



DLWHA MCLARTY
The Secretary of Energy
Washington, DC 20585

FILE COPY 1302 4313
MCLARTY 93-024813
11 19 93

November 12, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

• Visit to Pantex

I visited Amarillo yesterday. During the visit, I met with a citizens advisory board that the Department helped form to provide input into future activities at Pantex. Later, I participated in a reception and dinner for Representative Sarpalius. At the dinner I stated the Department's intent to initiate a laboratory at Pantex to focus on plutonium disposition and research. Moving this project forward depends on completing an environmental impact statement and appropriations for the project. Governor Richards attended both events. I held a press conference with Representative Sarpalius to discuss this initiative. There was significant media coverage of the events.

• Independent Petroleum Association of America

Last Friday I addressed the 64th annual meeting of the Independent Petroleum Association of America in New Orleans. My remarks to an audience of over 1,000 executives, following the mischaracterization of remarks I made in London, gained positive media attention. I focused on my past and current advocacy for the industry and some of the initiatives that will be included in the Administration's Domestic Gas and Oil Initiative. Of significance, I mentioned that the initiative would include a Department of the Treasury review of several tax incentives important to the independent industry, including incentives for marginal wells and expensing of geological expenses. I have also tasked the National Petroleum Council with recommending policies to maintain investment in marginal wells. This focus on tax policy is designed to build support for the industry in Congress and among the public.

Over the next several weeks, we will work with the independent industry to develop a public affairs strategy for the plan. I feel confident that these cooperative efforts have put the controversy resulting from the London speech behind us. News clips are attached.

• Public Employees for Environmental Responsibility Conference

Saturday, November 6, I delivered the keynote address at the Public Employees for Environmental Responsibility Conference in Bethesda, Maryland. My remarks to an audience of over 200 federal and contract employees focused on the importance of protecting and embracing government employees who disclose concerns, particularly those related to the environment, worker safety, and fraud and abuse associated with Government programs. Past Administrations, especially former Energy Departments, have abused these employees. The media coverage for this event was very favorable (regional news clips attached).



MONDAY, NOVEMBER 15, 1993

SCHEDULE FOR HAZEL R. O'LEARY

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

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

9:00 AM - 10:00 AM HOLD

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

12:30 PM - 1:30 PM Lunch

1:30 PM - 5:15 PM HOLD - NAFTA

5:15 PM - 6:15 PM Appointment

7:00 PM DEPART DOE FOR BICE' RESTAURANT
Met by Reggie Sellers

7:30 PM Dinner - Bice' Restaurant
601 Pennsylvania Ave, SW
Washington, DC

TUESDAY, NOVEMBER 16, 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 - 12:00 PM HOLD - NAFTA

12:30 PM - 1:30 PM Lunch

2:00 PM - 4:00 PM Staff Time

4:15 PM - 5:30 PM HOLD

5:45 PM DEPART DOE FOR UNION STATION
Met by Reggie Sellers

6:00 PM Fundraiser - Joseph Lieberman
Union Station
Washington, DC

WEDNESDAY, NOVEMBER 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

9:00 AM - 11:45 AM HOLD - NAFTA

12:00 PM - 12:30 PM Bill White

12:30 PM - 2:30 PM Team Lunch
(B. Berls, H. Davis, 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,
B. Rainey, D. Reicher, V. Reis, R. Rosenzweig,
T. Cornwell-Rumsey, K. Simpson, W. Taylor,
S. Thomas, S. Tierney, B. White)

3:00 PM - 5:00 PM HOLD - NAFTA

5:15 PM - 6:15 PM Appointment

6:30 PM DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

THURSDAY, NOVEMBER 18, 1993

SCHEDULE FOR HAZEL R. O'LEARY

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

8:15 AM - 10:00 AM HOLD: C-SPAN
(Barbara Semedo)

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

12:00 PM - 1:00 PM Lunch - George Scalise
(John Sullivan, Vic Reis)

1:15 PM - 2:15 PM HOLD

2:30 PM - 3:00 PM Jake Stewart

3:30 PM - 4:00 PM Interview: Documentary on African-
Americans in the Clinton Administration
Angela Hunter, Rodney Minor of
Concept Productions

4:30 PM - 5:30 PM Prebriefing - Union Meeting
(Bob DeGrasse, John Edmonson, Tom Grumbly,
Tara O'Toole, Dan Reicher)

5:45 PM DEPART DOE FOR THE CANADIAN EMBASSY
Met by Reggie Sellers

6:00 PM - 8:00 PM Ambassador John de Chastelain and
Scotty Cameron, President & CEO
of Pan-Alberta Gas Ltd. hosts
Reception at the Canadian Embassy
501 Pennsylvania Avenue, N.W.

FRIDAY, NOVEMBER 19, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:15 AM DEPART RESIDENCE FOR THE RITZ CARLTON HOTEL
Met by Reggie Sellers

9:00 AM Speak at the National Coal Council's
Full Council Meeting
The Ritz Carlton Hotel
2100 Massachusetts Avenue, N.W.

9:45 AM DEPART THE RITZ CARLTON HOTEL FOR
THE WHITE HOUSE
Met by Reggie Sellers

10:00 AM HOLD: Cabinet Meeting

12:00 PM DEPART THE WHITE HOUSE FOR DOE
Met by Reggie Sellers

12:30 PM - 1:30 PM Lunch at DOE - Jack Gibbons, Director
Science and Technology Policy

2:00 PM ----- Start Staff Time-----

2:00 PM - 2:15 PM Terry Cornwell-Rumsey CFC
(CFC - Eagles Photo-ops)

2:30 PM - 2:45 PM Terry Cornwell-Rumsey

3:00 PM - 3:30 PM Toni Joseph
(Priorities Team Report - Next Steps)

4:00 PM ----- End Staff Time -----

4:00 PM - 5:00 PM Planning Meeting
(R.Rosenzweig, D. Reicher, W. Taylor,
D. Forrister, M. Gauldin, B. Rainey,
J. Dottori)

5:00 PM - 6:15 PM Schedule C Reception

6:30 PM DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

International Nuclear Power Operators

The focus of my remarks to the annual conference of International Nuclear Power Operators in Atlanta was the current status of the Department's high-level civilian nuclear waste program. Based upon my past and current experience with this program, I have concluded that the Department will not meet the 1998 deadline for disposing of utility commercial waste. We will be forced to make some difficult decisions concerning the waste program as utilities will be paying into the waste fund while it is apparent that their waste will remain on-site. This means that these utilities will come under increasing pressure from their regulators to stop paying into the fund. To address regulators concerns, we will need to develop alternate strategies such as crediting utilities that have to finance additional on-site storage or the purchase of canisters for on-site storage. Decisions will be made only after thorough discussion within the Administration and with affected parties.

CONGRESS

Outreach Meetings

In preparation for my visit to Texas, I met with Governor Richards and Texas Representatives Martin Frost, Eddie Bernice Johnson and Jim Chapman.

The following meetings with members of Congress were held to discuss Administration initiatives and other issues of mutual importance:

-- Congressman Tom Barlow (D-KY), to discuss issues concerning the coal industry.

Other congressional meetings are described in the Presidential Initiatives section under NAFTA.

THE WEEK AHEAD

Superconducting Super Collider Close-out and Visit

I spent significant time on SSC close-out issues this week. Important issues discussed include selecting a DOE operations office to manage the close-out, developing an appropriate severance package for the workers, initiating a process with the State to verify their claims against the Department, and determining whether the State can be reimbursed for any of these claims.

I have selected the Department's Oak Ridge Field Office to manage the close-out of the project. This office managed the termination of the Clinch River Breeder Reactor program and other large nuclear facilities. After consulting with many in the Administration, I am leaning toward recommending a 90-day severance package for workers at the site. I met with Governor Richards and the congressional delegation and agreed to task legal counsels to verify claims that the State has against the Department. (State officials canceled the initial meeting scheduled for Friday.) The Governor described this process to the media, and I believe it conforms exactly to what we have been discussing (article attached).

I will be at the site Friday to meet with the 60 federal workers and 2,000 contract workers to discuss our severance package, but will not present them with a definite decision until after I have heard their concerns and incorporated them into the final decision. The congressional delegation will attend these meetings, and there will be a press conference after the meetings.

PRESS

- CNN Interview

Friday, November 5, I conducted an interview with CNN's Science and Technology editor regarding the technological advances in offshore drilling of oil and natural gas. This technology is featured prominently in the Department's Domestic Gas and Oil Initiative.

- McClatchy News Service

Saturday, November 6, at the Whistleblowers conference in Bethesda, Maryland, Les Blumenthal of the McClatchy News Service interviewed me on the Department's policies regarding whistleblowers and worker safety.

PRESIDENTIAL INITIATIVES

- North American Free Trade Agreement

Today I will participate in a NAFTA rally with energy industry leaders and workers in Dallas, Texas. The focus of the event will be to illustrate the benefits of NAFTA to the Texas economy. A noted economist from Texas A&M University will announce the findings of a report on the potential effects of NAFTA on the State of Texas. Professor Hazeltine's findings are that NAFTA will create 30,000 jobs in Texas. Substantial regional media coverage is expected for this event and will likely be covered by NBC Nightly News.

Next week, I have canceled travel plans to visit California in order to continue promoting NAFTA. I have scheduled satellite media at the DNC and will continue discussions with undecided members of Congress.

- During the week, I continued to spend significant time promoting NAFTA. I discussed NAFTA with the following members of Congress:

- Representative Blanche Lambert
- Representative Marilyn Lloyd
- Representative Ed Markey
- Representative Cleo Fields
- Representative Bill Brewster
- Representative Tom Bevill
- Representative Cynthia McKinney
- Representative Anne Eshoo

Results of these conversations were communicated to the White House Office of Cabinet Affairs and the NAFTA war room.

Last Thursday's briefing to energy industry representatives by you, Bob Rubin, Leon Panetta and myself was a success. Most importantly, representatives from the International Brotherhood of Electrical Workers supported NAFTA to media after the briefing.

Wednesday, I participated in a briefing on NAFTA for women small business owners.

Rich R

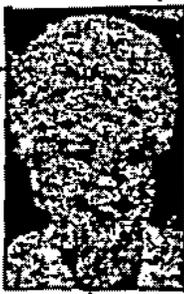
Collider reimbursements to Texas under review

\$400 million in bond money at stake

By **BENNETT ROTH** *A10*
Houston Chronicle Washington Bureau

WASHINGTON — The Department of Energy has set up a review to determine if the federal government should reimburse Texas for its contributions to the superconducting super collider. Gov. Ann Richards said Tuesday.

Richards and three Texas members of Congress met with Energy Secretary Hazel O'Leary to discuss Texas officials' demands that the state be paid back the \$400 million in bond money it has invested in the dead project.



Last month, Congress voted to kill the \$11 billion science project that many complained was an unnecessary expenditure at a time when the federal government was trying to reduce the deficit.

While Richards said no monetary figure was discussed or timetable was set, DOE officials agreed to respond to the state request.

"I think we have a process in place for resolving it," she said.

But the governor also said that the reimbursement process could be lengthy and cumbersome as any agreement would involve a review of state figures and approval by the Justice Department.

"Nothing will happen quickly," she

said.

"I am trying to be very understanding here that this department must be very accountable to the United States taxpayers in anything it disburses," she said.

Richards said she also stressed to DOE officials that the longer the process takes the more interest payments will accumulate on the state bonds, which in the end could result in greater federal costs.

DOE spokesman Jeff Sherwood confirmed that a process had been set up by the agency that includes legal and accounting review of a reimbursement to Texas.

Sherwood said that any reimbursement probably would come from \$640 million appropriated by Congress to shut down the super collider. Sherwood said he doesn't believe additional congressional approval would be needed for any reimbursement to Texas.

About 2,000 collider employees were given notice Monday that they could lose their jobs after Christmas.

O'Leary will visit the Waxahachie site Friday to discuss severance pay for employees. Congress agreed to pay employees up to 90 days' severance pay and moving expenses.

Richards said she expects to accompany the energy secretary to Waxahachie and to the Pantex nuclear weapons facility near Amarillo on Thursday night.

The members of Congress who also met with O'Leary Tuesday were Rep. Martin Frost, D-Dallas, Eddie Bernice Johnson, D-Dallas, and Jim Chapman, D-Sulphur Springs.

BURRELLE'S

NEWS EXPRESS

PAGE 1 OF 1

Texans confer with energy secretary on SSC shutdown

By Anne Marie Kilday and Jennifer Nagorka

Staff Writers of The Dallas Morning News P. 31A

A group of Texas officials led by Gov. Ann Richards met Thursday with Energy Secretary Hazel O'Leary to discuss plans for shutting down the Superconducting Super Collider.

And a Houston lawyer confirmed that he has been appointed to head the commission charged with protecting Texas' investment during the shutdown.

The SSC died last month, after the House refused to approve the Clinton administration's request for \$600 million to continue construction at the \$10 billion research project.

Ms. Richards said the Washington meeting involved discussions of the complex financing for the scientific research project south of Dallas in Ellis County.

Texas has invested more than \$400 million in the project and is looking for ways to recover those costs.

"We reiterated our interest in being able to see that the Department of Energy had control of this project, and the way for them to do that is to buy us out," Ms. Richards said. "When you are dealing with a project as complex and as multifaceted as this one, if you are going to determine what happens to the future of it, you need to have one entity in charge."

Ms. Richards said she expects the federal government "to do the right thing" in regard to the state's investment.

Houston lawyer Shelton Smith said Thursday that he will be the new chairman of the Texas National Research Laboratory Commission.

The commission was created to oversee the state's participation in the Superconducting Super Collider.

"The project's been terminated, and what we need now are some lawyers, not physicists," Mr. Smith said Thursday. "That's where I come in."

Mr. Smith, 42, will replace Charles

Perry of Midland. Mr. Perry resigned as commission chairman in September because of a heart condition. He said he plans to serve out his term as a commissioner, which will end in 1995.

Until his appointment becomes official, Mr. Smith said he is trying to stay informed about the commission without interfering.

This summer, Ms. Richards asked Mr. Smith to go to Washington to help persuade senators to fund the Super Collider.

"I did it purely pro bono," he said. "I paid my own expenses. I moved up there, I really thought we were going to be able to save it."

The meeting with the energy secretary was also attended by Dallas Democratic Reps. Martin Frost and Eddie

Bernice Johnson and Rep. Jim Chappman, D-Sulphur Springs.

The Energy Department has until July to develop a plan for addressing potential uses of the Super Collider site and its facilities.

The officials urged the Energy Department to develop an accelerated schedule for a plan addressing possible future uses of the technology, equipment and facilities that have been developed at the collider site.

Although the Super Collider is dead, proponents hope that some scientific mission can be salvaged from Texas' \$400 million and the federal government's \$1.6 billion investment in the project.

70F7

The supercollider's last smashup

A 10
Now that the superconducting supercollider has been pronounced dead, its mourners are begging that the \$11 billion mega-project be given a decent interment.

Fine, but bury it deep and make it quick before its carcass starts to stir. It has already survived two previous mortal blows from the U.S. House. If this quintessential big-science undertaking manages somehow to rouse itself after last week's Capitol Hill coup de grace, taxpayers could be haunted by it in perpetuity.

Even now, diehards like Sen. Kay Bailey Hutchison (R-Texas) are suggesting — no kidding, folks — that the super collider be kept in a kind of suspended animation, to be revived "when we have a president (who) is committed to it." The latter dig is part of a concerted effort she and Sen. Phil Gramm (R-Texas) are mounting to pin the blame for this devastating loss to their state's economy squarely on President Clinton, supposedly for failing to lobby the program with sufficient zeal.

Nonsense. The fact is, Clinton and his Energy Department aides peppered Congress with letters and calls enthusiastically

promoting the supercollider. In the end, however, members of the House — first-termers especially — were swayed more by arguments about ways to plug the black hole draining the U.S. Treasury's coffers than by nebulous promises of the potential benefits from the supercollider's high-energy physics research.

The supercollider's downfall should not be interpreted as a case of money-grubbing philistines robbing high-minded physicists of their dream. The government must continue to invest selectively in research, even in pinched times, but it simply cannot afford ballooning big-ticket programs like the supercollider.

Its defeat is one of several heartening signs of a growing fiscal discipline on Capitol Hill, especially in the House. A \$3.7 billion Advanced Solid-Fuel Rocket Motor program, a \$190 million wool and mohair subsidy and an \$18 million honey subsidy are the most notable of the perishable items junked recently.

The Clinton administration has promised it would come back to Congress with more recommendations for budget cuts. Now's the time to hit receptive members with specifics.

HOUSTON CHRONICLE

NOV 09 1993

Oil industry cutting off nose to spite Clinton

By G. MICHAEL CROWDEN

A17

WHEN Bill Clinton became president, many feared his administration wouldn't work to help the domestic oil and gas industry. Now, due to partisanship, many fear he will. It's becoming clear to many Clinton detractors that the oil industry was wrong to expect ill treatment from the new administration. But fear of a successful Clinton administration apparently exceeds their desire to see the domestic industry revived.

The actions of Clinton's detractors in the oil industry are self-serving and detrimental to the industry they claim to serve. Rather than embracing the sort of policies they have sought for nearly a decade to gain, some of these detractors, which account for the majority at any given oil industry gathering, are working to thwart support for Clinton's forthcoming energy policies by spreading misinformation about the administration's goals.

For better or worse, misinformation killed the Bio-based energy tax proposal. Emboldened by that success, misinformers now appear poised to attack any and all proposals put forth by the Clinton administration, regardless of merit. Obviously the aim is not to protect or assist the domestic oil and gas industry; the aim is to prevent any success by the Clinton administration. Yet again the oil industry, to its further detriment, is being shamelessly used for political gain.

The latest and most outrageous piece of misinformation concerns statements made by Energy Secretary Hazel O'Leary during a multinational conference in London. Like the bogus faxes that recently warned crime-weary citizens of potential gang violence, deliberate distortions of O'Leary's comments have become accepted as fact by a great many otherwise discerning professionals.

Despite what you have heard at the petroleum clubs, O'Leary said the administration would seek to wean the country from an unhealthy reliance on Mideast oil supplies. Standing beside a chart that showed how Mideast oil producers now account for significantly less of the oil imported into the United States, O'Leary said, "Quiet frankly, in the United States we like that. We like that a lot. . . . The cost of defending the Mideast makes the barrel of imported oil that much more expensive. That tells me how important diversity of supply is." She also said the administration would seek to assist long-suffering independent oil and gas producers in the United States. "We owe them some obligation to find some answers for them," she said, acknowledging this sector's long-ignored plight.

