunch

2:00 PM HOLD: National Energy Awareness Month
(Press Event)

3:30 PM HOLD: NSC Principles
(Vic Reis, Jack Keliher
Bob DeGrasse)

5:15 PM - 6:15 PM Appointment

TUESDAY, OCTOBER 05, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

9:45 AM DEPART DOE FOR THE WILLARD HOTEL
Met by Reggie Sellers

10:00 AM - 11:00 AM Speak at the SRI International Roundtable
The Willard Hotel
14th & Pennsylvania Avenue, N.W.

11:15 AM DEPART THE WILLARD HOTEL FOR DOE
Met by Reggie Sellers

11:30 AM - 12:30 PM Waste Isolation Pilot Project
(Tom Grumbly, Don Pearman, Dan Reicher,
Joe Lytle, Mark Frei)

12:30 PM - 1:30 PM Lunch - Carol Browner, Environmental
Protection Agency

2:00 PM - 4:00 PM Staff Time

6:30 PM The Senate Majority Dinner (Black Tie)
Washington Hilton Hotel

WEDNESDAY, OCTOBER 06, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

9:00 AM - 10:00 AM Dr. Hassan Minor, Dr. Walter Lowe
and Dr. Franklin Jennifer of
Howard University

10:15 AM DEPART DOE FOR THE CAPITOL
Met by Reggie Sellers

10:30 AM - 11:00 AM Speaker Tom Foley
The Capitol Building - H-204

11:00 AM DEPART THE CAPITOL FOR DOE
Met by Reggie Sellers

11:30 AM - 11:45 AM L. A. Times Interview - Melissa Healy

12:30 PM - 2:00 PM Team Lunch- Kristine Gebbie
(B. DeGrasse, P. Didisheim, D. Dreyfus,
A. Durham, D. Forrister, M. Gauldin,
T. Grumbly, J. Hakes, J. Keliher, M. Krebs,
C. Moody, B. Nordhaus, T. O'Toole, D. Pearman,
D. Reicher, V. Reis, R. Rosenzweig,
T. Cornwell-Rumsey, K. Simpson, W. Taylor,
S. Tierney, B. White)

3:00 PM - 3:15 PM Security Police Annual Awards - Photo-Op

3:30 PM - 5:00 PM ESAAB Meetings

5:15 PM - 6:15 PM Appointment

7:30 PM TENTATIVE: Dinner - Secretary Ron Brown

THURSDAY, OCTOBER 07, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:30 AM Beth, Carolyn, Johannah, LaWanna

9:00 AM - 11:00 AM CEOs NAFTA

11:00 AM - 12:30 PM HOLD

12:30 PM - 1:30 PM Lunch

2:30 PM - 3:30 PM Phillip Bayne, President and CEO;
Ann Bisconte, Research Vice President
U.S. Council for Energy Awareness

4:00 PM Bob Schule

FRIDAY, OCTOBER 08, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers

8:00 AM - 8:15 AM HOLD

8:15 AM DEPART DOE FOR BUSINESS EXECUTIVES
FOR NATIONAL SECURITY, INC.
Met by Reggie Sellers

8:30 AM - 9:45 AM Address - The Business Executives for National
Security, Inc.

10:00 AM DEPART BUSINESS EXECUTIVES FOR NATIONAL
SECURITY, INC. FOR DOE
Met by Reggie Sellers

11:30 AM - 12:15 PM Doreen Andrews

12:30 PM - 1:30 PM Lunch

2:00 PM - 3:00 PM White House NAFTA Press

4:30 PM - 5:30 PM Planning Meeting
(R. Rosenzweig, D. Reicher, W. Taylor,
D. Forrister, M. Gauldin, B. Rainey,
J. Dottori)

Amarillo Daily News

(Circ: 43,321) DAY LEAVE 100/ DATE 9-29-93 PAGE 5A

Area must address future of

The U.S. Department of Energy currently is preparing the draft Programmatic Environmental Impact Statement (PEIS) for the Reconfiguration of the United States' Nuclear Weapons Complex. The PEIS will drive the DOE's decisions on how and to what extent DOE will transfer and consolidate functions within the complex, including the expansion of the Pantex nuclear weapons plant in Amarillo, a matter of vast importance to the Panhandle and the entire state.