O'Leary's speech should have been music to the industry's ears, and was in some quarters. Industry leaders had fruitlessly pleaded with the



Energy Secretary Hazel O'Leary

two previous administrations to stop coddling Saudi Arabia and to diversify oil sources away from the Mideast. They pleaded with the two previous administrations to provide assistance to the domestic oil industry — citing job losses that far exceeded those in the frequently assisted auto industry.

However, the misinformers dissected O'Leary's speech and rendered it devoid of its intended message. Totally ignoring the fact that she had become the first energy secretary in more than a decade to take a keen interest in the domestic oil and gas industry, they seized on two words allegedly spoken by the secretary during an interview after her speech — dying breed. The secretary denies using those words to describe independent oil and gas operators and, indeed, only one of the many news articles from

BURRELLE'S

NEWS EXPRESS

PAGE 1 OF 14

London actually attributed such a quote to her. In fact, London's Financial Times reported the story below this headline: "U.S. may support small oil groups."

No matter the facts, the misinformers knew the outrage those two words could bring, especially when couched in a reconstructed manner that made it sound as though the Clinton administration intended to play a Kervorkian role in its approach to the industry.

Consider that the Bush administration's chief legacy to the domestic oil and gas industry is an offshore drilling moratorium. Yet, George Bush's son, George W. Bush, a candidate for Texas governor, seized the opportunity to score political points by fanning the flames of discontent. After O'Leary's speech, young Bush sent faxes to industry leaders saying, "I am appalled and amazed the current national administration would discount the abilities of our domestic producers and dismiss the importance of this nation working toward energy independence."

Texas Railroad Commissioner Barry Williamson, who served as a director of the U.S. Minerals Management Service while the drilling moratorium was put in place, issued a press release saying, "Secretary O'Leary must be terribly misinformed if she's ready to condemn the nation's independent producers to Jurassic Park."

It's interesting that Williamson used the word "misinformed," since misinformation, even if unintentional, was the result of his news release. It is also interesting that Williamson infers the Clinton administration considers the domestic oil and gas industry to be populated by dinosaurs. One year ago, after 12 years of Reagan/Bush policies that encouraged domestic consumption but discouraged domestic production, an American Petroleum Institute report in the Oil and Gas Journal featured the following headline on an article about the rapidly shrinking U.S. oil and gas industry: "Dismantling the Dinosaurs."

O'Leary might not have said it, but it's true: The domestic oil and gas industry is a dying

Crowden is editor of Ocean Oil Weekly Report, published in Houston.

breed, due in no small part to the policies of the previous two administrations. In July 1992, during a speech to the National Conference of State Legislatures, Rowan Companies Vice President Paul L. Kelly gave this assessment of those policies: "It is not an exaggeration to say U.S. policy is driving exploration and production away from the United States. Our friends in Europe, Latin America, the Middle East and Asia look at our energy policy as weak and naive, and they are moving quickly to take competitive advantage. They know what this investment capital can do for them."

Suddenly the misinformers — some intention-

ally, some incidentally — are trying to lay blame for this situation on the Clinton administration, which assumed power less than one year ago. Like the scared recipients of the bogus street-gang faxes, industry leaders have eagerly accepted distorted facts and innuendo. Meantime, the real facts go unreported or underreported. The fact is, the Clinton administration has gone a long way toward revitalizing the long-ignored domestic oil and gas industry. In a very short time, the administration has:

- Streamlined the processes for drilling and producing oil and gas in the federal Outer Continental Shelf by drastically reducing the amount of paperwork required of operators. Today, drilling in the Gulf of Mexico is up 75 percent from a year ago. Exploration is up 84 percent.

- Created the Comprehensive Oil and Gas Information Source, making available 10 years' worth of oil and gas data collected by the Energy Information Administration and the Commerce Department.

- Redirected billions of dollars in military research and development funds toward civilian aims. Already, previously classified three-dimensional seismic capabilities developed at the Los Alamos and Sandia National Laboratories are available to the domestic oil and gas industry. This allows the largest oil and gas companies to obtain in a few hours data that once took days to process. More important, it affords small operators the same technological capabilities once enjoyed by only the biggest and wealthiest of companies.

- Launched contract reforms within the Energy Department to reduce red tape and improve responsiveness. The aim, said Deputy Energy Secretary Bill White, is "to correct the wrongs of the past and install safeguards to make certain that we do not return to the business of yesteryear."

- Announced its opposition to the year-to-year drilling bans imposed on offshore Florida. Soon, says Tom Fry, the new Minerals Management Service director, Chevron will begin drilling in the Destin Dome area off the Florida Panhandle.

And what of the Clinton administration's energy policy? The draft of the policy was released in late October, just nine months after Clinton became president. By contrast, the Bush administration, led by a man who knew the industry better than any president before him, took three long years before it issued a largely discredited energy policy. Here's what the president of the Independent Petroleum Association of America, Denise Bode, said about Clinton's forthcoming energy policy: "The draft is extremely positive. It really focuses on our themes — the crisis we've been in."

These are some of the facts, which means it's unlikely that they came to you by fax, unlike some of the other things you might have read recently.

7/2

BURRELLE'S

NEWS EXPRESS

PAGE 2 OF 14

soon stocks rally. Industry leaders predicted speculation to raise prices. If the good news is seen to be in price war.

e OK'd

The Food and approved a general program made Friday to in- k of corn. But labels for food with the prod- ed next would



Secretary of Energy Hazel O'Leary, who said she hates to stand still, walks and talks among the audience during her appearance before the Independent Petroleum Association of America Friday.

O'Leary: Oil firms need help

By MARY JOHNSON

Energy editor

The independent oil industry in the United States needs help from Uncle Sam, Energy Secretary Hazel O'Leary said Friday.

"The industry's survival won't happen without government intervention and support," she said after an address to the Independent Petroleum Association meeting through Sunday at the Marriott Hotel in New Orleans.

To promote domestic oil production, O'Leary said she will support tax incentives on

We must make sure the house stays afloat

HAZEL O'LEARY, Energy secretary

another well and other means to help production. O'Leary had been invited to

address the group after remarks attributed to her in a speech given in London 10 days ago that the oil industry found offensive.

A story on the London speech said O'Leary had said the room and pop (oil) operators were too weak to survive.

O'Leary said she concluded in the London speech that oil is still the prize and "we must make sure we have stable markets at home and abroad."

"It was a great speech. I thought," she said. On Friday about 1,000 mostly friendly oil operators listened to her review

of the London speech.

She used a wireless microphone and wandered throughout the meeting room as she talked.

On Friday, she said she has always supported the industry's smaller players and pleaded with the audience to judge her by her actions.

One point she conceded it probably is not possible to reverse the increasing oil imports by the end of this Clinton administration.

But the decline can be limited. O'Leary, next page

STAFF PHOTO BY MARY JOHNSON

Bush, a Meritville lobbyist with W&A Oil Co.

Ralph Fife, a vice president of First Interstate in Houston and major energy unit, said it would lead to the \$2 million range for compensation and \$20 million for public use. Lending is because cash flow the oil and reserves will generate.

He said banks won't be heartily dealt by offer the lowest bank. A company would be down for insufficient administrative expenses are higher than the reserves, inexperience of production that has too

Investment bankers other alternatives. James Bonson, vice president of the private firm of Reid Investors in Dallas, said conventional sources now available utility financing and from other companies energy products. One

from O.E.

Jobless rate up, but experts say that's good news

By The Associated Press

WASHINGTON — More people found jobs but the unemployment rate crept up in October as more jobless Americans were encouraged enough about the economy to resume looking for work.

The unemployment's monthly

In Louisiana, the jobless rate stood at 6.9 percent in September, the lowest month for which data are available. For metropolitan New Orleans, the rate was 6.6 percent in September.

The Labor Department said the differing numbers could be the result of more people ceasing to look for work.

UNEMPLOYMENT

Percent of civilian labor force, seasonally adjusted



Source: Bureau of Labor Statistics

NAPTA legislative is on the table

By MARTIN CHRISTENSEN, Associated Press writer

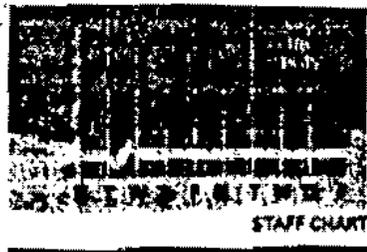
WASHINGTON — The Clinton administration made public Friday the legislation to implement the North American Free Trade Agreement along with details of its last-minute deals to protect U.S. producers of a half dozen products from Mexican competition.

The administration's monthly



THE FREE TRADE Act staged "mock" mark suggest provisions the file to see in the legislation with NAPTA in the deficit in the House,

of the day with a gain of 18.45 at 8,843.43. It lost 37.18 points for the week. The NYSE said the week was the second heaviest in terms of trading volume, which amounted to 1.55 billion shares. It was second only to the 2.3 billion shares traded in the week



of the day with a gain of 18.45 at 8,843.43. It lost 37.18 points for the week. The NYSE said the week was the second heaviest in terms of trading volume, which amounted to 1.55 billion shares. It was second only to the 2.3 billion shares traded in the week

"correction" has not been rampant in the that accelerating growth will lead to low inflation and inflation. Here's how stock: loans interest fared) > Winners: Avond 1/4; Casars, \$48, v Queen, \$16 1/4, up \$67 1/4, up 3 1/4; Sizel 1/4; and Whitney, \$31 > Losers: Casino 1/2 down 1/4; First Com down 1/4; Hibernia, 1

O'Leary

From C-1

ited with some tax incentives and other measures. She did not discuss moves to have the government support oil and gas prices in some way. That's something the IPAA has supported for years. She said the Department of Energy would make a domestic energy proposal within the next two weeks. The plan is supposed to detail how the Clinton administration will help the oil and gas industry.

One hint of what's to come came when she outlined moves she supports that should help those who produce oil from marginal wells.

O'Leary said she favors better tax treatment for those wells that produce about 10 barrels or less a day. She hopes to have a concrete proposal ready by next year and has suggested that the National Petroleum Council make recommendations on the type of relief needed.

"I am willing to go forward and have moved the debate forward," O'Leary said.

Independent Patrick Taylor of New Orleans said the secretary had convinced him she does not think independents are "do-do birds. That was not her intent," he said. "She is a supporter of the domestic industry onshore and offshore."

Dick Sylvan, a senior vice president at Bann One in Houston said "She sounds like she cares."

And independent Kenneth Stucke, president of Brock Exploration Co. said her plans to remove the ban on Alaskan oil imports is a positive step. He was also heartened by her pledge to commit \$2.2 million for transferring sophisticated oilfield technology to the smaller operators.

sought to attract congressional votes.

The legislation also contained a \$10 million authorization for a "Center for the Study of Western Hemisphere Trade" in Texas, a proposal sought by Rep. J.J. Pickle, D-Texas.

In the statement of intentions, the administration promised to monitor imports of Mexican broomcorn brooms "to ensure the continuing health and survival of the U.S. broomcorn broom industry," which now is protected by high tariffs.

his partner, Harrah's Casino Hotels, which has insisted that Robinowitz, Broadhurst and Sepir be limited partners with no say in the venture. Harrah's officials have said Hemmeter agreed to that condition.

Besides restricting their influence in the project, Hemmeter is now trying to reduce the three partners' percentage ownership, according to a source familiar with the situation.

That could lead to litigation. "I think it's unlikely, but it is an option for me to consider if we don't get our differences resolved," Robinowitz said.

City officials, who have been hearing rumors of a falling out

between various casino partners for weeks, recently took some preventive action. Thursday, City Councilman Lambert Boisjars won approval for a resolution aimed at forcing the casino partners to quickly resolve any differences among themselves.

The resolution, which passed 6-1, requires that the principal investors release each other from any claims relating to the New Orleans casino project. Boisjars says no lease will be signed until all the necessary releases are obtained.

"I don't want any disgruntled investor to tie up our process," Boisjars said. "We need to move forward on this as quickly as possible."

Foreign exchange

NEW YORK (AP) — Foreign exchange rates for major currencies. The table lists various currencies and their corresponding rates, with some values in bold. The text is partially obscured by a large blacked-out area.

Local 01

Local news items including mentions of 'Lafayette', 'New Orleans', and 'Louisiana'. The text is partially obscured by a large blacked-out area.

Amarillo Daily News

(Circ: 43,321) DAY Tue DATE 11.9.93 PAGE 1A

Energy secretary to visit Amarillo

Energy Secretary Hazel O'Leary will visit Amarillo on Thursday, U.S. Rep. Bill Sarpallus announced Monday.

Gov. Ann Richards also is expected to visit Amarillo to meet with O'Leary, but her schedule has not been confirmed. Details of O'Leary's visit also still are being worked out.

Also Thursday, a committee chosen to pick an advisory board of area residents to oversee the Pantex Plant will meet for the first time.

A 16-member selection committee will meet from 9 a.m. to 12:30 p.m. Thursday at the Radisson Inn at East Interstate 40 at Lakeside Road. The public is invited to attend and will have the opportunity to comment on the selection process.

Taking the next step in a process that began during the summer, four Amarillo area residents and representatives of the governor's and attorney general's offices chose the 16-member selection committee at a meeting last month at the Central Library.

The 16-member committee will in

turn select the first eight members of the Pantex advisory board. The eight-member group will then select up to 12 additional members for the advisory board.

The Keystone Center mediation group of Colorado is assisting in the selection process to ensure that divergent views and interests are represented.

The final advisory board will monitor Pantex operations and advise the Energy Department on environmental and other matters concerning Pantex, the nation's final assembly and disassembly plant for nuclear weapons.

Similar advisory panels are being formed at nuclear warhead production sites across the country.

The 16-member selection committee includes: Robert C. "Bob" Daniel, Jim Osborne, Pamela Allison, Ronnie Payne, Clifton C. Kelly, Lois Wales, Gene Glazener, Sam Arkaijie, Paula Breeding, Louise Daniel, Don Green, John W. Doyle, Walt Kelley, Barbara White, Coco Medina and Randy Jeffers.

Amarillo Daily News

Circ: 43,321 DAY Wed DATE 11-10-93 PAGE 1A

O'Leary to have news about Pantex

By JIM McBRIDE
Globe-News Special Projects Writer

Energy Secretary Hazel O'Leary is expected to make a major announcement Thursday regarding the future of the Pantex facility, officials said.

Phil Duncan, chief of staff for U.S. Rep. Bill Sarpalius, D-Amarillo, could not confirm reports that the announcement will be creation of a national research facility, but he noted that Sarpalius has worked closely with Energy Department officials toward establishment of such a facility at Pantex.

In a news release, Sarpalius said O'Leary will have "some very important" news for Panhandle area residents.

Assistant Attorney General Sam Goodhope, a top assistant to Attorney General Dan Morales, said he has heard that the secretary will make a major announcement, but he had no details.

Energy Department spokesman Tom Walton also said DOE officials have no details about the expected announcement. He said if a facility were to be built, Pantex currently does not have adequate facilities to house it.

"If they were going to do something in the short term out here, we do not have current facilities out here, so they would have to rent facilities off site," he said.

Pantex, located about 17 miles

northeast of Amarillo, is the nation's primary assembly and disassembly plant for nuclear weapons. It is operated for the Energy Department by contractor Mason & Hanger-Silas Mason Co.

Currently, a three-university consortium is seeking possible research work relating to plutonium and developing possible uses for components from dismantled nuclear weapons.

The consortium gave its research proposal to the Energy Department last week. Consortium officials have been mum on details of the proposal.

Earlier this year, officials from the University of Texas System, Texas A&M University System and Texas Tech University agreed to create the consortium, whose aim is to delve into peaceful applications of nuclear weapons technology.

Duncan said Sarpalius delivered the several-hundred page proposal to the Energy Department last Tuesday.

"You can certainly conclude that others will have a chance to submit a proposal, but quite frankly I think that our three-university consortium is light years ahead of everybody else on this," Duncan said. "Texas Tech with its agricultural expertise, UT and A&M with their nuclear experience, there's just a good marriage there that would seem to hopefully benefit them."

The consortium, initiated by the

Richards, O'Leary to visit Amarillo

Energy Secretary Hazel O'Leary will visit Amarillo on Thursday, U.S. Rep. Bill Sarpalius announced this week.

Gov. Ann Richards also will visit Amarillo to meet with O'Leary and Sarpalius, said Sarpalius' chief of staff, Phil Duncan.

Richards and Sarpalius are scheduled to tour the Pantex Plant at 1:30 p.m. Thursday, Duncan said. O'Leary will join them at a 4 p.m. meeting with the Site Specific Advisory Committee at the Radisson Inn.

Deputy Energy Secretary Bill White will join the three at a 7 p.m. dinner meeting of Sarpalius' Congressional Club at the Amarillo Civic Center's Grand Plaza, where O'Leary is scheduled to make a major announcement, Duncan said.

For more information, call 358-7028.

Panhandle 2000 group, was formed earlier this year after three university presidents sent a letter to O'Leary expressing support for a Pantex research facility.

MINNEAPOLIS STAR AND TRIBUNE

NOV 5 1993

Each side in the NAFTA battle rallies the forces in Washington

By Patrick Howe
Staff Writer

Washington, D.C. JK
Midwestern troops from both sides of the battle over the North American Free Trade Agreement converged on Washington Thursday, displaying starkly different tactics as Congress prepares for a vote on the pact Nov. 17.

On the White House lawn — lined up in blue and gray suits — leaders from a dozen energy-related companies, including Minneapolis-based Honeywell Inc., calmly outlined the pro-NAFTA case after a meeting with Secretary of Energy Hazel O'Leary and Mack McLary, White House chief of staff.

An hour earlier, on the grounds of Capitol Hill, Rep. Collin Peterson, D-Minn., joined Ross Perot and a host of Republican members in a feisty anti-NAFTA rally.

The White House, in its final push for the trade treaty, has sought to use the power of the presidency, inviting members of industry to meetings and orchestrating high-profile visits with members of Congress.

NAFTA opponents are relying on a grass-roots campaign of filling congressional mailbags, tying up phone lines and holding rallies.

Perot, in a speech rich with the kind of homespun sayings that helped make him famous, framed the NAFTA battle as one between special interests engaged in the "largest lobbying effort in history" and "the ordinary, hard-working American people."

Perot said the push for NAFTA was like trying to sell dog food that dogs won't eat.

"The American people won't eat this one, folks," he shouted to a cheering crowd.

The White House responded by daring Perot to debate Vice President Al Gore. Perot accepted but called the proposal "a desperate move."

That set off a debate over debates, with each side offering different times and formats.

Peterson, a leader of congressional opposition to NAFTA, said he didn't want to attend the rally because "Perot is controversial and I'm going to catch heck at home for being with him."

But Perot threatened not to appear unless a congressional Democrat showed up, Peterson said, "and we can't attract the press without Perot."

Peterson defended his high-profile stance against a treaty supported by the president, a fellow Democrat, saying, "I didn't come out here to be a rubber stamp."

Peterson said his side has nearly enough votes to defeat the pact, with "a bunch more undecided people in our pocket." He predicted that pro-NAFTA forces would try to delay the vote.

The White House acknowledged yesterday that it still lacks the support needed to pass the measure, but said things were picking up as a result of new deals with Mexico to protect politically sensitive U.S. industries. NAFTA supporters estimated that an agreement with Mexico on sugar would bring Clinton 10 to 12 votes, which would

NAFTA continued on page 15A

narrow the gap between the two sides significantly. Administration officials tried to narrow it further at yesterday's White House rally. They paraded representatives from companies — including two independent alliances of electrical power companies — who support NAFTA.

O'Leary said the agreement would mean \$3 billion over the next seven years for energy industries as they help Mexico's state-owned energy industry privatize.

Glen Skovholt, vice president of national and international affairs for Honeywell, said he came out of the White House meeting convinced that voting against the agreement would be a "tragic mistake."

Skovholt said his company, which is already doing business in Mexico but would probably do more if NAFTA passes, supports the agreement not so

much because of gains it can make in selling specific products, but because it promises to make the trading environment more friendly. "As important as anything is a continuation of the economic reforms Mexican President Salinas has initiated," he said. "In a broader sense, those reforms will result in some really significant opportunities to sell in Mexico."

The Associated Press contributed to this report.

BURRELLE'S

NEWS EXPRESS

PAGE 3 OF 7

The Albuquerque Tribune

A Scripps Howard Newspaper

Circulation - 41,000

Page: 1

Date: NOV 04 1993

Carlsbad lobbying brings 68 jobs to WIPP

By TONY DAVIS

Staff reporter

Nuclear waste isn't ready to flow to the Waste Isolation Pilot Plant in Carlsbad, but the WIPP jobs keep on coming.

Following intense lobbying by Carlsbad officials, the Department of Energy has decided to add 68 WIPP-related jobs there, on top of 900 to 1,000 already at the site.

Some gains will come by moving WIPP's Albuquerque office to Carlsbad. Others will come from a DOE decision to open a new transuranic waste program center and a separate science and training center there.

The announcement came in an Oct. 27 DOE letter that offered an unprecedented olive branch to Carlsbad officials.

"We will involve you in all future policy deliberations re-

garding the direction of the WIPP program. . . . Your support is essential to the success of DOE's entire transuranic waste program," assistant energy secretary Thomas Grumbly wrote in the letter to Carlsbad Mayor Bob Forrest.

Last month, DOE officials warned that they'd have to cut some WIPP jobs when they decided to kill the plan to test nuclear wastes at the site. But there's been no word of any cuts.

Instead, there's joy in Carlsbad, and anger among WIPP critics who are hurling charges of pork-barrel politics.

The Energy Department decision follows four meetings this year between Carlsbad officials and Energy Secretary Hazel O'Leary, Forrest said.

The most recent meeting came in October, shortly before O'Leary announced she was killing the waste testing plan.

CONTINUED

66 This is pork-barrel politics as usual. What science dictates setting up this transuranic waste center at all, or setting it up in Carlsbad? 99

Don Hancock

Southwest Research and Information Center

CONTINUED

That decision will delay WIPP's long-delayed opening another five years at least.

"She told us in Washington that 'We want to take care of Carlsbad, because Carlsbad is the only city that is willing to take this waste.' She said, 'We want to work with people who are willing to work with us,'" Forrest said in a telephone interview.

The mayor said Carlsbad officials reminded O'Leary that 15 years ago, the DOE's predecessor, the Atomic Energy Commis-

sion, had promised that "all the work, all the testing and all the budget would be in Carlsbad."

Carlsbad officials also told her that their town sees only 40 percent of the \$180 million or so DOE spends on WIPP annually, Forrest said. The rest goes to Albuquerque and to Idaho and other states.

Such reasoning doesn't impress WIPP critics.

"This is pork-barrel politics as usual. What science dictates setting up this transuranic waste center at all, or setting it up in

Carlsbad?" said activist Don Hancock of Albuquerque's Southwest Research and Information Center.

"Is it the most cost-effective place? If that's true, DOE should have that information and they should be putting it out."

DOE has been vague about the goals of the waste program center. It has said that such a center will look at how to manage the national problem with transuranic waste, which is the kind of waste going to WIPP.

Such waste is stored in drums at 10 weapons plants and research labs around the country. It's called transuranic because it's heavier than uranium.

But by putting so much emphasis on Carlsbad, the energy department has made it appear it's already decided to open WIPP for permanent disposal, asserted Margaret Carde, an activist for Santa Fe's Con-

cerned Citizens for Nuclear Safety.

The federal decision on whether to use WIPP permanently is due in three to five years.

"Suppose WIPP is not safe. Then we have a hole in the ground, we have a failed facility, but you already have a national waste center built up around this failed proposal," Carde said.

DOE official James Werner, however, said the latest department decision is just the opening salvo in the debate over WIPP's future.

The department's own team of scientific reviewers recommended consolidating a lot of WIPP activities in Carlsbad "to help the science work better," Werner said.

The same group also advised DOE to kill the WIPP waste testing plan, he said.

MINNEAPOLIS STAR AND TRIBUNE

NOV 8 1993

U.S. to share nuclear secrets with the public

New York Times.

qaw

Washington, D.C.

As part of an overhaul of Cold War-era rules, the Energy Department has decided to declassify realms of once secret information about the nation's nuclear weapons, including data about undisclosed nuclear tests, administration officials said Monday.

Although scholars have known for some time that the United States did not acknowledge all the nuclear tests it conducted, the new information is expected to include useful data about the extent and purpose of past nuclear testing.

The information, to be released soon, also will include other data that long have been sought by specialists in the fields of arms control and nuclear safety, including the health and environmental effects of the nation's nuclear weapons program, Energy Department officials said.

Still, the information will be far from complete. For example, the department plans to release information about current plutonium inventories at its main production plants. But researchers want it to publish year-by-year plutonium production figures for the entire bomb program or the exact historical stockpiles of nuclear weapons.

The agency is in charge of most of the nation's atomic weapons-building program. Energy Secretary Hazel O'Leary has ordered the agency to complete a review of the kinds of information that can be declassified and to set up means for the public to obtain access to it.

Officials said the data being released soon would be a small beginning compared with the broader material that will be released after the new review procedure has been put in place.

BURRELLE'S

NEWS EXPRESS

PAGE 13 OF 14

NOV 07 1993

Energy secretary impresses Hanford 3

By WANDA BRIGGS

Herald staff writer

Casey Rund, Ed Bricker and Mike Bott, three Hanford whistleblowers, said they were impressed with the new Department of Energy policies offered by Secretary of Energy Hazel O'Leary on Saturday.

They were in Washington, D.C., for the two-day whistleblowers conference at which O'Leary spoke.

"The winds of change are here," said Rund who, like Bricker, has a lawsuit pending. "We are hearing of an openness that didn't exist before."

Rund said by phone he was realistic enough to realize that the changes O'Leary and Assistant Secretary Thomas Grumbly spoke of will take time, but "to be this open, this candid in a public forum — folks, you've witnessed change that won't be stopped."

Grumbly also suggested he might want to hire Rund, who is currently employed by the Washington state Department of Ecology overseeing Hanford's 40-year and nearly \$60 billion environmental cleanup. Rund said he would be willing to discuss a job with DOE.

Bricker said he was especially pleased that DOE might cut off funding for its contractor's legal costs in whistleblower lawsuits.

"I am impressed, and this is coming from someone who has probably been beat up by the system more than anyone else," said Bricker, who was awarded the Boy Scout Medal of Merit during the conference, one of the group's highest honors. Bricker is a Scout leader in Olympia and an Eagle Scout.

"If people in government would follow the Scout code, there wouldn't be any need to reinvent government," Bricker said.

Like Rund, he was impressed with O'Leary.

"The promises she made were fantastic. — If she keeps them, then no one else will have to go through the hell I've been through."

Bott agreed.

"It was almost surreal for 25 or 30 whistleblowers to have a private meeting with the energy secretary," Bott said. "I think she will follow through on her promises."

Those promises, he said during a telephone interview, include O'Leary's pledge to review whistleblower cases individually, with Grumbly a vital part of that examination.

"She told us not to expect overnight miracles. But she also said she was like a dog with a bone and wouldn't let go of this issue," Bott said.

SEATTLE POST-INTELLIGENCER

NOV 05 1993

Conference raises hopes for federal whistle-blowers

By Larry Lange
Reporter

PBS

Gary Lekvold still gets mad when he remembers how he was fired from Westinghouse Hanford Co. after blowing the whistle about security problems at the Hanford Nuclear Reservation.

Lekvold has another job, but has gone to court over his 1992 firing as a security expert and the harassment he said preceded it. One of the suits has been dismissed because a federal law protecting whistle-blowers wasn't enacted until after he'd left Hanford. He still hopes to win.

"I think I made significant contributions in many areas, especially in the area of high-tech security," said Lekvold, now working as an engineer at a Superfund site in Michigan. "I believe I'm going to win this battle. If it takes going to the U.S. Supreme Court to do it, so be it."

This weekend, Lekvold and several hundred other hopeful federal whistle-blowers make another move designed to make sure they aren't forgotten. They're holding a convention in the Washington, D.C., area to meet with federal officials. The session opens this morning.

The occasion is the second conference of a group called Public Employees for Environmental Responsibility, a group set up to act as an advocate for government employees who have trouble getting their agencies to recognize environmental or safety problems.

Organizers say the conference will be the first ever attended by top officials of several federal agencies, including the U.S. Department of Energy, which owns the Hanford reservation. About 300 government workers are expected to attend the two-day session in Bethesda, Md.

Among the visitors and speakers will be Energy Secretary Hazel O'Leary and Tom Grumbly, the assistant energy secretary for environmental restoration and waste management, who has responsibility for a major part of Hanford operations.

Conference organizers and others take that as a sign that the Energy Department is beginning to take whistle-blowers' concerns seriously.

At the first such conference, held in February 1992, whistle-blowers were "effectively ignored and spurned" by Bush administration officials, said Bob Alvarez, a staffer on the Senate Governmental Affairs Committee, which oversees the operations of the Energy Department and other agencies.

Now, with O'Leary and Grumbly scheduled to meet with them, "they're being recognized as people who have legitimate concerns."

Knowledgeable observers said the number of known whistle-blowers is increasing. Tom Carpenter, Seattle-based attorney for the Government Accountability Project, said that nationwide, there appear to be "more than ever," although the number at Hanford has declined. "In 1985, there were four or five cases at the Department of Energy in the whole country. Now there are dozens and dozens."

Carpenter's organization, based in Washington, D.C., represents whistle-blowers who suffer harassment or threats to their jobs as a result of disclosures.

Carpenter, who has handled several Hanford whistle-blower cases himself, said the Energy Department and Westinghouse appear to be paying closer attention to whistle-blowers. Westinghouse, the main Hanford operating contractor, plans to establish a

committee to handle complaints from workers who can't get their concerns addressed through normal channels. The department has established an Office of Contractor Employee Protection to handle complaints from workers who suffer reprisals for reporting problems.

"So far, that office has received 66 cases since it was established in April 1991, a half-dozen of them from Hanford," said Sandra Schneider, the office's director. "It's been a small percentage increase each month in terms of cases filed," she said. "It is growing."

Whistle-blowers at Hanford have been responsible for several groundbreaking revelations. One, Jim Simpkin, reported safety problems that led to the closure of Hanford's N Reactor, the last operating plutonium reactor at Hanford, Carpenter said. Another, scientist, Sonja Anderson, performed studies that disclosed leaks of waste from storage tanks and the presence of explosive hydrogen and nitrates in several of the tanks.

CONTINUED

3

BURRELLE'S

NEWS EXPRESS

PAGE 4 OF 7

1/2

CONTINUED

But they also paid a price. Simpkin, who said he was harassed for his revelations, quit and took another job. So did Anderson. Lekvold and Ed Bricker, another former Hanford whistle-blower who said he was harassed, both sued. Bricker's suit in federal court has been dismissed by a trial court and by the 9th U.S. Circuit Court of Appeals.

Lekvold's suit is now on appeal to the 9th Circuit. The suit accuses Westinghouse of doctoring security reports and not taking proper security measures, then firing him for refusing to sign a time card, which Lekvold said was inaccurate. Westinghouse is fighting the suit; spokeswoman Penny Phelps said the company investigated Lekvold's concerns and "re-

solved which ones we could resolve" five years ago.

There are indications some workers still believe they can't be heard. Casey Ruud, a former Hanford inspector and whistle-blower who was laid off after he reported problems at Hanford, will be at the conference. He plans to tell O'Leary and Grumbly during the convention about a letter from Hanford tank-farm workers, in which they complain about inadequate training and inattention to their concerns.

Ruud, now a state Department of Ecology inspector, said workers have told him that a recent safety-related shutdown of work at the tank farms could have been avoided had Westinghouse kept the

workers properly trained. Ruud wouldn't name the workers or provide a copy of a letter that 30 of the workers have addressed to the Energy Department.

But he said this is the first time workers have acted as a group to voice concerns. "Top people need to come and listen to the workers," he said.

Phelps, the Westinghouse spokeswoman, said the company hasn't seen the letter and can't respond. She said the company has heard worker complaints about training and has placed greater emphasis on it since the work shutdown in August. A top-level manager now has overall responsibility for training, she said.

2/2

BURRELLE'S

NEWS EXPRESS

PAGE 5 OF 7

O'Leary praises whistleblowers' value at meeting

TRI-CITY HERALD
Tri-Cities, WA

NOV 07 1993

A3

By LES BLUMENTHAL

Hanford, Washington, D.C. Bureau

WASHINGTON — Top Department of Energy officials, including Secretary of Energy Hazel O'Leary, said whistleblowers will be welcome at DOE and those who try to retaliate against them will not be tolerated.

"I need whistleblowers, the department needs whistleblowers and our country needs whistleblowers," O'Leary told about 200 people Saturday attending a conference sponsored by Public Employees for Environmental Responsibility.

Before her speech, O'Leary met with a group of whistleblowers, including some from Hanford, for about 45 minutes and came away troubled with their stories and adamant about changing a system that discriminates against those who are "proactive" in their jobs.

"I have dealt with these problems with abstraction until today," she said. "We had the human connection today. I now understand after today how hopeless, how beaten, bullied and scary it has been for you."

Those attending the meeting came away impressed.

"Finally I think we have an ally at the helm of the Department of Energy," said Tom Carpenter of Seattle, a lawyer for the Department of Energy who represents some Hanford whistleblowers.

O'Leary said she considered herself a whistleblower and urged DOE and its contractor employees to come to her if something was wrong.

The secretary also offered a stern warning to those trying to quiet legitimate concerns raised by employees.

"I commit today to zero tolerance, zero tolerance of reprisals," O'Leary said, adding she sought to "encourage dissent, encourage disagreement..."

O'Leary said she wanted to hear from all whistleblowers who have had problems. "We can't go forward until we correct what has gone wrong in the past," she said.

She emphasized she would get tough with those who resist the new whistleblower policy.

"When you say there is no tolerance for reprisals, that's a great thing — but people have to understand if they don't follow the new guidelines, then negative sanctions is what they can expect," O'Leary said. "Most people want and celebrate this change. I expect compliance."

O'Leary said the proof that her new policy has taken hold and workers are no longer scared will be if the number of concerns raised by employees grows.

"That will be the first sign it is working," O'Leary said.

O'Leary also said she had no doubt how difficult it would be to implement her new policy. "I'm not fooling myself how difficult it will be," she said. "The behavior we are trying to change is 50 years old."

Earlier, Thomas Grumbly, the department's assistant secretary of environmental restoration and waste management, emphasized that whistleblowers no longer had anything to fear from DOE and its contractors.

"I can guarantee there will be no one in the system, from this day forward, who will be punished for raising legitimate concerns," he said.

Grumbly said the "legacy of secrecy" that had pervaded the nation's nuclear weapons production complex since the days of the Manhattan Project would end and the "dysfunctional environment" that stifled creativity would be reformed.

Grumbly also said he understood the frustration of whistleblowers.

"If you slammed your head against the wall for years, it's easy to understand why you are cynical," Grumbly said. "At least those of us at the top want to work with you."

Whistle-Blowers Hear a Few Words of Reassurance

By RITA BEAMISH
ASSOCIATED PRESS

A38

WASHINGTON—The Clinton Administration on Friday urged government whistle-blowers to tell the truth about environmental problems in federal agencies, but also to work cooperatively.

Employees who gathered at a two-day convention to share stories of retribution and federal wrongdoing heard from four high-level Clinton Administration officials, including Energy Secretary Hazel O'Leary.

O'Leary wants workers to know that "whistle-blower is not going to be a negative term," said Energy Department spokeswoman Mary

Freeman.

"Dissent should occur openly," Assistant Agriculture Secretary Jim Lyons told the conference, which was sponsored by the newly organized Public Employees for Environmental Responsibility.

"It is healthy to probe, to question and to criticize constructively," said Lyons, who oversees the Forest Service. But he also called on critics to "draw the line between constructive criticism, honest disagreement and rancorous dissent" and to try for better teamwork.

"We must . . . make judgments regarding how far to push a dissenting opinion," he said.

PEER founder Jeff DeBonis said the group wants to be helpful to

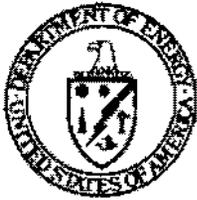
the new Administration, but warned, "If need be we will hold the Clinton Administration's feet to the fire and make sure they stay accountable."