Because of cuts in the national defense budget, and dismantlement of much of our nation's nuclear arsenal due to heightened tension around the world, the nuclear weapons complex (consisting of 13 sites across the country) will undergo a process similar to that which the country's military bases have undergone: downsizing, consolidation of functions and closure of a number of facilities.

What does this mean for Pantex? The issue, simply stated, is whether Pantex is expanded or closed. Consolidation and downsizing of the nuclear weapons complex will occur because of budget constraints, large defense



GUEST COLUMN

Alisa M. Sell

cuts and weapons reduction. In a recent "Notice of Intent" relating to the reconfiguration process, DOE listed as "Alternatives for Pantex:" (1) expansion through transfer of missions (including research and development), and (2) "withdrawal of weapons missions" (meaning closure since Pantex, unlike other facilities, is solely devoted to weapons functions).

The changing world scene and domestic budget pressure will mean Pantex cannot continue to exist as it has in the past. Either it grows or it closes.

The DOE has extended invitations for public comment on the scope of its Programmatic Environmental Impact Statement for Reconfiguration of the Nuclear Weapons Complex. The department will hold 12 public scoping meetings during September and October near all the sites proposed to be analyzed by the PEIS to enable the public to provide comments on the PEIS. The PEIS will assess the environmental impact of alternative configurations for nuclear materials storage, processing and component fabrication element and the research, development and testing elements. Among these alternatives is the creation of a new module encompassing storage, processing and fabrication functions, along with research, development and testing functions.

How will this affect Pantex? The major substantive difference in the reconfiguration plan, and the one with the most significance to Pantex, relates to the consideration by DOE to locate a research facility at the reconfiguration site. The possibility of Pantex being selected as the site for a research facility of this type

Pantex, local economy

immeasurably enhances the benefits it otherwise may have received from reconfiguration. Such a research facility would be of enormous significance to the Panhandle and the state's universities.

Texas Tech University, the University of Texas System and the Texas A&M University System announced the formation of a research consortium in support of the current and expanded research efforts at Pantex on July 19. The consortium has created a task force composed of representatives of each institution that will examine how the universities can assist and support DOE in its current research and development mission at Pantex and how such a mission might be expanded as a result of reconfiguration. Panhandle area institutions of higher learning, including Texas State Technical College, Amarillo College, West Texas A&M University and the VA Medical Center, are also involved in the consortium to explore potential research missions to be located at Pantex. The consortium already is consulting with DOE on expansion of potential new research efforts at Pantex, some of

which could commence as early as this fall.

The Pantex Retention and Expansion Office believes time is of the essence in this project. Amarillo cannot afford to gamble with the future of an industry so vital to this region and this state, nor can it compromise the effort to assist in obtaining for Amarillo a research facility which will bring to the community gifted intellects dedicated to enhancing the quality of life for all. Any environmentally sound expansion of Pantex, especially one including a research facility of this type, should not only be encouraged but actively sought. If the environmental soundness of the plant and its programs is demonstrated, Pantex could reap untold benefits for our state. The presence of the university consortium and the strong environmental record of DOE Secretary Hazel O'Leary and her commitment to safety and health issues, give us confidence that any expansion will be done safely, or else DOE will not proceed.

Alisa M. Sell is the project coordinator for the American Economic Development Corporation's Pantex Retention and Expansion Project. The purpose of the project is to ensure the retention of Pantex in Amarillo and to seek its safe expansion as a vital and environmentally sound component of the nuclear weapons complex.

Amarillo must determine

Judging the Pantex expansion issue is a process. The process, at the primary level, consists of gathering information and assessing risks. In a broader sense, it involves determining who we are and where we are going. We are called upon to decide what we want for ourselves, our community and future generations. We are asked to define ourselves in a manner that reveals our self-esteem — how we feel about ourselves and our community.

Some have decided we have a limited future. They doubt things will get better, and they are not optimistic that we can attract good new business. They lack hope and are resigned to frustration and despair. This defeatism makes them willing to accept things no one else wants because they don't believe we can do any better. They are willing to take risks other communities have rejected and pretend we are engaged in intense competition. Their propaganda campaign to sell the citizenry is based upon exaggeration, distortion and myth, and a look into their eyes betrays a lack of conviction.

It is time to examine some of those myths in an effort to put this issue into the proper perspective:



GUEST COLUMN
W.H. O'Brien

• *It's all or nothing.* Boosters insist we must agree to accept the high-risk plutonium operations or Pantex will close. There is zero support for this assertion. In fact, Secretary of Energy Hazel O'Leary said for the record in a meeting I attended that the Department of Energy didn't have the money to replace this facility elsewhere and Pantex was doing a good job with good people. The current mission will last well into the next century.

• *Plutonium operations.* Boosters maintain plutonium storage has been at Pantex for years. Plutonium certainly has been there for placement in bombs and now removal. It moved in and out in "staging" operations —

held as work in progress. Never have we had permanent storage or processing of plutonium. These are the types of troubling operations that have created enormous safety and environmental problems elsewhere.

• *Economic boom or bust.* Boosters contrast an expanded Pantex with 10,000 new jobs with a closed Pantex, forcing 27,000 people out of town. There is no support for either case. DOE has never promised 10,000 new jobs and Pantex is not going to close. The economic harm of an expanded Pantex which includes plutonium operations is obvious. We would be putting all our eggs in one basket and foreclosing a promising business future. The plutonium operations would negatively impact the decision to relocate by 72 percent of potential new businesses to the area. Moreover, existing businesses would reconsider expansion plans. The net result would be a long-term dependency on the government with an over-reliance on one sector of the economy.

• *Economic diversity.* The Amarillo Economic Development Corporation issued a press release reporting that the largest site location consulting firm, PHH Pantus, had as-

which future to pursue

sured it that an expanded Pantex would not have any negative impact on future business development. PHH Pantus told Operation Commonsense that it made no such representation, and AEDC has been unable to substantiate its claim.

PHH Pantus, along with many other site consulting firms, has made a policy of recommending against too much reliance on any one sector. A Pantex with the plutonium operations would prevent economic diversity because it would foreclose new business development.

• *Consortium experts say plutonium operations will be safe.* "Expansion at Pantex is safe, beneficial for area" read the headline for a guest column in this newspaper by a Texas A&M professor. The Department of Nuclear Engineering at Texas A&M, hoping for millions in DOE grants, has backed the boosters on the safety issue. The problem is, members of the department have not spent their careers working in the weapons plants and studying plutonium storage and processing. The consensus among independent experts who have

Pantex is not advised for safety and security reasons. These highly relevant reports, found in scientific publications and given in testimony before Congress, have been totally ignored by the boosters.

• *Negative media blitz.* Boosters attribute negative media reports on Amarillo and plutonium operations to an uninformed media. As we try to assume that U.S. News & World Report, ABC, NBC, CBS, The Washington Post, The New York Times, Scientific American and many others are all publishing incorrect information?

My mother always said when the rest of the world sees things differently from yourself, maybe you should take another look at your thinking. We don't want Amarillo to get a black eye at the hands of image makers for doing something dumb.

There is broad community support for Pantex. There is broad support for an expanded facility, excluding plutonium operations (except for the necessary task of staging the pits). It is time for a reality check and a carefully weighed decision on our future.

N. Korea refuses to discuss nuclear inspections

^{A10}
VIENNA, Austria (AP) — North Korea refused Monday to resume talks on the monitoring of its nuclear facilities, deepening suspicions that it is developing nuclear weapons.