Also speaking Friday was Bureau of Land Management Director Jim Baca, who agreed that PEER could be "a valuable resource" for the Administration.

But it should not become a vehicle for disgruntled personnel to vent grievances, Baca said in an interview.

Among those at the conference: — Richard Keigley, a National Park Service research scientist who believes the agency is suppressing his scientific data that shows elk, driven into the park by hunters, are responsible for a growing crisis in overgrazing of aspen trees and other vegetation. Keigley has been reassigned to work outside his specialty. He wrote several months ago to Interior Secretary Bruce Babbitt through Babbitt's "campfire" system for employee complaints, but has received no answer.

— Ben Lomell, a hydrologist who crossed swords with his supervisors when he helped call attention to a potential depletion of water supply in the San Pedro River by development demands in arid southeastern Arizona. Lomell kept his job but with a different portfolio. He planned to appeal to Baca again to be allowed to resume work on the San Pedro problem.



DEPARTMENT OF ENERGY
Washington, DC 20585

OFFICE OF THE SECRETARY

November 18, 1993

MEMORANDUM FOR MACK MCLARTY, THE WHITE HOUSE

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

Hazel R. O'Leary

KEY DEPARTMENT NEWS

• Nuclear Materials Research Laboratory at the Pantex Facility in Amarillo, Texas

Last month the Office of Technology Assessment issued Dismantling the Bomb and Managing Nuclear Materials, a report recommending that the Department create a research capability to address the issues of long-term management of nuclear materials. In response to this and other similar recommendations from the scientific and environmental communities, last Thursday in Amarillo we announced with Representative Sarpalius and Governor Richards a plan to create a Nuclear Materials Research Laboratory at our Pantex facility in Amarillo, Texas. The announcement received excellent press attention.

Pantex is currently the Department's principal weapons dismantlement site. The proposed laboratory would conduct research and provide scientific analyses including:

- additional site characterization, monitoring and analysis;
- development of remediation techniques;
- formal training for specific environmental activities; and
- funding for the Site-Specific Advisory Boards.

It makes sense to perform this work at the site for the following reasons:

- Significant knowledge, infrastructure investment, and unique dismantlement and materials management capabilities already exist to address the scientific issues.
- At least three buildings appear to be currently available or are in the design stage to house a new research laboratory--none involving new appropriations for brick and mortar.

The laboratory will come under intense scrutiny for several reasons. The Department is currently consolidating its laboratory complex as a result of reduced defense spending. Members of Congress from California and New Mexico will be closely monitoring appropriations since funds for the proposed laboratory will reduce support for laboratories in those two states. New Mexico media has already begun to question the validity of this laboratory.

Prior to the laboratory moving forward, an environmental impact statement must be completed and Congress must appropriate funds.

Superconducting Super Collider

As previously discussed, the Department is intensely involved in addressing the shutdown of the Superconducting Super Collider. Last Friday, I went to the site with Congressman Frost and Congresswoman Johnson to meet with federal employees and 1,000 contract employees. I also participated in a press conference after the meeting with the members of Congress. Press surrounding the meeting was favorable and accurately reported. (Articles are attached.)

The meeting was not as hostile as expected. I had originally planned to announce a severance package to the workers, but 500 employees signed a letter to me asking that a committee be elected to negotiate a package with the Department which addresses employees' needs. I agreed to this request and staffs have already met on the issue. I committed to announce the package the day before Thanksgiving, and my staff will communicate the elements of the package to appropriate White House staff before moving forward. We will coordinate this announcement with the White House.

The Department's General Counsel met with State of Texas counsel yesterday in Dallas to attempt to understand the figures Texas believes the federal government is obligated to reimburse the State. The State is not yet fully prepared to articulate the final figure and will have more information on December 13. Serious negotiations will not be able to take place until then. At this point, it is the State's responsibility to come back to us on this subject.

Since these two issues are moving forward smoothly, we will begin to focus on planning for productive uses of the site.

Department of Energy Participation in the 1996 Summer Olympic Games

Tomorrow I will meet with Mayor Maynard Jackson of Atlanta, Georgia, to discuss the Department's participation in the 1996 Summer Olympic Games. The Department will provide the city with support for energy efficiency and renewable energy technologies and alternative fuel vehicles for the 1996 Olympic Games. The Department's participation in this event provides an excellent opportunity to cooperate on issues of importance to the leadership of the city and the Administration.

CONGRESS

Outreach Meetings

- Last Thursday I visited the Pantex facility in Amarillo, Texas, with Governor Ann Richards and Representative Bill Sarpalius, and that evening the Governor and I spoke at a fundraiser for Congressman Sarpalius. At the fundraiser, I announced the Department's intent to develop a plan for a National Materials Laboratory at Pantex.
- Last Friday I visited the Super Conducting Super Collider project in Waxahachie, Texas, with Representatives Eddie Bernice Johnson and Martin Frost.
- Tuesday, November 16, I attended a fund raiser for Connecticut Senator Joseph Lieberman.
- Other congressional meetings are described in the Presidential Initiatives section under NAFTA. I sent a rose with a thank-you note to each member of Congress I spoke to on the NAFTA issue.

MEDIA

- National Coal Council

Tomorrow, I will address the semi-annual meeting of the National Coal Council in Washington, D.C. This address to over 450 executives from the coal industry will focus on the Administration's energy policy and the role of coal in the future. Regional media coverage of this event is expected.

- African-American Members of Presidential Cabinets Interview

Today, I will be interviewed for a Public Broadcasting documentary entitled "African Americans in Presidential Cabinets" that will profile past and present African American Cabinet members and their influence on national policy. Present Cabinet members who will be profiled are Secretary of Veterans Affairs Jesse Brown, Secretary of Commerce Ron Brown, Secretary of Agriculture Mike Espy, and Director of the Office on Drug Policy Lee Brown. The documentary will air in fall 1994.

Other media events and interviews are described in the Presidential Initiatives section under NAFTA.

THE WEEK AHEAD

- Meeting with Labor Unions

Monday, November 22, I will meet with the presidents of ten major unions that perform work at the Department's facilities. Unions represented include:

- The AFL-CIO Metal Trades and Industrial Union Departments,
- The United Steelworkers of America,
- The International Chemical Workers Union,
- The United Brotherhood of Carpenters and Joiners of America, and
- The United Plant Guard Workers of America.

The purpose of this meeting is to explore issues regarding the environmental remediation of facilities in the Department's weapons complex. The issues include who will do environmental remediation work and how the Department will implement its commitment to worker safety in carrying out clean-up activities. During my meeting with this group in August, I recommended that the Department retain a facilitator to evaluate differences and commonalities among the various unions and the Department.

- Signing Ceremony Norfolk State University and Southeastern Universities Research Association, Inc. Cooperative Partnership

This ceremony marks the initiation of a partnership between Norfolk State University and Southeastern Universities Research Association, Inc., the managing and operating contractor of the Department's Continuous Electron Beam Accelerator Facility. The partnership between these institutions will create a faculty group that will be internationally prominent in strong interaction nuclear physics research and demonstrates the Administration's commitment to science and education initiatives.

PRESIDENTIAL INITIATIVES

- North American Free Trade Agreement

I talked with many members of Congress this week about NAFTA.

- Monday, I conducted interviews with the Dallas Times, the New Orleans Times Picayune, KLIF Radio in Dallas and the Louisiana Network (a state-wide radio network).
- Tuesday, I conducted interviews with WWDB radio in Philadelphia, Bob Levy of WMAL radio here in Washington, and Yolanda Sanchez from "Televisa". "Televisa" is the Nation's primary hispanic television network and broadcasts on 300 stations in Texas, Arizona, New Mexico, California, Florida, New York, New Jersey, Colorado and Illinois. The network has an estimated nationwide and international audience of 40 million.
- Last Friday, I participated in a rally in Dallas with workers, business leaders, and State leaders in support of NAFTA. This was the most enthusiastic event I have participated in over the last several months. The rally was highlighted on all Dallas television stations.

A compilation of the Department's activities in support of NAFTA over the last several months will follow.

MONDAY, NOVEMBER 22, 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 SSC Debrief Meeting

10:00 AM HOLD: Cabinet Meeting

12:30 PM - 1:30 PM Lunch

2:00 PM - 4:00 PM Union Meeting
(R. Rosenzweig, D. Reicher, B. DeGrasse,
J. Edmondson, T. Grumbly, T. O'Toole)

4:00 PM Ken Harrison, CEO/Chairman of the Board,
Jim Cross, Vice President/Nuclear Operations
Portland General Electric

4:45 PM - 5:15 PM Telephone Interview - Deborah Collins,
of Nestle USA, Inc. for Women of Courage

5:15 PM - 6:15 PM Appointment

6:30 PM DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

TUESDAY, NOVEMBER 23, 1993

SCHEDULE FOR HAZEL R. O'LEARY

7:30 AM DEPART RESIDENCE FOR ANA HOTEL
Met by Reggie Sellers

8:00 AM - 1:30 PM Bob Boylan
ANA Hotel
Adams Board Room
2400 M Street, N.W.
(Rich Rosenzweig, Dan Reicher, William Taylor,
Sue Tierney, Johannah Dottori)

1:45 PM DEPART ANA HOTEL FOR THE OEOB
Met by Reggie Sellers

2:00 PM - 3:15 PM Leon Panetta, Director
Office of Management and Budget
Room 252 - The OEOB

3:20 PM DEPART THE OEOB FOR DOE
Met by Reggie Sellers

3:30 PM -----START STAFF TIME-----

3:30 PM - 4:00 PM Tara O'Toole
(ES&H Issues)

4:00 PM -----END STAFF TIME-----

4:30 PM - 5:30 PM Strategy Meeting - Weapons Complex
(Vic Reis, William Taylor, Muriel Scarborough,
Bob DeGrasse, Dan Reicher))

6:30 PM DEPART FOR TRAVEL - NORFOLK, VA
Met by Reggie Sellers

WEDNESDAY, NOVEMBER 24, 1993

SCHEDULE FOR HAZEL R. O'LEARY

11:30 AM

**Signing Ceremony - Norfolk State
University & Southeastern University
Cooperative Announcement
Harrison B. Wilson Building
Room 530
Norfolk, Virginia
Remarks & Lunch**

3:00 PM

**DEPART NORFOLK, VA FOR WASHINGTON, D.C.
Met by Reggie Sellers**

THURSDAY, NOVEMBER 25, 1993

SCHEDULE FOR HAZEL R. O'LEARY

Holiday - Thanksgiving Day

FRIDAY, NOVEMBER 26, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:00 AM - 5:00 PM HOLD

Energy secretary stumps for NAFTA at Dallas rally

By Richard Alm ^{2-F}
 Staff Writer of The Dallas Morning News

Energy Secretary Hazel O'Leary on Friday joined President Clinton's blitz on the North American Free Trade Agreement, telling Dallas supporters that the pact is vital to America's leadership in the world.

At a rally at the downtown headquarters of Central and South West Corp., an electric utility, Ms. O'Leary said that leadership in the post-Cold War era would be less a race of military might than of economic competitiveness.

"This is our opportunity," she said. "It's about (American) leadership. It's about leadership in a new race."

Ms. O'Leary's appearance in Dallas highlighted the high-stakes politicking going on over the free-trade agreement. It faces a crucial ratification vote Wednesday in the House.

On Saturday, pro-free trade forces will stage another Dallas

■ **Boisa sets record.** 13F

rally at the offices of the Hispanic Chamber of Commerce. Henry Cisneros, secretary of Housing, will speak. The anti-free trade faction, led by trade unions and United We Stand America, the grass-roots lobbying group, will assemble in Austin for a noon rally.

At Friday's pro-free trade rally, Jared Hazleton, director of the Center for Business and Economic Analysis at Texas A&M University, said Texas has a lot to gain from the proposed agreement.

Export opportunities created by the free-trade agreement, he said, would boost the state's output of goods and services by \$2 billion a year, opening 29,000 energy-related jobs.

Dallas Mayor Steve Bartlett estimated that the Dallas area would gain 60,000 jobs from expanding trade with Mexico.

"The only thing standing between us and those jobs are the



NAFTA COUNTDOWN

- President Clinton said Friday that he is close to winning the fight for the North American Free Trade Agreement. "We're much closer now," Mr. Clinton said at the White House following a photo session in which he picked up the support of Rep. Ed Pastor, D-Ariz. (Please see story on Page 1A).
- Mexico's soaring Boisa closed more than 50 points higher Friday as optimism grew about prospects for the trade pact. (Please see story on Page 13F).

The Dallas Morning News

votes of members of Congress," he said, urging supporters to contact Rep. John Bryant and Rep. Martin Frost, two local lawmakers still undecided on the issue.

TRI-CITY HERALD
Tri-Cities, WA

AI
NOV 11 1993

Dicks, Kreidler support NAFTA

By LES BLUMENTHAL
Special Washington, D.C. Bureau

WASHINGTON — Washington Democratic Reps. Norm Dicks and Mike Kreidler said Wednesday they would support a controversial free trade agreement with Mexico, and angry state labor leaders immediately warned their decision would come back to haunt them in next year's election.

"We aren't giving any slack to anyone on this vote," said Rick Bender, head of the Washington State Labor Council. "We tried to stress to them that they cannot take us for granted just because we are Democrats. This is not something we will forget."

Seven of the 11 members of the state's congressional delegation now support the North American Free Trade Agreement (NAFTA) and only one, Democratic Rep. Jolene Unsoeld, opposes it.

Three other members, Democratic Reps. Jim McDermott and Maria Cantwell and Democratic Sen. Patty Murray, remain undecided, though all have indicated they probably are leaning toward supporting the pact.

While Republican Rep. Jennifer Dunn also formally announced Wednesday she would vote for NAFTA, she had long been listed as a supporter of the trade pact.

For Kreidler and Dicks, the decision to support NAFTA despite their strong pro-labor credentials was an agonizing one and both notified local union officials before publicly announcing their support.

"They were disappointed with my decision," Kreidler said in an interview. "I hope, given the fact that we are talking about an election in 1994, they will come to the conclusion that on most issues we are in agreement."

Dicks said he "shared the anger and deep frustration" workers have felt over the past decade as plants have closed and layoffs mounted, but added he did not think organized labor should make the NAFTA vote a litmus test for future support.

"It's unfortunate when you have as good a record on labor issues, as I do, that people make this vote a referendum on someone's political career," Dicks said in an interview. "I have always worked for jobs in Washington state and I will continue to work for jobs. The voters will have to decide next year."

On an earlier trip to Washington, D.C., Bender and other labor officials had a heated meeting with Dicks, but Bender said neither Dicks nor Kreidler apparently understood how serious the unions were in their opposition to NAFTA.

Kreidler had become the focus of an intense lobbying campaign from the White House, including a dinner at Vice President Al Gore's house. He was lobbied by at least three Cabinet members: Treasury Secretary Lloyd Bentsen, Transportation Secretary Federico Pena and Energy Secretary Hazel O'Leary.

Kreidler also was wooed by U.S. Trade Representative Mickey Kantor, U.S. Ambassador to the United Nations Madeline Albright, Environmental Protection Agency Administrator Carol Browner and the administration's NAFTA czar, Bill Daley.

Kreidler said he never felt anyone, from either side, threatened him and he didn't request anything special from the administration and it didn't offer anything.

"I wasn't elected to cast safe votes," Kreidler said. "I came to a decision on the merits. It wasn't a single thing. I just came to the conclusion we needed to look forward rather than back."

Kreidler had made his decision and notified administration officials Tuesday night before the NAFTA debate between Gore and Ross Perot.

Dicks, who called Gore on Air Force Two, said the debate convinced him it was time to announce his decision.

Dicks said NAFTA was a "modest, but significant step in the right direction. Its rejection would be a fatal retreat from world leadership."

Washington's major employers, including Boeing, Weyerhaeuser and Microsoft, all supported the agreement, and Dicks said he was convinced NAFTA would result in increased jobs in the state.

"I think we will be a big winner," Dicks said.

Kreidler said passage of NAFTA would result in a clean break with the "passive and weak" U.S. trade policies of the past and that he, too, understood the fears and anxieties over the nation's economic future.

"But we cannot allow our fear and anxiety to paralyze us or blind us to opportunities," Kreidler said.

Each side in the NAFTA battle rallies the forces in Washington

By Patrick Howe
Staff Writer

7A
Washington, D.C. — Midwestern troops from both sides of the battle over the North American Free Trade Agreement converged on Washington Thursday, displaying starkly different tactics as Congress prepares for a vote on the pact Nov. 17.

On the White House lawn — lined up in blue and gray suits — leaders from a dozen energy-related companies, including Minneapolis-based Honeywell Inc., calmly outlined the pro-NAFTA case after a meeting with Secretary of Energy Hazel O'Leary and Mack McLarty, White House chief of staff.

An hour earlier, on the grounds of Capitol Hill, Rep. Collin Peterson, D-Minn., joined Ross Perot and a host of Republican members in a feisty anti-NAFTA rally.

The White House, in its final push for the trade treaty, has sought to use the power of the presidency, inviting members of industry to meetings and orchestrating high-profile visits with members of Congress.

NAFTA opponents are relying on a grass-roots campaign of filing con-

"The American people won't eat this one, folks."

Ross Perot

gressional mailbags, tying up phone lines and holding rallies.

Perot, in a speech rich with the kind of homespun sayings that helped make him famous, framed the NAFTA battle as one between special interests engaged in the "largest lobbying effort in history" and "the ordinary, hard-working American people."

Perot said the push for NAFTA was like trying to sell dog food that dogs won't eat.

"The American people won't eat this one, folks," he shouted to a cheering crowd.

The White House responded by daring Perot to debate Vice President Al Gore. Perot accepted but called the proposal "a desperate move."

That set off a debate over debates, with each side offering different times and formats.

Peterson, a leader of congressional opposition to NAFTA, said he didn't want to attend the rally because "Perot is controversial and I'm going to catch heck at home for being with him."

But Perot threatened not to appear unless a congressional Democrat showed up, Peterson said, "and we can't attract the press without Perot."

Peterson defended his high-profile stance against a treaty supported by the president, a fellow Democrat, saying, "I didn't come out here to be a rubber stamp."

Peterson said his side has nearly enough votes to defeat the pact, with "a bunch more undecided people in our pocket." He predicted that pro-NAFTA forces would try to delay the vote.