North Korea called off the talks as the International Atomic Energy Agency, the United Nations' nuclear watchdog, opened its annual general conference in Vienna.

North Korea denies building nuclear arms, but suspicions were raised in March when it stopped allowing full inspections of its nuclear facilities. The communist country has since announced it intends to withdraw from the Nuclear Nonproliferation Treaty.

If North Korea were to build nuclear weapons, South Korea and Japan might try to develop their own nuclear stockpiles as deterrents. Ad-

ding to concerns in the region, Japan and the United States confirmed earlier this year that North Korea has tested a missile capable of reaching Japan.

After talks on inspections earlier this month made no progress, the North Koreans agreed to resume negotiating next month in Vienna. But officials were angered last week when the agency put the inspections dispute on the general conference agenda.

That action "makes it impossible" to hold the next round of talks, North Korea's atomic energy minister, Chol Hak Gun, said in a letter to agency General Director Hans Blix. The letter was released Monday.

Blix said North Korea's willingness to comply with inspection requirements "appears to have dimin-

ished rather than grown."

Inspections made before March suggest that North Korea has nuclear material it has not reported, Blix said. The agency is not accusing the North of using that material for weapons, but it "cannot exclude" the possibility, he said.

North Korea's rejection of the non-proliferation treaty threatens to undermine the pact's credibility in the post-Cold War era.

South Korea's delegate to the general conference, Si-Joong Kim, expressed "grave concern" that North Korea's intransigence could undermine efforts to prevent the spread of nuclear arms.

U.S. Energy Secretary Hazel O'Leary read a message from President Clinton praising Blix's "vigorous and forthright efforts" to resume

inspections in North Korea and urging the North to cooperate.

Among the sites most worrisome to North Korea's neighbors is a nuclear complex at Yongbyong, about 60 miles north of Pyongyang, where South Korea suspects that weapons-grade nuclear material is stored.

The general conference can do little beyond formally urging North Korea to submit to inspections. But that could be a prelude to tougher action, such as economic or diplomatic sanctions, by the U.N. Security Council.

North Korea has accused the atomic agency of lacking impartiality and suggested it is bowing to political pressure from the United States and its allies.

CONTINUED

BURRELLE'S

NEWS EXPRESS

PAGE 2 OF 3

DALLAS MORNING NEWS SEP 28 1993

Latin America opens door to U.S. oil firms

By Gregg Jones

Staff Writer of The Dallas Morning News

P. 1D

Latin America has long been one of the last frontiers in the worldwide search for oil and gas, a place rich with promising prospects. But government barriers throughout the region made it an inhospitable place for U.S. companies to do business.

Not any longer, Latin oil ministers and industry experts said Monday.

One after another, officials from 10 Latin American countries stood before a Dallas audience to declare a new era of opportunity for foreign investors looking to get involved in the region's oil and gas sector.

The breakdown of government-imposed barriers presents "beautiful opportunities" for the United States and foreign energy companies interested in helping develop the region's resources, said Gabriel Sanchez-Sierra, executive secretary of the Latin American Energy Organization.

The forum was the second Inter-American Petroleum and Gas Conference, a two-day gathering that opened Monday at the Fairmont Hotel in downtown Dallas. About 450 Latin American government and oil industry officials and their counterparts from the United States, Canada, Europe and Asia are attending the conference. The gathering was organized by the East-West Center in Honolulu and is being hosted by Southern Methodist University's Institute for the Study of Earth & Man. Please see LATIN on Page 4D.

Study of Earth & Man.

U.S. energy officials and industry experts echoed the enthusiastic sentiments of Latin American officials. Deputy U.S. Energy Secretary William White, the keynote speaker, said "enlightened energy policies" throughout the hemisphere are creating unprecedented economic opportunities for the United States and its southern neighbors.