The White House acknowledged yesterday that it still lacks the support needed to pass the measure, but said things were picking up as a result of new deals with Mexico to protect politically sensitive U.S. industries. NAFTA supporters estimated that an agreement with Mexico on sugar would bring Clinton 10 to 12 votes, which would narrow the gap between the two sides significantly. Administration officials tried to narrow it further at yesterday's White House rally. They paraded representatives from companies — including two independent alliances of electrical power companies — who support NAFTA.

O'Leary said the agreement would mean \$3 billion over the next seven years for energy industries as they help Mexico's state-owned energy industry privatize.

Glen Skovholt, vice president of national and international affairs for Honeywell, said he came out of the White House meeting convinced that voting against the agreement would be a "tragic mistake."

Skovholt said his company, which is already doing business in Mexico but would probably do more if NAFTA passes, supports the agreement not so much because of gains it can make in selling specific products, but because it promises to make the trading environment more friendly. "As important as anything is a continuation of the economic reforms Mexican President Salinas has initiated," he said. "In a broader sense, those reforms will result in some really significant opportunities to sell in Mexico."

The Associated Press contributed to this report.

O'Leary announces DOE lab for Pantex

Interim storage of plutonium still undecided

By JIM McBRIDE
Globe-News Special Projects Writer

Energy Secretary Hazel O'Leary said Thursday she does not know how long plutonium from dismantled nuclear weapons will be stored at the Pantex Plant, but she pledged to reach a decision before her tenure is up.

"That's a tough question: How long is interim?" O'Leary told a group of residents, business leaders and state officials. "I will tell you the truth: I don't yet know."

Also, documents released by DOE on Thursday indicate that additional studies about plutonium disposition are ongoing and that the proposed six- to 10-year interim storage may be longer than anticipated.

O'Leary was on hand at Amarillo's Radisson Inn to meet with Gov. Ann Richards, U.S. Rep. Bill Sarpalis, D-Amarillo, and citizen groups studying environmental and policy issues related to the Pantex Plant.

Pantex, located about 17 miles northeast of Amarillo, is the nation's primary assembly and disassembly plant for nuclear weapons. It is operated for the Energy Department by contractor Mason & Hanger-Silas Mason Co.

The Energy Department Thursday also released its answers to questions state officials and area residents posed earlier about an environmental assessment on interim storage of plutonium at Pantex.

The DOE assessment said increased storage posed no significant

environmental threat to workers, nearby communities or the Ogallala Aquifer, a source of water for much of the High Plains.

After the draft document was released by the state last year, state officials, citizen groups and others posed questions to the Energy Department about the reports' conclusions.

Gov. Ann Richards, Attorney General Dan Morales and other state agencies also cited concerns about some portions of the report.

Richards earlier raised questions about the proposed six- to 10-year interim storage period initially sought by the Energy Department, which aims to store up to 20,000 plutonium pits at Pantex. Pits are the radioactive central cores of a weapon used to create a nuclear explosion.

"Specifically, I want to know when this 10-year period begins and ends. I also need clear and definite information about what procedures will be followed if the plutonium is still sitting at Pantex at the end of the 10-year period," Richards said earlier in a letter to O'Leary.

"In addition, state officials believe that the methodologies used in the report addressing the potential impact of a plutonium release to the Ogallala Aquifer and the section addressing the Aircraft Hazards Analysis are so fundamentally flawed they must be revisited."

Officials from various state agencies and universities also questioned a number of points in the environmental analysis and sought clarifications on its conclusions.

The revised environmental analysis noted that President Clinton established an interagency task force in September to determine the disposition of surplus plutonium to national defense requirements.

The task force is being led by the National Security Council and the Office of Science and Technology Policy, with the participation of the Arms Control and Disarmament Agency, the CIA, the Office of Management

and Budget and the departments of State, Defense and Energy.

"The results and implementation of its recommendation are likely to have significant impact on both the number of pits requiring long-term storage and the duration of any storage period. It is likely that a substantial majority of the pits proposed to be stored at Pantex, which are surplus to the nation's defense needs, will be affected by decisions resulting from the work of the task force," the revised analysis said. "Because the task force was so recently chartered, however, it is impossible to now predict the timing of its recommendations or their implementation."

In the revised environmental analysis released Thursday, the Energy Department reiterated its position that interim storage of plutonium would not have a significant impact on the environment.

"The length of the storage period does not influence the conclusion of the environmental assessment that no significant impacts would occur as a result of credible accident sequences involving explosions, forklift operational accidents, earthquakes, tornadoes and aircraft crashes," the revised analysis said. "The analysis of these accidents was based on the annual probability of occurrence of each accident in combination with other time-independent factors."

O'Leary also told residents that the Energy Department will conduct a public hearing on the environmental analysis and that a more detailed environmental study will be prepared to examine Pantex operations.

"The Environmental Impact Statement will examine the aspects of current and foreseeable operations at the Pantex Plant, including dismantlement and storage-related issues. This Environmental Impact Statement will include analyses to further mitigate the effect of Pantex activities," the revised environmental analysis said.

The analysis said the DOE does not yet know how long it will take to prepare the environmental impact statement, but the report said DOE will work to complete it on an "expedited basis."

Laboratory will research uses for warhead materials

By JIM McBRIDE
Globe-News Special Projects Writer

The Pantex Plant will become the site of a national laboratory that researches new uses for nuclear materials recovered from dismantled warheads, Energy Secretary Hazel O'Leary announced Thursday.

O'Leary, joined by U.S. Rep. Bill Sarpalius, D-Amarillo, and Gov. Ann Richards, made the announcement Thursday night during a meeting of the Sarpalius Congressional Club at the Amarillo Civic Center.

Pantex, located about 17 miles northeast of Amarillo, is the nation's primary assembly and disassembly for nuclear weapons. It is operated for the Energy Department by contractor Mason & Hanger-Silas Mason Co.

O'Leary said the administration plans to spend millions to build such a facility at Pantex and that the Energy Department is likely to spend \$300 million over the short- and long-term for managing nuclear materials from the weapons complex.

"Our commitment in this administration as we plan for a five-year cycle is for in excess of \$60 million, but the scoping work will tell us what is required beyond that," she said.

The secretary said the work of weapons dismantlement is expected to continue for 20 to 30 years and that the proposed facility could help the nation lead other nations in scrapping their nuclear arsenals.

"The technologies that will be both studied and applied here would lead to significant job expansion," O'Leary said. "This is the site where

the work is being done today for the interim, and we know that interim is longer than 20 years."

O'Leary offered few details of the project, saying that initial study work will begin soon. But she said a significant number of jobs are expected to come for scientists, technicians, environmental scientists and dismantlement workers.

"We have not yet reached the conclusion of where the complex for handling all of the plutonium work and all of the fissionable materials will be. I'm not going to set this up like this is going to be the only site," she said. "But it is going to be a significant site and as we go forward later this year in scoping the work out, we can talk about numbers of jobs."

O'Leary said that research work for the facility will have to go out for bid proposals, but she noted that a consortium of Texas universities has already submitted an unsolicited proposal relating to plutonium research.

Officials from the University of Texas System, Texas A&M University System and Texas Tech University have agreed to create the consortium, which aims to delve into peaceful applications of nuclear weapons technology.

"Quite frankly we expect others to respond as well," O'Leary said. "In the process of examining that work, we will then select someone to go forward with the work of setting up the first stage of this facility here at Pantex. I'm clear on the fact that we have a funding requirement certainly into the next decade for such a facility."

After the announcement, Gov. Richards praised the efforts of Sarpalius and other community leaders.

"Bill Sarpalius deserves total credit for this even if I am going to mooch in on it where I can," the governor joked during a news conference after the announcement.

Jerry Johnson, co-chairman of Panhandle 2000, a group seeking more weapons work for Pantex, praised the announcement.

"I think it's a big event for Amarillo," Johnson said. "It's a real plus for our community. There are not many national laboratories, and to have one here is a very distinguishing characteristic."

Panhandle 2000 co-chairman Wales Madden, who worked with Johnson to pursue more weapons work for Pantex, said he was excited at the prospect.

"The designation of a national laboratory is a tremendous milestone," he said.

The announcement, however, wasn't welcomed by everyone.

Beverly Gattis, president of Serious Texans Against Nuclear Dumping, said she views the proposed lab as duplicating work already done at other laboratories.

"I'm sorry. It really is just political," she said. "It's not a necessary facility. We have national labs that can already do this work. Do we really want to invest our national resources in a duplicating effort somehow?" she said.



Scott Trunkvill / Globe-News

Energy Secretary Hazel O'Leary, left, and Gov. Ann Richards participate in the Pantex

Advisory Board Selection Committee meeting on Thursday at the Radisson Inn.

Amarillo Daily News

Friday, November 12, 1993

Laboratory at Pantex will aid area economy

The advantages of having a member of Congress from the same party as the president of the United States hit home Thursday when Energy Secretary Hazel O'Leary announced that a National Research Laboratory will be opened at the Pantex Plant.

Rep. Bill Sarpalius has lobbied the administration hard to help Pantex. By working constructively with the president, rather than just being a naysayer to the president's, often flawed plans, Sarpalius was able to gain some leverage with the administration.

Of course, it didn't hurt that Pantex has such an enviable record of safety and public support. The plant is the ideal location for expansion of duties, as long as the safety of Amarilloans and the Panhandle environment can be guaranteed.

It also helped that three universities — Texas Tech, the University of Texas and Texas A&M University — created a research consortium to study the commercial uses of plutonium that had been used in warheads. With the help of the consortium, Pantex can show that beating swords into plowshares can be profitable.

Amarillo will profit as the new laboratory brings high-paying, high-tech jobs to the city. As these scientists and their support staff move to Amarillo and begin buying houses, eating at restaurants and spending in local stores, all Amarilloans will see the benefits of the new laboratory.

O'Leary said that Pantex's job

should continue for the next 20 to 30 years, and that there is potential for even greater job growth. The DOE plans to pour \$60 million into Pantex over the next five years, and that amount could grow.

Specifics were few in O'Leary's announcement because the lab is still in the planning — or scoping — stage. But the announcement is a commitment by the DOE to Pantex and Amarillo. The announcement assures Amarilloans who work at Pantex and those who depend on Pantex that it will remain a stable part of the Panhandle economy for many years.

Also, the lab will give Pantex a leg up on any future expansion and consolidation projects in the DOE's nuclear program.

It's also encouraging that O'Leary seems so concerned about the environmental impact of Pantex. Where secrecy was the DOE policy of the past, O'Leary is leading Pantex into a more open era where nuclear facilities and communities can work together to protect workers, the environment and the economy.

When Amarillo was divided into two congressional districts, some residents complained that the city's clout was declining. But now Amarillo has two congressmen — one in each party — representing it. With the one-two punch of Democrat Sarpalius and Republican Larry Combest protecting Amarillo's interests, the city can be sure that it will get a fair hearing in Washington.

FORT WORTH STAR-TELEGRAM

O'Leary talks to workers at SSC

BY HOLLACE WEINER
Fort Worth Star-Telegram

WAXAHACHIE — Energy Secretary Hazel O'Leary met privately and via closed-circuit TV with more than 2,000 disillusioned Superconducting Super Collider workers yesterday and delivered the bad news that, after Jan. 7, half of them will be laid off.

During an hourlong meeting punctuated by testy questions, O'Leary calmly pledged to deliver details of a severance pay package by Nov. 24, the day before Thanksgiving.

Visiting SSC headquarters for the first time since Congress killed the \$1.1 billion science project, O'Leary confirmed rumors that she had torn up an initial severance package. That proposal would have guaranteed fired employees 90 days' salary and \$3,000 in relocation costs — a figure an employee representative termed a pittance.

"I rejected [the initial severance proposal] because it was . . . a standard government package [written] without looking at the fact that this was a very unique site," O'Leary said. "I'm here to fashion a package that relates to the issues at this site, not some generic package."

O'Leary later sidestepped a question about whether the recent election of an SSC employee bargaining committee had prompted her rejection of the government's initial severance offer. However, four of her advisers met with workers' representatives yesterday for about three hours.

During her question-and-answer meeting with collider employees,
(More on SSC on Page 30)

O'Leary also disclosed that she had pushed to fire the collider director months ago. However, University Research Associates, which holds the SSC's operating contract, decided to investigate the matter first, and eight days ago URA accepted the resignation of SSC Director Dr. Roy Schwitters.

"If I had had the power to do it, I would have removed the director," the energy secretary said.

Also, when the Clinton administration took office in January, O'Leary discovered in her office files an outline for closing down the SSC in the event that funding was cut off. The \$1.1 billion project was not finally scuttled until a series of congressional votes last month.

She said the Bush administration had advocated a quick, monetary

"I rejected [the initial severance proposal] because it was . . . a standard government package [written] without looking at the fact that this was a very unique site."

— Hazel O'Leary
energy secretary

settlement with the state of Texas, which invested \$400 million in the aborted science project. "In order to avoid a lawsuit," O'Leary said, she, too, favors an "appropriate" settlement.

"It was always contemplated that there would be settlement for the state of Texas and others," O'Leary said. "This process will not be settled until January or February. . . . But stay tuned."

As collider employees filed out of the O'Leary meeting, some expressed displeasure that she had offered few specifics, and others said they were relieved that they can help shape their layoff benefits.

"They are just throwing us to the dogs. They just don't have any answers," said Debbie Summers, a telecommunications worker.

"I think she's heard us," said James A. Wade, a manager in the SSC's Accelerator Systems Division

NOV 19 1993

and one of three elected employee representatives. "They agreed that we need to talk about some issues — things they had not thought about."

Those previously overlooked issues, which O'Leary alluded to later at a news conference, include the depressed local housing market and the employment at the SSC of more than one family member in each of scores of households.

Calling the local housing market "dramatically depressed," O'Leary said the "federal government is not going to buy homes" but could set up a revolving fund to help people purchase new homes at their next job location.

She said layoff decisions will try to take into account families in which both breadwinners work at the collider.

"We have lots of couples working here," said Wade, the employee delegate.

He criticized the government's 90-day severance pay offer, comparing it with a private chemical company's layoff package. "I made public this week, that gives its workers 90 days' severance plus vacation pay for 1994 and two weeks' pay for every year of employment."

BURRELLE'S

NEWS EXPRESS

PAGE 11 of 8

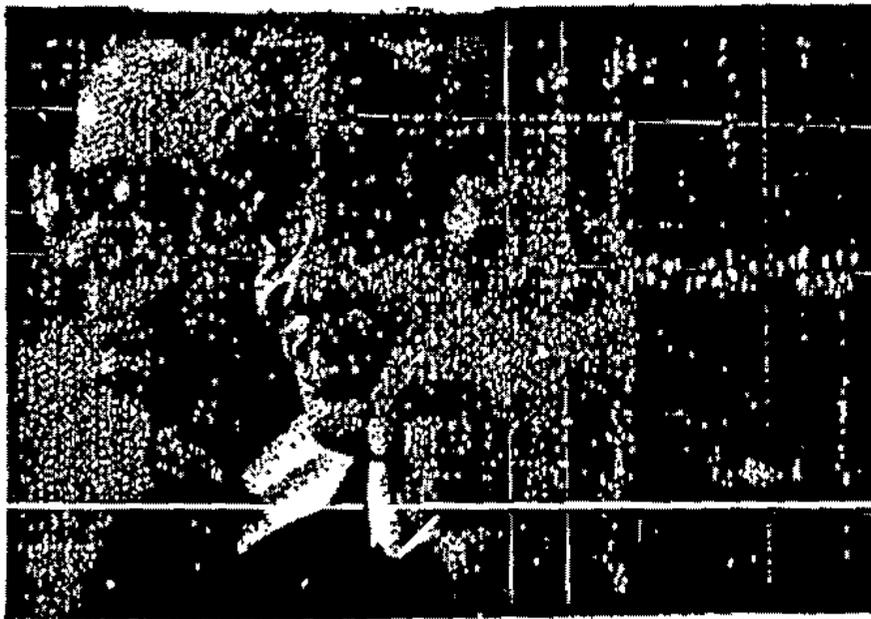


Associated Press

Energy Secretary Hazel O'Leary talks to the media after meeting with SSC employees.

O'Leary gives SSC workers few answers

Energy Secretary Hazel O'Leary (center) attends a news conference Friday at the Super Collider site in Waxahatchie with Dallas Democratic Reps. Martin Frost and Eddie Bernice Johnson.



The Dallas Morning News, July Holgren

Severance package details promised by Thanksgiving

By Jennifer Nagorka P-31A
More Such Stories of The Dallas Morning News

WAXAHATCHIE — Super Collider employees who wanted answers Friday about their severance packages didn't get them from Energy Secretary Hazel O'Leary.

Instead, Mrs. O'Leary pledged to draft a package that would be tailored to workers' needs.

"Employees want to have an opportunity to put their concerns on the table before we come forward with a complete severance package," said Mrs. O'Leary, who met with workers at the collider's Central Pa-

celity. "We have committed to the ployees that we will have something final with their input before Thanksgiving holidays."

Despite the soothing words, O'Leary's action angered some ployees of the Superconducting S Collider.

"They haven't told us anything said SSC switchboard operator Di Summers. "They drafted up a pac and they tore it up this morning didn't do anything for me."

Mrs. O'Leary said that when arrived in Texas on Thursday Please see SSC on Page 15A.

BURRELLE'S

NEWS EXPRESS

1/2 PAGE 15 OF 8

expected to describe the severance package to the workers in detail. But after looking at a draft of the proposal Thursday night, she rejected it.

"It did not meet the needs of the people at this site," Mrs. O'Leary said. "The package had been drawn up as a sort of standard government package without looking at the fact that this was a very unique site."

Electronics technician Tom Uber was philosophical about Friday's turn of events.

"What can she say?" he asked. "She's trying to work for the best for the employees."

Mrs. O'Leary spent Friday morning talking to Department of Energy and Super Collider lab employees. It was her first trip to the site since Congress voted to kill the project in late October.

After the employees-only sessions, Mrs. O'Leary met with reporters and described some of the issues that worry workers.

Some people who formerly worked at national labs would like to return to their previous jobs, she said. In some families, the SSC's closure means that both a husband and wife will soon be out of work. Many people

"Employees want to have an opportunity to put their concerns on the table before we come forward with a complete severance package."

— Hazel O'Leary, energy secretary

who must now move will have a difficult time selling their homes.

"The housing market is dramatically depressed," Mrs. O'Leary said.

She added that she hoped that the government could set up some kind of revolving fund that might help people who need to sell homes. But she cautioned, "I know clearly the government's not going to purchase homes."