Most of the day's discussions focused on the tearing down of investment barriers in Latin Amer-

ica. But a number of speakers from around the region spoke of the importance of the United States practicing the free trade principles it has been preaching for years by passing the North American Free Trade Agreement (NAFTA). Mr. Sanchez-Sierra, for one, emphasized that passage of the controversial trade pact is viewed by Latin America as an important step toward hemispheric cooperation.

Daniel Hokama, Peru's minister of energy and mines, said in

comments that mirrored those of his regional neighbors that his country was working on a basic premise: "The best way to establish investment stability is to establish permanent standards" — an obvious statement, perhaps, but one that has not enjoyed much currency until recently in much of Latin America.

In recent weeks, Peru has broken from the pack of Latin American nations that are moving toward liberalization of their oil and gas sectors by opening new doors to foreign investment. Privatization is now an important component for developing Peru's hydrocarbon industry, he said.

Driving the changes sweeping Latin America's oil and gas sector is a global competition for credit and investment that has arisen in the wake of the Cold War's conclusion, Mr. White said.

"We have a big stake in energy development in the hemisphere," he said. "We want to be part of a hemispheric trading system, and we want to be a leader in the oil and gas industry."

State oil companies throughout Latin America are embracing the changes in their quest for badly needed foreign capital. That has prompted Argentina, Peru, Ecuador, Venezuela, Colombia and other nations to start privatizing — or at least liberalize — what were once tightly controlled government bureaucracies, government officials and regional experts said.

"We have a big stake in energy development in the hemisphere . . . and we want to be a leader in the oil and gas industry."

— William White, deputy energy secretary

To compete in the new world economic realities, the state companies of Latin America must either fully privatize, or at least insulate their companies from direct government political interference, said John Treat, a former State Department official and vice president of the Booz, Allen & Hamilton management consulting firm.

Experts and government officials at the Dallas conference seemed to agree on one point: Foreign investment is critical to helping the competition-averse state companies make the transition from bumbling bureaucracies to booming business.

BURRELLE'S
NEWSPRESS

-Valley Times

Tuesday, September 28, 1993

Labs join alliance to inform the public

By PETER WEISS

Staff writer

LIVERMORE — Eleven national laboratories, including Lawrence Livermore and Sandia national laboratories, have teamed up with environmentalists to call for easier public access to lab environmental, health and safety information.

A five-page position paper mailed to Energy Secretary Hazel O'Leary Sept. 9 by Sandia labs Director Al Narath notes that "in the past, DOE (the Department of Energy) has not always made information available to public-interest groups in a timely fashion."

By following the paper's recommendations to improve public participation in environmental cleanup and waste-handling decisions, "DOE laboratories can lead the way in bringing about an atmosphere in which technical information is available," according to a committee of lab directors' representatives and members of the Sierra Club, Environmental Defense Fund and other environmental groups.

DOE oversees nearly 30 laboratories nationwide, ranging from single-purpose labs, such as Stanford Linear Accelerator Center — a high-energy physics lab — to labs with large, diversified research programs, such as Livermore and Sandia.

Among the paper's recommendations, it urges that the labs:

- Set up and work with advisory boards drawn from nearby communities, utilizing public input even on funding decisions regarding cleanup and waste-management programs.

- Hold public meetings on lab plans to comply with environmental, safety and health regulations, and on new findings regarding the extent of contamination or health problems at a site.

- Develop in-house policies for making pertinent information available and assign personnel or an office to disseminate it.

- Keep citizens informed via an 800 number and bulletins sent to a regularly updated mailing list.

But each lab should choose for itself what it needs for its particular circumstances, said Regina Hunter, a spokeswoman for the committee. "This is a statement of principle rather than a guidebook," she said.

Livermore lab has already introduced many of the paper's suggestions, including a ground-water cleanup advisory group and a newsletter on its restoration work, said David Layton, a Livermore lab scientist who served as an alternate to the group preparing the paper.

The lab plans to develop a formal public-participation policy, he said.

Sandia/California lab sent a draft public-participation plan to DOE for review last month, said spokesman Harry Schrauer. The plan calls for public meetings at least once a year, plus public tours, newspaper announcements and, perhaps, a lab newsletter.

Easier access "will be a welcome change if it's a real change and not just public relations," said Marylia Kelley of lab watchdog group Tri-Valley Citizens Against a Radioactive Environment. "In the past, access to information has been deplorable, both at DOE and the labs, predominantly Livermore lab."

Kelley said she unsuccessfully sought a copy of the public-participation paper from Livermore lab Monday. She eventually got it from Sandia, she said.

Sierra Club member Jay Sorenson, who helped write the paper, said that by endorsing it, Livermore

lab Director John Nuckolls and 10 other lab directors had pledged their labs to a more open way of dealing with the public — a way that DOE has already endorsed.

DOE took that step at meetings last spring at Keystone, Colo., between it and other federal and state government agencies, American Indian tribes and public interest groups, he said. Those meetings had led to a "major breakthrough" in increasing public participation and government accountability regarding environmental restoration, he said.

Sorenson said that in the current paper, "what we attempted to do was to get the lab directors to agree to the adoption of the Keystone process. That's what this paper has done."

Livermore labs cruising into new future

■ Big Three automakers' agreement to develop 'clean car' will involve major lab research project

By Jonathan Weisman
STAFF WRITER

Livermore's two national laboratories will strike pay dirt today when President Clinton unveils an unprecedented collaboration between the government and Big Three automakers to develop a low-emission automobile.

The declaration of intent between the Department of Energy's labs and the chief executives of Ford, General Motors and Chrysler — to be signed on the White House lawn — could be worth as much as \$1 billion.

"That's a shock," said Anthony Chargin, deputy associate director for energy, manufacturing and transportation technologies at the Lawrence Livermore National Laboratory.

The so-called "clean-car" agreement commits each company to develop a vehicle that can get 80 miles to the gallon, in exchange for a pledge from the federal government not to increase current fuel-economy standards.

The automakers have requested \$30 million a year, which they would match from their own coffers, said Robert Carling, manager of the engine combustion department at Sandia National Laboratories's Livermore facility.

Much of those funds could be heading to Livermore, although they will be divided between 10 Energy Department labs.

"We've been working on getting this for years," Carling said, "and it's good to know something's finally going to come of it."

Roger Werne, Lawrence Livermore's associate director for engineering, has been crisscrossing the country for more than a

year, touting "industrial grand challenges" — huge research projects that could help the nation while keeping the nuclear weapons lab afloat in post-Cold War era.

Eliminating the awful side effects of the automobile from the nation's environmental woes was always on the top of the list. Werne, who will be at the White House today, seems to have struck a chord.

Lawrence Livermore will help with clean battery technologies, manufacturing advances and supercomputing capabilities to help Detroit design crash-worthy, combustion-free cars.

The lab already has projects to create a flywheel power source and a battery that can be refilled with fresh fuel at stations currently dispensing gasoline. Its software is already used by Detroit to model crashes, cutting down on the need to actually smash vehicles.

Sandia-Livermore stands to reap enormous benefits as well. In 1980, the research lab set up its combustion research facility to develop expertise on just how engines work. The clean-car initiative will put that well-honed know-how to work, Carling said.

Sandia's engine combustion has received \$1.5 million for the last decade. This program should triple that, Carling said.

Chargin cautioned that once the funds are divided up, Lawrence Livermore could get \$10 million a year. But because the lab is one of the DOE's biggest, it could get far more than that.

If the government and Detroit are serious about the project, much more money will be needed, Chargin said. The Big Three spend \$11.2 billion on research and development already.

"If the government is going to affect that, they have to put in 10 percent," he said.

Utilities increasing stake in wind energy

By Joseph B. Varrone

Rocky Mountain News Science Writer

Small wind energy projects are whirring to life in several states as public utilities across the nation begin hedging their electricity bets for the next century.

For the past decade, California and Hawaii have been churning out small amounts of emissions-free power by planting rows of propeller-shaped turbines in "wind farms" along coastlines and mountain gaps.