Mrs. O'Leary said she is feeling pressure to start cutting workers at the laboratory. There's "near truth" to a rumor that about half the laboratory's 2,200 employees will be dismissed by mid-January, she said.

"Standing still, doing no work, the burn rate of the taxpayers' money is huge," she said. "I've been instructed to stop that."

Mrs. O'Leary also briefly discussed related issues, such as Texas' desire to be reimbursed the \$400 million it in-

vested in the project. If the Energy Department and the state government can find a legal way to settle Texas' claim, both parties may be able to avoid a court fight, Mrs. O'Leary said.

So far, there are no specific plans for using the SSC's buildings and equipment, she said.

"The state of Texas has presented ... five projects that they think are likely candidates," Mrs. O'Leary said. "We are already starting to examine those. I have received other proposals."

She outlined some suggestions, such as using the partially finished facility for medical research, but declined to elaborate.

"I don't really want to presume that I understand what they are," Mrs. O'Leary said of alternate proposals. "We should let the scientists review those projects and see what has

the most value against what our goals were."

She said she will return to Waxahatchie as the shutdown continues.

"This is not the last time I will be in this town and at this site," Mrs. O'Leary said.

Although Mrs. O'Leary's meetings attracted a crowd, some employees skipped her talk to attend a more urgent event: a job fair for scientific and technical staff. Hundreds of employees wandered past recruiters who had set up shop at the DeSoto Town Center. The employers were other Energy Department laboratories and their major subcontractors.

SSC employees wore white name tags and anxious expressions as they eyed prospective employers.

"There are jobs," said technical writer Cathy Nelson. "But not that many."

The Energy Department on Friday also announced a shuffle of the SSC staff, spokesman Mike Genidin said.

James C. Hall, of the Energy Department's Oak Ridge Operations office in Tennessee, has been named on-site project director during the SSC shutdown. He replaces Joe Cipriano, who will be reassigned.

BURRELLE'S

NEWS EXPRESS

PAGE 16 OF 18

HOUSTON CHRONICLE NOV 14 1993

SSC workers to get severance pay details

Package to be crafted by Thanksgiving

By **SUSAN NIGHTOWER**
Associated Press **D4**

WAXAHACHIE — Employees of the defunct superconducting super collider will learn details of their promised severance package the day before Thanksgiving. Energy Secretary Hazel O'Leary told them Friday.

O'Leary said the package likely will include a severance award; relocation compensation; \$5,000 to \$7,000 for retraining; standard medical benefits; and help finding a new job. The government also will consider offering some help to people who bought homes near the super collider, she said.

She told the workers that about half of them probably will lose their jobs on Jan. 1.

About 2,000 people are employed at the \$11 billion particle accelerator shut down by Congress.

O'Leary met with several hundred of the employees in what she characterized as a private "family meeting" that was hostile at times. It was her first visit to the site since Congress voted last month to shut down the collider.

"I felt it was very important for the employees to be able to vent to me, to be very open and honest," O'Leary said afterward.

"I didn't expect it to be a love feast. But I am the secretary of the Department of Energy and the moral leader of that project, and so I went down there to talk to my family about the next steps we should all be taking," she said.

The Energy Department is still assessing how the work will stop, but similar closures showed that about half of the workers should be laid off in the early months, O'Leary said.

"These things we know: No. 1, standing still doing no work, the burn rate on the taxpayer's money is huge, and I've been instructed to stop that," she said.

"I said today I'm not clear that that is the exact number. We will know that likely just after Thanksgiving."

The Energy Department will work with employee representatives to help craft the severance package.

O'Leary said she already had torn up a proposed severance plan that "had been drawn up as sort of a standard government package without looking at the fact that this was a very unique site."

"What we intend to do by the Wednesday before Thanksgiving is process people's major concerns and address them in this severance package. And what I heard from my colleagues out at that site is that's what they want us to do," she said.

The collider put on a job fair Friday in DeSoto with several national laboratories and Energy Department contractors. Hundreds of SSC workers stopped by to fill out applications, drop off resumes and talk with representatives. A second, private-sector job fair is planned for Tuesday.

"You have to take a shot. It's like fishing," maintenance technician Ed Miller said at the fair.

But quality assurance engineer Andy Tepera added a note of caution: "Tell you the truth, I'm probably not going to have anything to do with national laboratories anymore," he said.

O'Leary said she is due to figure out how to use the collider site by July, including scientific and economic uses.

Energy Department representatives also are meeting with Texas officials to negotiate potential compensation for the more than \$400 million the state contributed to the collider project, she said.

"This would be a settlement in lieu of a decision on the part of the state to move forward in court," O'Leary said.

BURRELLE'S

NEWS EXPRESS

PAGE 1 OF 4

DOE faces suit by state over collider \$400 million refund of funding sought

By STEVEN A. REED
Houston Chronicle Dallas Bureau **AI**

WAXAHACHIE — The state of Texas has threatened to sue the Department of Energy if the federal agency does not return the \$400 million contributed by Texans toward the superconducting super collider, DOE Secretary Hazel O'Leary said Friday.

And, not only is Gov. Ann Richards seeking a refund of the state's contribution toward the mortally wounded federal project, she is pressing the Clinton administration to develop a first-rate science laboratory from the remnants of the SSC, according to a member of the state commission handling collider affairs.

DOE and the Justice Department are reviewing the state's requests, O'Leary said.

The negotiations involve several other issues and are at a sensitive stage, said a state source, who asked not to be identified.

"Both DOE and Secretary O'Leary have been very forthcoming in these negotiations and have told us that they were more than willing to meet us and negotiate this in good faith," Bill Cryer, the governor's press secretary, said late Friday.

"If the negotiations fail, a lawsuit is certainly a possibility."

The double-barreled request indicated the state does not feel it is limited by the terms of a 1990 agreement it signed with the DOE regarding the state's right to claim SSC assets if the project was canceled.

That agreement entitles the state to some equipment, buildings and property, the value of which would be severely diminished without further

development of the project.

Even more significantly, the aggressive negotiating stance adopted by Richards means that Texas does not intend to accept responsibility for trying to salvage something out of the project in order to protect the money it already poured in.

"We want two things," said Del Williams, a Dallas lawyer who is vice chairman of the state's collider commission. "We want money and we want a top flight facility operat-

ing out there."
U.S. Rep. Martin Frost, a Dallas-based Democrat, who accompanied O'Leary, emphasized the distinction between who would have responsibility for future development of the site.

"Any continuing presence here would be a federal presence" if Texas pursues its claims successfully, he said.

Although Richards has visited Washington twice since Congress killed the project last month, she has been intentionally vague in her public statements about what the state wanted as compensation for its investment.

While many people around the state were speculating on ways to use the equipment and buildings to which the state has a claim, the governor was hinting that money might be preferable.

"This would be a settlement in lieu of a decision on the part of the state to move forward in court," O'Leary said at a news conference.

He explained that DOE has been given a legal opinion by Texas' negotiators outlining the state's claims and explaining how DOE can accommodate them.

"We must review that and write a legal memorandum which the Justice Department will likely have to

concur on," she said.

"The state has several options should this situation deteriorate into some sort of legal contest," said a state source familiar with the negotiations. "We have several avenues of legal redress, one being our rights under the memo of understanding. But we believe we have other legal rights...."

The 1990 state-federal agreement was negotiated on the state's behalf by Dallas businessman Morton H. Meyerson when he was chairman of the Texas National Research Laboratory Commission.

Its most important provision specifies that DOE will "to the maximum extent permitted by applicable law, refund any unexpended cash contributed by the TNRLC to SSC project accounts and all in-kind contributions of the TNRLC... to the SSC project."

Such contributions were identified as anything in which Texas had a 50 percent or greater investment.

Leading the movement to have the state take over the project has been state Rep. Kim Brimer, R-Fort Worth.

"If I had my druthers, I would like to look at the state being an administrator over a private, academic and international consortium of interests," he said Friday. "I really want

to study it and see if it would work."

Brimer said he will meet with House Speaker Pete Laney, D-Hale Center, next week to request creation of a legislative committee to look at the possibilities.

Texas pledged \$1 billion toward the SSC project and sold \$500 million worth of bonds toward fulfilling its obligation. Of that amount, the state has spent \$409 million, according to commission statistics.

It has held back the balance since June when the U.S. House of Representatives voted to kill the project.

Chronicle reporter Ross Ramsay contributed to this story.

See COLLIDER on Page 12A

6 of 6

SEATTLE TIMES NOV 15 1993

Whistleblowers find a welcome mat at DOE

B-4 st

ENERGY Secretary Hazel O'Leary is doing more than talking about making whistleblowers welcome at the nation's nuclear reservations. She is punctuating the point with specific policy changes.

O'Leary stunned and delighted a Maryland meeting of whistleblowers and their advocates, Department of Energy workers and contractors with an unequivocal embrace of those who have reported fraud, waste and safety abuses at DOE nuclear weapons sites and suffered harassment and job loss for their conscientiousness.

She said she wanted to know when things go wrong, and she appreciated the risks: "I understand how beaten, bullied, hopeless and scary it has been for you. We can't go forward until we look backward and correct what has been done in the past."

O'Leary pledged to review the files of all whistleblowers who have been discriminated against on the job and suffered because of their activity.

Most significant of all, O'Leary committed to stop the DOE indemnifying the contractors for their legal fees to fight whistleblowers. In the past, anyone who reported financial, health or environmental problems risked a lawsuit from a contractor backed by unlimited tax-funded legal fees. DOE was not just siding with contractors, but paying the attorneys as well.

This has obscene consequences for the U.S. treasury. A lawyer for Hanford whistleblower Ed Bricker said his client made a \$60,000 settlement offer in 1990, but the proposal was rejected. Meanwhile the government's bill for outside legal advice is at \$1.5 million, and the meter is still spinning.

Whistleblowers have been tormented for doing their jobs — keeping an eye on the books, monitoring safety procedures and protecting the environment. O'Leary vows to make the DOE their ally. Too bad that qualifies as news.

BURRELLE

NewsExpress

THE OREGONIAN
Portland, OR

NOV 14 1993

Encourage whistle-blowers

Energy secretary promises to make safety the top priority; first she must change attitudes

Energy Secretary Hazel O'Leary last week told an employee advocacy group that she would not tolerate reprisals against workers who blow the whistle on safety hazards, waste, fraud and abuse at the Energy Department.

O'Leary, speaking to Public Employees for Environmental Responsibility, said that whistle-blowers "ought to be celebrated when they do it, not punished."

Swell. But haven't we heard those words before?

Former Energy Secretary James Watkins, under President Bush, also took office with a pledge to change the culture and behavior at the nation's nuclear-weapon facilities. He made a similar statement to encourage whistle-blowers and to make public safety the agency's No. 1 priority.

Yet the climate for whistle-blowers didn't change. Look what happened to Casey Ruud of Kennewick, Wash. Ruud, who now works for the Washington State Department of Ecology as

a manager overseeing cleanup at the Hanford nuclear reservation, had been a safety auditor at Hanford during the 1980s when he wrote a critical audit of safety and security practices. Congressional investigators later concluded he was harassed illegally by his Hanford employer. He won a monetary settlement.

Later, Ruud relocated to the Energy Department's Savannah River complex in South Carolina, but he resigned in 1991 and filed a lawsuit this year claiming he was driven from that job.

So much for Watkins' attempt to change attitudes and practices of the Energy Department's old guard.

If O'Leary is to affect the way the nation's nuclear-weapon facilities are run, she must install reforms that change both management practices and management style. And she must make sure that the safety-first message goes beyond the Energy Department officials and reaches government contractors and subcontractors.

SPOKESMAN REVIEW
Spokane, WA

NOV 15 1993

EDITORIAL

Take security blanket off Hanford documents

It's hard to say which the federal nuclear reservation at Hanford has produced more of — radiation or secrets.

Or which will last longer.

Uranium 238, for example, has a half-life of only 4.5 billion years. The secrets, if the Defense Department could have its way, would last forever.

There is a refreshing new outlook, though, in the post-Cold War U.S. Energy Department. Secretary Hazel O'Leary announced last week that, as she had promised earlier this year, more Hanford documents will be declassified in the next couple of weeks. That's good to hear.

Sadly, however, it doesn't guarantee the public will have anything close to a complete picture of what has been happening at Hanford since the Manhattan Project began work there in 1943.

We already know, as a result of documents released by the Energy Department in 1966, that thousands of Americans living in Eastern Washington, Oregon and Idaho probably were exposed to harm as a result of radiation releases, both accidental and deliberate, during the 1940s and '50s. People living near the Hanford reservation may have received radiation doses 200 to 38,000 times what would be considered tolerable levels today.

Since that disclosure, federally funded efforts to learn more about the extent of the radiation exposure and the number of people affected have proceeded ploddingly, frustrated by a daunting thicket of classified documents.

Hundreds of thousands of documents remained off limits as recently as 1969, when then-Secretary of Energy James Watkins authorized the declassification of some of them.

Even documents that supposedly were reviewed had to be meticulously reviewed to make certain they contained no still-sensitive information, such as details of nuclear weapon design.

With only a handful of specialists assigned to do the painstaking declassification work,

physicist John Till, head of the Dose Reconstruction Project, despaired that the full body of classified information never would be released.

In matters to Till, and to the public, because the availability of the work being done by his 18-member Technical Steering Panel depends on public comfort that the panel has full access to relevant materials.

The scientific process will wind up costing American taxpayers some \$20 million to \$25 million by the time it wraps up in 1995. Its challenge is to reconstruct the amount of radiation released during the years Hanford was producing plutonium for nuclear weapons, the distance it spread, the ways it traveled, the number of people it reached and the ways and degree to which it contaminated them.

If the panel is successful, people who lived in the three-state region during the critical years will be able to feed information into a computer model and obtain an estimate of their dosage and their risk.

A major class-action legal storm already is brewing over area downwinders' claims that the federal government and its private contractors at Hanford are responsible for radiation-caused cancers and thyroid diseases.

The government has taken encouraging steps in recent years to ease the dose-reconstruction effort somewhat. It has begun to unlock the doors of secrecy and it shifted oversight of the effort from the Department of Energy itself to the more independent Centers for Disease Control.

To make the Technical Steering Panel's important work easier, however, the Department of Energy needs to assure that enough personnel and other resources will be provided to get the job done credibly and expeditiously.

It's high time to accelerate the actual declassification work on thousands upon thousands of documents that remain under lock and key with no further national security purpose at stake.

Now they can be told: Nuclear secrets to be freed

The New York Times

WASHINGTON — As part of an overhaul of Cold War-era rules, the Energy Department has decided to declassify reams of previously secret information about the nation's nuclear weapons, including data about undisclosed nuclear tests, administration officials said Monday.

Although scholars have known for some time that the United States did not acknowledge all the nuclear tests it conducted, the new information is expected to include useful data about the extent and purpose of past nuclear testing.

The information, to be released in the near future, also will include other data that long have been sought by specialists in the fields of arms control and nuclear safety and on the health and environmental effects of the nation's nuclear weapons program, officials at the department said.

For example, the department plans to release information about the current plutonium inventories at its main production plants. Researchers, however, complained that the department was not planning to publish as much as they had hoped, such as year-by-year plutonium production figures for the entire bomb program or the exact historical

stockpiles of nuclear weapons.

The agency is in charge of most of the atomic weapons-building program. Energy Secretary Hazel R. O'Leary has ordered the agency to complete a review of the kinds of information that can be declassified and to set up means for the public to obtain access to it.

Officials said the data being released soon would be a small beginning compared with the broader material that will be released after the new review procedure has been put in place.

"What they have agreed to release is such a pittance, compared to the information that people are trying to obtain," said Thomas B. Cochran of the Natural Resources Defense Council. "But if this is just the first step, we are hopeful the secretary will be successful in releasing a substantial amount of information."

The declassification program had been scheduled for announcement last week, but it has been delayed, "largely because of the workload involved," said Michael Gaudin, a spokesman for the Energy Department. He denied a report in the current issue of Newsweek magazine that said the Pentagon and the weapons laboratories were opposing the release of undisclosed nuclear testing and other secrets.

Fewer secrets to be kept at Energy

ASSOCIATED PRESS

A14

The Energy Department will declassify volumes of formerly secret materials, including data on health questions related to the department's nuclear weapons program, a spokesman said yesterday.

The materials will be released within a couple of weeks as part of Energy Secretary Hazel O'Leary's moves to open more of the agency's business to the public, department spokesman Joey Lucas said.

He would not elaborate on the substance of the data but said, "It is a large volume of information."

The documents include material on health, safety, environmental and

weapons production issues that Mrs. O'Leary's staff determined were not sensitive enough to be classified, according to another department official. The department has classified reams of material under the guise of protecting national security.

The end of the Cold War has allowed for some declassification, and Mrs. O'Leary is bent on "slowly trying to open up this place," said the official, who spoke on the condition of anonymity.

"It's a complete reshaping of the way we do business here," Mr. Lucas said yesterday. "One of the things we have to build with our clients, that being the public, is an attitude that

we are a trusted partner."

Mrs. O'Leary has made it easier for visitors to enter the department's headquarters without extensive security checks. She also has revised rules so that employees with high-level security clearances no longer must wear their security badges at work.

The brandishing of security badges had led to a class system under which those with a low level of clearance were viewed as second-class citizens, according to Mr. Lucas.

Mrs. O'Leary's point, he said, is that "this is a team, and we all have to work together."

More Hanford records will be declassified

By Karen Dorn Steele
Staff writer

Energy Secretary Hazel O'Leary is making good on a promise earlier this year to declassify more documents from Hanford's decades of plutonium production.

The U.S. Department of Energy announced Thursday that the records will be made public within a couple of weeks.

The declassification effort is a result of the end of the Cold War, plus public pressure to reveal additional details of Hanford's environmental and public health legacy.

The Energy Department released thousands of pages of Hanford records in 1986.

They revealed for the first time that Hanford had severely contaminated Eastern Washington with radioactive iodine I31 while making plutonium for nuclear bombs in the 1940s and '50s.

Iodine I31 lodges in the human thyroid gland, where it can lead to abnormalities, including cancer.

In 1990, O'Leary's predecessor, Adm. James Watkins, admitted the Hanford releases were large enough to have caused substantial health risks to people living downwind.

But even after these revelations, the Energy Department still withheld some Hanford documents, citing national security.