Design refinements tested at the National Renewable Energy Laboratory in Golden are improving wind's efficiency and gradually lowering its generation costs to 7¢-9¢ per kilowatt-hour — a level comparable with coal and nuclear, but still about twice as much as natural gas and hydroelectricity.

Now utilities in Vermont, Maine and Texas have agreed to build wind farms in a \$40 million joint venture with NREL and private industry to field-test prototype turbine designs.

Next year NREL and the federal Department of Energy will choose another trio of utilities to expand the wind performance evaluations.

Apart from NREL, wind projects involving utilities and private industry are being considered in central Wyoming and Washington. And municipal utilities of California, Minnesota, Iowa and Illinois plan to build their own small wind farms and secure federal energy tax credits available through 1999.

"With these partnerships, utilities are trying to get the experience now so they'll be ready," said Susan Hock, manager of NREL's wind energy program. "Utilities see wind as a high risk, so the economics must make sense. But if they want to go with renewables, wind is their best option."

NREL's wind researchers don't have to invent much. The wind first was harnessed 2,000 years ago in the Middle East to grind grain, and later in the Netherlands to pump water from low-lying, saturated fields.

Today, the engineers' task is to make wind technology more efficient so it supplies a consistent flow of electricity to a utility's power grid, especially when the weather unpredictably turns gusty or calm.

"With wind, you have to take what nature gives you," said NREL wind technology director Robert Thresher.

Large efficiency gains have been made by refining the shape of turbine blades and finding better wind farm sites.

A productive wind farm needs an energy supply that consistently blows at least 13 mph, preferably in the afternoon when electricity demand peaks.

California's wind resources are surprisingly puny when compared with high-plains sites in eastern Colorado, North and South Dakota, Wyoming and Montana. Those

states have more than enough wind resources to generate electricity for the entire nation.

Now the challenge is how to accumulate smaller efficiency gains by refining the system's electronics, aerodynamic controls and tower stability.

On an isolated plain at the Rocky Flats weapons plant, NREL scientists are establishing a \$5 million national wind testing laboratory.

The concrete-block building and steel turbine tower frequently are battered by triple-digit winds that roar down the southern flanks of Long's Peak and funnel through a gap in the Flatirons.

"It's like a natural wind tunnel — the gusts and the turbulence make it a good test site," Thresher said. "But I wouldn't want to build a wind farm on it."

Inside, giant turbine blades are

mounted on mechanical arms that bend, twist and shake them until they break. Computers measure the stresses hundreds of times per second, then re-create the stresses in slow motion. Gusty winds can make these seemingly rigid blades wave, wag and ripple like ribbons.

In the coming months, NREL will dispatch a mobile diagnostic truck to the nation's new wind farm sites. Engineers will plug their computers directly into each turbine to judge its performance and suggest design improvements.

Ironically, wind power also has several environmental and social problems, despite its green credentials.

Wind farms are proving to be hazardous to birds. As many as 567 birds of prey, including endangered golden eagles, were killed

by turbine blades and electrical wires over two years in California's Altamont Pass area. But only one dead raptor has been observed at the wind farm near of San Francisco.

Biologists are studying the mysterious losses. Possible solutions include allowing the grass to grow high around wind towers so raptors won't be able to hunt rodents there and siting new wind farms away from bird migration routes.

Noisy machinery and visual clutter in scenic areas are additional problems that are making wind farms unwelcome neighbors.

"No matter what you're doing, there always is an environmental impact," Thresher said. "The answer is you just don't build turbines near people."

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Meetings Focus On DOE Contracts

By RODDIE BURRIS
Staff Writer

Citizens in the Central Savannah River Area can voice their views and opinions about contracting practices at the Savannah River Site during meetings today in Aiken.

The first meeting began this morning at 10 a.m.-1 p.m., followed by subsequent meetings from 2-5 p.m. and 6:30-9 p.m. They are being held at the Aiken Conference Center, 215 The Alley.