O'Leary announced her new policy

in September at the Hanford Summit, a two-day meeting in Kennewick on Hanford's future. The site no longer makes plutonium and faces a 30-year environmental cleanup program.

"Secrecy may be getting in the way of information that scientists need at our production sites," O'Leary said at the time.

Details weren't available this week on the types of documents to be released.

But Energy Department spokesman Joey Lucas said the materials involve several former production sites, including Hanford, and amounts to "a large volume of information."

"It includes material on health, safety, environmental and weapons production issues that O'Leary's staff determined were not sensitive enough to be classified.

"It's a complete reshaping of the way we do business here," Lucas said Thursday.

"One of the things we have to build with our clients, that being the public, is an attitude that we are a trusted partner."

The new information will help scientists direct a major study of past radiation releases from Hanford.

John Till, the physicist in charge of the Hanford Environmental Dose Reconstruction Study, complained this summer that continuing DOE secrecy was hindering the study.



Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
FACSIMILE TRANSMITTAL FORM

Fax Number: FTS 896-4403 Verify (Voice) FTS 896-5081 Verify (Alternate) FTS 896-5078
CML 202-586-4403 CML 202-586-5081 CML 202-586-5078

f

Date: 11/18/93
To: Christine Varnay
From: Sen. O'Searcy

a

Transmittal consists of 9 pages, excluding this form.

X

Notes: News clippings will
come in the mail.



04747 PCL-AR 17-5295-02 2541
The Secretary of Energy
Washington, DC 20585

13/93
MCLARTY-193-025541

December 2, 1993

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

KEY DEPARTMENT NEWS

• Superconducting Super Collider

Wednesday, November 22, the Department announced its severance package for Superconducting Super Collider employees. The package was developed through extensive employee input and in close coordination with White House staff and has been well received by employees and elected officials. In general, employees have expressed appreciation for the Department's willingness to listen to their concerns and believe that we have developed a package that is responsive to their needs. The main points of this package are:

- Severance Pay, each employee will receive 60 days of severance pay.
- Dislocation/Relocation Allowance, each employee is eligible to receive, upon termination, a lump sum dislocation allowance of \$15,000 (minus taxes). This is the most important aspect of the package; it provides employees with flexibility in spending the resources provided to them.
- Medical/Dental Coverage, for those employees who are not eligible for medical and dental coverage through another source (i.e. through a spouse), coverage for the first year following termination will be provided at the current employee/employer contribution rate. For the second year the employee's contribution will be 50 percent of the COBRA rate, and in the third year the employee must assume the full COBRA rate. (COBRA is legislation which requires employers to offer benefits to separated employees, but at the full cost of insurance coverage.)
- Life Insurance, basic life insurance coverage will be extended for one year at the current employee/employer rate.

I have been informed that one employee who had filed for bankruptcy as a result of the termination of the project now believes that she can withdraw that filing. This humane, flexible, and responsive severance package reduces the controversy surrounding the termination of the project and benefits the Administration. Members of Congress regard the Department's actions as positive steps and the media coverage has been favorable. One such article from the *Dallas Morning News* is attached.

• Domestic Gas and Oil Announcement

The Department plans to release its Domestic Gas and Oil Initiative Thursday, December 9. Members of Congress, industry representatives, State officials and other affected interests

will be briefed on the Department's gas and oil strategy prior to its official release. The Department worked within the National Economic Council to gain consensus for this proposal. The initiative is modest, but includes some proposals important to the industry. We will provide the industry with increased access to technology to make exploration more economic and initiate important policy reviews of tax issues, regulation, access to public lands, and offshore resources.

This initiative is important because it is the first time in many years that an Administration has focused on the concerns of this industry. The timing of the announcement is sensitive because of falling world oil prices which further weakens the position of domestic producers in the marketplace. We believe it is important for the President to participate in the announcement for these reasons and because he reached out to this industry during the campaign.

Thursday I will also personally meet with the Board of Directors of the American Gas Association, the National Petroleum Council and other vital stakeholders to communicate the contents of this initiative.

Boston Trip

Weatherization Event

Monday, November 29 I toured a job site in Boston that is in the process of weatherizing low income homes. The focus of my remarks at this event was the Administration's commitment to weatherization, the energy and cost savings to program recipients, and the jobs created by the program. I also participated, along with the Mayor and other local community leaders, in a press conference where I announced the findings of a national evaluation of the weatherization program. The evaluation concluded that this program is one of the most cost effective conservation programs in the government.

Materials Research Society

Monday, November 29 I addressed the annual fall meeting of the Materials Research Society in Boston. Over 1,000 scientists and engineers from universities, national laboratories and industry attended this meeting and over 3,000 papers on science and research and development are presented during this five-day event. My plenary address to this group focused on the following topics:

- the outlook for funding advanced materials research and development, particularly at the Department's national laboratories;
- the future of "Big Science" projects;
- the need to work together to educate the American public and Congress of the need to invest in basic and applied sciences; and
- the commitment of the Administration to supporting science and technology to facilitate long-term economic growth.

Clean Car Agreement

Tomorrow, along with Vice Presidents of the Big Three Automakers, I will sign a landmark agreement which will guide all of the Department's New Generation of Vehicles ("clean car") research with General Motors, Ford, and Chrysler. Completion of this

agreement meets the President's goal, announced on September 29, that within two months federal agencies would develop generic procedures for facilitating "clean car" research partnerships with the automobile industry. With this agreement in place, the Department and its laboratories now will move ahead aggressively on research consistent with the President's New Generation of Vehicles Initiative. Specific research will be aimed at reducing automobile emissions, increasing fuel efficiency, applying supercomputers to automobile design, and developing new materials for future automobiles. Department of Energy funding for FY 1994 will be \$15 million, which likely will double in FY 1995 and grow further in out-years. Industry will provide matching funds. This agreement with the Big Three automakers represents a significant step in support of the President's technology policy goal of facilitating partnerships with the private sector. Dr. Mary Good, Under Secretary of Technology for the Department of Commerce, also participated in today's signing ceremony.

Declassification Event

Tuesday, December 8 the Department will unveil a comprehensive plan to move its classification and information policies from the Cold War past into a new era of openness and straight talk, allowing the public easier access to Departmental information.

In keeping with the President's commitment to a more "open" government, this openness initiative is designed to facilitate public access to the Department's facilities and information, consistent with national security objectives. New policies will specifically focus on the need to ensure maximum disclosure of environmental, safety and health information, as well as technologies critical to the Nation's economic competitiveness.

This is an important initiative. The President committed during the campaign to reduce the secrecy associated with data related to materials stored at our weapons production facilities, the impact of the materials on surrounding communities, and information on nuclear testing. Citizens living in proximity to these facilities will strongly support this new openness and the initiative will receive favorable press attention.

Extensive interest in covering Tuesday's press conference has been expressed by C-SPAN, "ABC World News Tonight" the "Today Show", "Good Morning America" and "Larry King Live". Tuesday evening I will appear on C-SPAN's live call-in program to discuss the declassification initiative.

Signing Ceremony between Norfolk State University and Southeastern Universities Research Association, Inc.

Tuesday, November 23, I attended a signing ceremony in Norfolk, VA between Norfolk State University and the Southeastern Universities Research Association, Inc., the management and operating contractor of the Department's Continuous Electron Beam Accelerator Facilities Project. This partnership creates a world renowned interactional nuclear physics research capability at Norfolk University. The focus of my remarks was the future of the Continuous Electron Beam Accelerator Facilities Project and the Department's commitment to supporting Historically Black Colleges and Universities and encouraging the development of minority scientists.

CONGRESS

• Outreach Meetings

- Tonight I will meet with Congressman Martin Frost to discuss the Department's continuing efforts to close out the Superconducting Super Collider project.
- Tuesday December 7, I will meet with Senator Bennett Johnston (D-LA), Chairman, Senate Energy and Natural Resources Committee, and Representative John Dingell (D-MI), Chairman, House Energy and Commerce Committee, to discuss a strategy for commercial and defense nuclear waste management issues.
- Tomorrow I will attend the Democratic Leadership Council's Annual Dinner.
- Saturday December 4, I will attend a fund raiser in Newark, New Jersey for Congressman Donald Payne (D-NJ).
- Tuesday, December 7, I will attend the White House Congressional Holiday Ball.
- Wednesday, December 8, I will attend a fund raiser for Congressman Jim Cooper (D-TN).

PRESS

• Materials Research Society

My plenary address to this group of scientists and engineers received considerable press coverage, among the newspapers in attendance were;

- *Wall Street Journal,*
- *Boston Globe,*
- *Science Magazine,*
- *Nature Magazine,*
- *Chemical and Engineering News,*
- *Science News,* and
- *New Scientist.*

• National Journal

Yesterday, the *National Journal* interviewed me. The interview focused on the Department's efforts to apply Total Quality Management principles to the way we manage the Department and our role as a model in the Administration's initiative to "reinvent" the Federal Government.

• New York Times Interview

Today I conducted an interview with Jack Kushman, the new Washington, D.C. energy reporter for the *New York Times*. The interview focused on several critical issues facing the Department. The interview addressed such topics as our effort to develop a strategy to dispose of plutonium and the impacts of falling oil prices on the domestic industry and the Nation's economy.

PRESIDENTIAL INITIATIVES

AIDS Day Kick-Off Ceremony

The Department hosted a ceremony yesterday to kick-off AIDS Day and to highlight the Administration's continued effort to address the public health, social and economic issues surrounding this disease. During the ceremony, Secretary Riley and I announced a partnership between the Department of Education and the Department of Energy to provide training resources for a comprehensive AIDS education and awareness program throughout the Federal Government. The goal of this partnership is to provide all employees with information essential to creating a non-discriminatory workplace in addition to educating them about the disease. The Department of Energy's AIDS Day was featured on the "McNeil-Lehrer News Hour."

Comment

ON THE NATION

Resuming the Pursuit of Knowledge

BY HAZEL R. O'LEARY
AND GEORGE E. BROWN JR.

The superconducting super collider as we know it is dead, yet the quest for a comprehensive understanding of the world around us lives on. The scientific questions that compelled development of the SSC will not suddenly disappear, nor are they likely to be answered by anything other than a "big science" endeavor during the next century.

For any such effort to succeed, however, this hypothetical future project—and perhaps all future big science projects—will need a level of international, political and public support that remained elusive for the super collider.

The SSC suffered for having failed from the outset to incorporate international funding and participation. The Reagan and Bush administrations made critical early decisions about the technical design and site location as if the SSC were purely a national project. Only later did they proclaim it to be an international collaboration—with a goal of nearly \$2 billion in foreign funding. Is it any wonder that substantial foreign funding never materialized? This shortfall eroded congressional support, which made foreign involvement even less likely.

The obvious lesson to be learned is that foreign participation must be incorporated into large-scale science and technology projects from the very beginning, when prospective partners still have a say in why, where, when and how such projects will be pursued. Not so obvious is how we as a nation will make and keep such international agreements.

Although the United States has determined that it cannot fund projects of this scale alone, neither have we demonstrated that we can undertake such endeavors with others. The abrupt termination of the super collider adds to a long list of large international projects that the United States has suddenly and unilaterally killed or drastically altered, including the Ulysses solar satellite program, the solvent-refined coal project and the space station. This embarrassing legacy raises serious questions about the reliability of the United States in international research projects.

Although Congress intensely criticized the super collider project for failing to receive substantial foreign funding, it was never clear that Congress was prepared to share with other nations the jobs and technological benefits that would have flowed from a true partnership. Is it realistic for the United States to want all the "good" jobs and all the critical components of a project like the SSC, while also insisting that other nations put billions of dollars on the table?

Political support for large projects appears to be directly proportional to the parochial benefits received, yet spreading the wealth of large scientific projects invites appropriate criticism of pork-barreling. When 25 states were competing for the SSC site, the level of political support was enormous. Elected officials nationwide—from senators to city supervisors—heralded the project as vital for

the United States and also for their individual states. Once Texas was selected as the project site, however, this overwhelming interest vanished.

Such phenomena raise an extremely difficult issue for the future. Specifically, how can the nation stick with a decision that has scientific and technical merit before and after the potential economic benefits for individual regions of the country are determined? This issue is especially vexing for projects like the SSC, which require a long-term congressional commitment. It is further complicated both by the turnover of elected officials—which cripples institutional memory and commitments—and by the existing annual budget process, which encourages constant second-guessing of political decisions.

Finally, there is a lesson to be learned about public support for fundamental science. The super collider never captured broad support from the American public, in no small part because its scientific promise was difficult to understand. As study after study has shown, science education in the United States lags far behind that of other industrialized nations. This suggests that a key to sustaining U.S. excellence in basic research will be aggressive efforts to improve scientific and technical literacy at every level of education.

We are now putting the pieces back together from a project that blew apart after an extraordinary investment of human and national resources. Unless we are intent on stopping the pursuit of the knowledge that the SSC would have delivered, we must find a way to achieve a truly international framework for large scientific and technological projects.

O'Leary is U.S. secretary of energy. Brown chairs the House Committee on Science, Space and Technology.

Severance package pleases SSC workers

By Jennifer Nagorka
Staff Writer of The Dallas Morning News

P. 41A

Soon-to-be-jobless Super Collider employees finally learned details of their severance packages Wednesday. For the most part, they were pleased.

The benefits include 60 days' severance pay and a \$13,000 taxable "dislocation allowance" for full-time lab employees. Temporary employees will receive no benefits.

"They really took care of us," accounting clerk Ramona Bethany said with a broad smile. "That's why I say it was a blessing."

Severance packages for the 2,250 collider employees will cost about \$70 million, U.S. Energy Department officials said. The benefits will be paid out of the \$640 million that Congress has set aside for closing the Ellis County project.

"It's tracking pretty closely to the termination budget that we have been planning," said Pete Didisheim, special assistant to Secretary of Energy Hazel O'Leary for science and technology. "I think the

average is about \$29,500 per employee."

That cost is well within the range of severance packages given to employees of other Energy Department operations, Mr. Didisheim said.

According to the contract between the Energy Department and Universities Research Association Inc., which managed the lab, employees were guaranteed two weeks' severance pay. The package presented Wednesday is considerably more generous.

In addition to the pay and dislocation allowance, employees who do not have

access to other medical or dental insurance plans will have their benefits extended for a year at their current contribution rate. Basic life insurance also will continue for a year.

Employees will receive their severance pay as a lump sum within six days of their last day on the job.

"I think it's a very fair proposal," said Dr. John Peoples, the lab's director.

Personnel director Doug Kreitz agreed.

"In the severance pay, it recognizes salary level," Mr. Kreitz said. "But the dislocation package is the leveler. Everybody gets the same."

Wednesday's announcement ended weeks of uncertainty and wrangling.

When Mrs. O'Leary visited the SSC two weeks ago, she was expected to announce the severance package. That draft package included 30 days' severance pay after an employee's last workday, a \$5,000 dislocation allowance and a mix of medical insurance and other options, Mr. Kreitz said.

But after Mrs. O'Leary's staff heard some workers' concerns, she decided to rework the package.

Energy Department and lab officials put together a team of employee representatives that included people from a variety of ethnic backgrounds, seniority levels and job descriptions, said member Tony Reed. One important issue was that the draft package favored higher-paid workers who planned to move from the Dallas area. Employees who remained were concerned about the diminishing value of their homes, he said.

Energy Department officials paid attention to the workers' worries, Mr. Reed said.

"They were extremely good," he said. "The more diverse the crowd was that they heard from, the more responsive they were."

Lab employee Elberta Wise, who also participated in the talks, was pleased with the outcome.

"It's a very good package," she said. "I feel that the DOE representatives heard us."

Although lab employees spoke frequently with Energy Department workers, almost no one knew what the package would include until they received their copies Wednesday.

The few who did see advance copies didn't get much of a head start. Mr. Kreitz said he received a copy of the package about 5 p.m. Tuesday. He and a handful of col-

leagues stayed until 11:30 p.m. to make more copies. Stacks of copies were then sealed in paper wrappers to shield them from curious eyes.

Rank-and-file employees first learned the details at a packed 10 a.m. meeting at collider headquarters. They began filling seats long before the meeting started. They joked and chatted with neighbors but looked anxious.

"Severance package, testing 1-2-3," Mr. Kreitz joked as he tried out the microphone.

The audience laughed but immediately quieted.

After a brief preamble from Mr. Kreitz, several workers ripped open the wrapped copies of the severance terms and began handing them out. Physicist David Johnson read his package quietly, then looked up with a pensive expression. He began working on collider-related research in 1982.

"In general, except for the depressed real estate market here, it's not bad," he said of the package.

"On the other hand, for something I spent 10 years of my life on, it's little compensation."



Hazel O'Leary ... energy secretary reworked an earlier severance plan.

Weatherizing homes reduces heating costs 18%, US study says

By Scott Allen
GLOBE STAFF

Insulation and other home weatherization measures provided under a federally funded program for low-income people reduces household energy costs by \$116, or 18 percent, in the first year, according to a national study released yesterday by US Energy Secretary Hazel O'Leary.

O'Leary, on a visit to Boston, said that in Massachusetts the savings could be closer to 26 percent of energy bills because of the state's cold weather and older housing stock, which includes many unimproved houses.

"A lot of these older houses are cold and drafty. We can make a real, big difference," said Robert Coon, president of Action for Boston Community Development of Boston, who appeared with O'Leary at a press conference. ABCD, using funds from the federal Weatherization Assistance Program, has weatherized 10,000 homes in Boston, New York and Brookline in the last decade.

O'Leary's visit to 174 Princeton St. in East Boston, where ABCD is installing insulation and cleaning the oil burner, was intended to underscore the Clinton administration's support for the weatherization

program after years of opposition from President Reagan and Bush. Bush attempted to eliminate federal funding for weatherization, but Clinton has included a 12 percent increase for the program in his 1994 budget.

The weatherization assistance program, which can include weatherstripping of windows and doors as well as insulation, remains the nation's largest residential energy conservation effort, spending \$1 million across nationwide since it was created following the oil crisis of 1973. The states manage the program, helping vendors to actually visit low-income homes.

"By any standard calculation, this program works," said O'Leary, pointing out that until now no one had done a comprehensive review of the program. O'Leary's concept and a program that has been delving for almost 20 years, but it is the first time we have attempted to evaluate the program."