The Aiken meeting is the last of nine such meetings held around the country to pick up local input for the Department of Energy's Contract Reform Team.

That team, established by the Secretary of Energy in May, will recommend ways in which DOE can improve the award and administration of contracts such as those

in force at SRS, including agreements with Westinghouse Savannah River Co. and Bechtel Savannah River Inc., the prime operations contractor and prime construction subcontractor respectively, to supply contracts with smaller local companies.

Rick Ford, an SRS spokesman, said the meetings "will take a top to bottom look at our contract mechanisms and practices" from which "financial and legislative improvements" may be recommended.

Recommendations for improving all aspects and types of contracting, including the management and operations contracts, environmental restoration and waste management contracts, support contracts and others will be open for consideration during the meetings.

Also, contract policies and prac-

tices in these and other areas such as basic and applied research and defense programs will be open to comment.

Contractor performance measures, performance incentives for profit and nonprofit organizations, and federal oversight practices will also be considered.

A draft report on these meetings is to be delivered to Secretary of Energy Hazel O'Leary by Nov. 1, with a final report due her by Nov. 31, Ford said.

Registration for citizens wishing to speak will be held throughout the day.

Individuals and organizations who cannot attend today's meeting may submit written comments until Sept. 30 by writing to Richard Ford, U.S. Department of Energy, Office of External Affairs, P.O. Box A, Aiken, S.C. 29802.

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DOE solicits reform ideas for contractors

■ *Team to recommend changes to O'Leary regarding way Energy Department conducts business*

By Stephen Delaney Hale
South Carolina Bureau

AIKEN — It is too hard to do business with the Department of Energy.

That was the central theme of a Monday meeting of DOE officials and potential contractors at the Aiken Municipal Center in Aiken.

Energy Secretary Hazel O'Leary has established a 25-member Contract Reform Team to recommend ways to "aggressively change the way DOE conducts its business." Different members of that group have held a series of 12 meetings on contract reform at the major DOE sites across the nation, concluding with the meeting in Aiken.

The team was instructed to provide Mrs. O'Leary with a final report by Dec. 31 on how the department should reform the way it does business "in keeping with President Clinton's directive to reinvent government," said Everett Beckner, deputy assistant secretary for defense programs, who chaired Monday's meeting.

Included in Mrs. O'Leary's plan will be a 10 percent reduction in outside contractor spending in fiscal year 1994.

"I don't know how we are going to do that, but that is our directive," Dr. Beckner said.

Speaking of the results of the meetings, Dr. Beckner said, "The common theme is people don't like to work with the DOE."

Betty Smalley, the acting chief financial officer of DOE, said reactions have been similar across the country. "They want us to streamline our procurement process, compare our procedures to what private industry does and be more receptive to contractors who are not already doing business with the department," she said.

Fred Hamren, vice president of SSI Services, Inc., asked the panel members to reconsider cutting back on contracted services. "Contracting out decreases cost for the government," he said.

Mr. Hamren said his company does not bid jobs from the DOE, although the firm does a lot of work for the Air Force, the Army and NASA.

"You are a very difficult customer to work for," Mr. Hamren said. He added that it is hard to break into DOE work and that existing contractors are all "part of the club."

"I'm on the outside looking in and I don't even want to come up to the window anymore," Mr. Hamren said.

Jack Clemens of Stone and Webster Engineering Corp. asked the federal officials to increase the amount of money that can be authorized by local DOE managers and to give them more authority.

Ron Simpson, a research professor at Virginia Polytechnic Institute, said there are twice as many people at the Westinghouse procurement office as there were several years ago when he worked there.

"That is not a criticism of Westinghouse," Mr. Simpson said. "I believe Westinghouse feels they need a procurement process that walks and talks and acts just like the federal process."

"If there ever was a system that needed fixing it is the DOE procurement system," Mr. Simpson said. He said the system has gone from one that was "robust and challenging to one that is ineffective and bordering on paralysis."