The new study, conducted by the Oak Ridge National Laboratory in Tennessee, looked at heating costs in 20,000 homes that were weatherized in 1989. The lab found that average energy costs fell from \$540 before weatherization to \$424 a year, although savings varied by fuel type as well as region. Homes heated by oil



Hazel O'Leary, US energy secretary, talks about the weatherization program yesterday in East Boston.

see the greatest savings - \$102 in the first year - while natural gas-burning homes saved \$101.

Weatherization crews can spend up to \$760 on most households, the study found, but the typical household could save \$1,600 on energy costs over a 20-year period.

In the Northeast, the savings were higher because people spend more on home heating, the national lab found. O'Leary estimated that Massachusetts residents get an 18 to

26 percent energy bill reduction from weatherization.

But funding for weatherization has fallen steadily since the late 1980s, forcing groups such as ABCD to cut back on their services. ABCD installed 1,029 homes in 1988 but this year will reach only 458.

"It's been hard just to keep the program alive," said Meg Fowler, legislative representative of the Community Action Foundation in Washington. She praised Clinton for

making home weatherization a political priority, saying, "If you don't do this, you're being penny-wise and pound-foolish."

O'Leary estimates that there are 10,000 additional low-income homes in Boston, Brookline and Newton that need weatherization.

Those who want more information about eligibility for weatherization should contact the state's Executive Office of Communities & Development or their local community action agency.

MONDAY, DECEMBER 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 PREBRIEF for Senator Johnston and
Congressman Dingell Meeting
(Dan Dreyfus)

10:00 AM - 11:00 AM Senior Staff Meeting

12:00 PM - 12:30 PM Declassification Prebrief
(Dan Reicher, Mike Gauldin, Jack Keliher)

12:30 PM - 1:30 PM Lunch

2:15 PM - 2:30 PM DROP-BY/African Americans in Favor of
Yucca Mountain Meeting
(Dan Dreyfus)

3:00 PM Charles Condy

4:00 PM - 4:45 PM Cas Robinson
(Rich Rosenzweig)

5:15 PM Appointment

TUESDAY, DECEMBER 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

8:45 AM - 9:45 AM Declassification Breakfast
(Dan Reicher)

10:00 AM - 11:00 AM Declassification Press
(Dan Reicher)

11:15 AM - 12:15 PM CFC Talent Show
Forrestal Auditorium

12:30 PM - 1:30 PM Lunch

2:00 PM - 2:30 PM Terry Cornwell-Rumsey
CFC Photo

2:45 PM DEPART DOE FOR THE CAPITOL BUILDING
Met by Reggie Sellers

3:00 PM - 4:00 PM Senator J. Bennett Johnston (D-LA);
Congressman John Dingell (D-MI)
S-339 The Capitol Building
(Dan Dreyfus)

4:15 PM DEPART THE CAPITOL BUILDING FOR DOE
Met by Reggie Sellers

4:30 PM - 6:00 PM Tom Grumbly
Goals & Measures
(Ann Lavin, Arch Durham)

6:15 PM DEPART DOE FOR C-SPAN
Met by Reggie Sellers

6:30 PM C-SPAN - Live Viewer Call-In
(Declassification)
400 North Capitol Street, N.W.

WEDNESDAY, DECEMBER 08, 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 - 9:30 AM HOLD

9:45 AM - 10:00 AM DROP-BY: Meeting with State Senators
Liz Stefanics (D-NM) and Anne Riley (D-NM)
(Vic Reis)

10:00 AM NAFTA Signing

12:00 PM - 12:30 PM Bill White

12:30 PM - 1:30 PM Team Lunch
(B. Berls, H. Davis, 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,
B. Rainey, D. Reicher, V. Reis, R. Rosenzweig,
T. Cornwell-Rumsey, K. Simpson, W. Taylor,
S. Thomas, S. Tierney, B. White)

2:30 PM - 3:00 PM Ric Moore - Diversity

3:30 PM - 5:00 PM HOLD

5:00 PM HOLD: Holiday Event

6:00 PM - 8:00 PM Reception in Honor of
Congressman Jim Cooper
3820 Klinge Place N.W.

7:00 PM

White House Congressional Holiday
Ball (Black Tie)

THURSDAY, DECEMBER 09, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:00 AM DEPART RESIDENCE FOR RITZ CARLTON HOTEL
Met by Reggie Sellers

8:30 AM - 9:00 AM American Gas Association Board of
Board of Directors' Meeting
Ritz Carlton Hotel
2100 Massachusetts Avenue, NW

9:15 AM DEPART RITZ CARLTON FOR DOE
Met by Reggie Sellers

9:30 AM - 10:00 AM HOLD

10:00 AM - 11:00 AM Domestic Oil and Gas Initiative
Stakeholders Meeting

11:00 AM - 12:00 PM Stakeholders Press Conference

12:30 PM - 1:30 PM Lunch

2:00 PM Arch Durham
Swearing-In Ceremony
Forrestal Auditorium

4:00 PM - 6:00 PM Ray Hunt, Chairman, National Petroleum
Council
The Jefferson Hotel
The Monticello Room
16th and M Streets, N.W.

6:00 PM National Petroleum Council Dinner
The Jefferson Hotel
16th and M Streets, N.W.

OLWH MCLARTY-ES93-025985

The Secretary of Energy
Washington, DC 20585

01/21/10/93

December 9, 1993

NO CENTRAL FILE COPY
ES93-025985
FILE CODE OLWH MCLARTY



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

Hazel R. O'Leary

KEY DEPARTMENT NEWS

Openness Initiative

Tuesday, I announced the Department's Openness Initiative. This effort marks the largest declassification of documents in the Department's history, yet it represents only a fraction of the approximately 32 million pages of documents on nuclear weapons testing and nuclear materials management currently classified. The initiative is consistent with the President's commitment to a more open Federal Government and achieves three important objectives.

1. It helps boost public trust in the Department.
2. The environmental, academic and scientific communities now have access to some of the information necessary to work with the Department in formulating policy in important areas such as nuclear materials management, environmental clean-up and non-proliferation.
3. It places the Department and the Administration in a leadership role in the area of disclosure of information related to nuclear weapons and materials and may encourage other nuclear states to follow our example.

Some of the information released may fuel continued distrust in the Government, as the information released includes human radiation experiments and secret nuclear weapons tests. However, I believe this initiative, followed by continued good faith efforts, will provide the Administration with significant benefits. Media coverage of the Initiative was very extensive and positive. The coverage is detailed in the "Media" section of the report, and a representative news clip is attached.

Domestic Gas and Oil Initiative

Today, the Department released the Administration's Domestic Gas and Oil Initiative. This report details the Administration's initial strategy for addressing issues vital to the industry. The announcement of the strategy was kicked off with a press conference today. Representatives Phil Sharp, Bill Richardson and Gene Green, the Governor of Arkansas, industry leaders, and other Administration officials participated in the announcement.

Today, I also described the initiative to representatives of the American Gas Association and the National Petroleum Council. We also conducted extensive outreach efforts with industry, State officials, and members of Congress before announcing the initiative. The timing of this initiative is particularly important given falling prices in world oil markets. The media surrounding the announcement was mostly favorable.



Spent Nuclear Fuel Study

Tuesday, the Department released the first comprehensive inventory of the environmental health and safety vulnerabilities associated with the storage of spent nuclear fuel at several production facilities. The report, prepared by Assistant Secretary for Environment, Safety and Health Tara O'Toole, concluded that spent nuclear fuel has significantly deteriorated at four nuclear weapons plants. The deteriorated fuel poses radiation exposure risks to workers the public and the environment. To address this issue, the Department will actively involve local and national stakeholders to develop corrective action plans at each of the sites. This may involve transferring the fuel to new containers, repairing the existing storage facilities and developing new technologies.

This report was disseminated as part of the openness initiative. I released the study and the other material with the belief that it would allow us to control the message. If released separately the report would have generated negative publicity. Several national newspapers covered the story including the *New York Times*, *Washington Post* and *Washington Times*.

CONGRESS

Outreach Meetings

- Thursday, December 2, I met with Congressman Martin Frost (D-TX) to discuss the shut down of the Superconducting Super Collider project. His major interest is ensuring productive use of the site.
- Tuesday, I met with Senator Bennett Johnston (D-LA), Chairman of the Senate Energy and Natural Resources Committee, and Representative John Dingell (D-MI), Chairman of the House Energy and Commerce Committee. Our discussion focused on the Department's nuclear materials management policy and was very useful. The meeting ensures cooperation on this extremely contentious issue.
- Yesterday, I attended a fund raiser for Representative Jim Cooper (D-TN).

Kentucky Women's Leadership Network

At Senator Wendell Ford's request, I will address an audience of women from diverse professions in the political, private and volunteer communities who aspire to leadership roles. The theme of the conference is "How to Gain a Seat at the Table." My remarks will focus on my own professional experiences.

THE WEEK AHEAD

Russia Trip

Next week I will travel to Moscow with Vice President Gore to participate in the second round of meetings of the Gore/Chernomyrdin Commission. My role in this session will be to summarize the progress occurring in the areas of oil and gas, energy efficiency and nuclear issues.

The first priority for myself and my Russian counterpart is to develop a commercial and legislative framework to encourage investment in the Russian energy industry. In

accordance with a memorandum signed in November, progress is being made to develop the legal, regulatory, and legislative actions necessary to encourage investment in Russia. We are attempting to create a model corporation for the purpose of determining workable approaches to business development in the energy sector. The Department is working with the Department of Commerce and other members of the U.S.-Russian Business Development Committee to encourage U.S. firms to invest in this model corporation. We will also announce that an oil and gas technology center will be located in Tyumen. The center's objective will be to implement a mutually beneficial program to increase oil and gas production in Russia and facilitate the exchange of technology between our two countries.

The second major nonnuclear issue is the advancement of energy efficiency in the use of energy technologies and resources. A Memorandum of Cooperation that Minister Shafranik and I signed on October 1, 1993, serves as the formal framework for advancing energy efficiency activities.

MEDIA

• **Openness Initiative**

Tuesday's announcement of the Department's Openness Initiative received extensive media coverage. The initiative has been covered by the following media:

- All major newspapers including the *Washington Post* and the *New York Times*,
- ABC, NBC, CBS, Fox, and CNN's national evening news programs,
- The "Today Show" "Larry King Live" and "C-Span Live" television programs,
- National Public Radio,
- The BBC Radio Network,
- *Newsweek*, and
- The Associated Press, United Press International and Reuters wire services.

• **Gas and Oil Initiative**

In addition to the national media coverage that was received at today's press conference on the Gas and Oil Initiative, yesterday C-NBC's "Money Wheel" television program interviewed me to discuss the initiative and the impacts of falling international oil prices. *The Dallas Morning News* and the *New York Times* also interviewed me.

• **Clean Car Initiative**

Friday, I signed an agreement with the Vice Presidents of the Big Three Auto Makers to establish a framework for an aggressive agenda of collaborative research between these companies and the Department's National Laboratories. This agreement supports the President's Clean Car Initiative and received positive and extensive media coverage including:

- Associated Press, United Press International and Reuters wire services,
- ABC, NBC, CBS, Fox and CNN television networks,
- National Public Radio and ABC Radio, and
- Kyodo and Nikkei Japanese Press Agencies.

This initiative ensures that the automobile industry will be able to utilize the resources of the Department's National Laboratories in a user-friendly fashion.

PRESIDENTIAL INITIATIVES

- **Federal Fleet Conversion Task Force**

I participated in an event at the White House at which the Federal Fleet Conversion Task Force presented a report on how best to deploy alternative fuel vehicles into the marketplace. Based upon actions the Department will take this week, we will achieve the goal established in the President's Executive Order to procure 11,250 alternative fuel vehicles this year. Approximately 50% of the vehicles will be fueled by natural gas.

** No schedule is attached since I will be in Moscow the entire week.

Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

Tuesday, December 7, 1993 - SOUTH CAROLINA EDITION
From Page 1A
Page 1 of 1

O'Leary keeps promise

■ *Energy secretary to disclose
formerly classified information on
defense plants, nuclear weapons*

By John Winters
Staff Writer

WASHINGTON — A comprehensive plan to release previously classified information about defense plants such as Savannah River Site will be unveiled to the public today by the Department of Energy.

At the same time, Energy Secretary Hazel O'Leary also will disclose sensitive nuclear weapons information hidden from public view for more than 50 years.

The declassification process was a major promise of Mrs. O'Leary upon taking the reins earlier this year of the department charged with producing the nation's nuclear stockpile.

Environmentalists said today's unveiling shows the Energy Department finally is opening up and becoming more honest with the public.

Among the information expected to be released immediately is plutonium production figures from SRS's now shut down reactors, as well as future plutonium needs.

Data about future plutonium needs will aid the public in making suggestions to the Energy Department about whether new facilities will be needed, or if excess plutonium can be reused, and if so, how.

Information about past radioactive releases at some plants may be released, as well as data on previously undisclosed nuclear weapons tests.

Brian Costner, director of Energy Research Foundation, an SRS watchdog group, said he expects the department to also release information about the SRS spent nuclear fuel program.

At L-Reactor, for example, the aluminum cladding that surrounds spent fuel rods is beginning to deteriorate and radioactivity could eventually be released. The spent fuel rods currently are stored in underground water tanks that act as shielding.

Exactly what other information to be released is unclear, although officials said Mrs. O'Leary will outline how the department will go about determining what information to release during the press conference. The conference is being broadcast to all DOE defense plants.

Amarillo Daily News

Circ: 4,321 DAY Thu DATE 12-9-93 PAGE 4A

O'Leary's honesty aids image of department

Energy Secretary Hazel O'Leary's revelation Tuesday that the Department of Energy conducted secret nuclear explosion tests in the 1940s was hardly surprising. But what was surprising — and disturbing — was O'Leary's admission that the government had conducted experiments on unsuspecting human subjects. The people were exposed to plutonium radiation without their knowledge more than 40 years ago.

During the tensions of the Cold War, government secrecy became a necessity. But that secrecy was sometimes abused. O'Leary's story of experiments on humans sounds like something out of a science fiction novel — or from the history of a totalitarian nation.

In retrospect, it is clear that a few zealots took advantage of the paranoia of the Cold War era to advance their own causes. Gen. Jack Ripper from Stanley Kubrick's "Dr. Strangelove" comes to mind, but as O'Leary's revelations make clear, there were real people in and out of government who violated common human decency to achieve their ends.

But while this story is enough to make one distrust government even more, it must be remembered that it is the government that is revealing these stories. If not for O'Leary's forthrightness, this tale of horror would still be a secret.

As Panhandle residents deal with the prospect of expansion at the Pantex Plant, this new openness must be taken into account. Although national security means not everything can be revealed about what goes on at Pantex, O'Leary seems to be pushing the DOE into a more open era.

Of course, people should still be careful about accepting what the DOE

The stories of experiments on humans sounds like something out of a science fiction novel.

says as fact. Government agencies are always going to promote their agenda, and sometimes truth will be a casualty in that promotion campaign.

At the same time though, credit must be given where credit is due, and O'Leary deserves credit for opening up the process in the DOE. Her efforts will make the job of the Pantex Plant Citizens' Advisory Board much easier and more credible.

But to make it a truly effective group, O'Leary needs to push the DOE to reveal everything it can about what goes on at Pantex. For instance, why can't the plant reveal the extent of its plutonium stockpile? Even if that reveals the number of warheads the United States has at the plant, that should be public information.

Given that the U.S. nuclear stockpile could decimate any possible enemy or combination of enemies, what's the big deal about revealing how much plutonium is at Pantex? It's much more important for the security of Pantex that area residents be supportive and informed.

O'Leary has continued the good job of former Energy Secretary James Watkins. O'Leary is building up a reservoir of trust with Panhandle residents, and that trust is an important component of Pantex's continued success. But hard-won trust can be easily lost. O'Leary must not forget that.



Associated Press

Energy Secretary Hazel O'Leary and John McTague, vice president of technical affairs at Ford Motor Co., right, sign an auto fuel-efficiency agreement at the Energy Department in Washington Friday. The pact is expected to speed new cooperative projects.

U.S., automakers sign research pact

Associated Press

WASHINGTON — U.S. automakers and the Energy Department's national laboratories signed a unique research agreement Friday to develop a fuel-efficient car that would fare well on the market.

The master cooperative research and development agreement was signed by the Big Three auto manufacturers and the government's 11 national laboratories.

"This should dramatically reduce the time to initiate new cooperative projects, by elimi-

nating the barriers that historically have been major stumbling blocks to agreements with the auto industry," Energy Secretary Hazel O'Leary said Friday.

The research program to develop a car three times as clean as those on the road now was unveiled Sept. 29 at a White House ceremony by President Clinton.

Executives of Chrysler Corp., Ford Motor Co. and General Motors Corp. joined the president and government scientists in making the announcement.

The partnership between the government and the Big Three

car companies would allow public and private resources and expertise to be pooled to achieve commercially viable vehicle technology.

The agreement signed Friday described standard terms and conditions so the automakers and the labs don't have to renegotiate contracts before starting each new project.

The Energy Department is expected to provide \$16 million during this fiscal year for research into reduced exhaust emissions and applications of supercomputing to automobiles.

13
BURRELLE'S

NEWS EXPRESS

PAGE 2 OF 3

U.S. Reveals 204 Nuclear Tests, Plutonium Exposure

By MELISSA HEALY
TIMES STAFF WRITER

A1

WASHINGTON—Shedding a cloak of Cold War secrecy, the Energy Department revealed Tuesday that the United States conducted 204 secret underground nuclear tests over 45 years and deliberately exposed at least 18 Americans to dangerous levels of nuclear material.

Energy Secretary Hazel O'Leary said the revelations, made possible by the end of the nation's nuclear rivalry with the Soviet Union, represent the most sweeping declassification of information in the department's history. She promised additional disclosures as she tries to win new public confidence for the department, which took over the development and manufacture of the nation's nuclear weapon stockpile in 1977.

"We've got to expose the impact of the Cold War, both in terms of its environmental health and safety impacts and also impacts on . . . the psyche of the nation," O'Leary told reporters. "One of the benefits to openness will be to build public trust."

O'Leary stressed that the disclosures will not aid Third World countries wishing to develop nuclear weapons. "While we are releasing information, we're not putting other information in the hands of people from terrorist states who could design a very crude bomb and do damage," she said.

O'Leary declared that she has been "shocked and amazed" at shortcomings in the management of the nation's nuclear weapon complex under Cold War administrations. Among the effects of the department's secretive leadership

is an environmental cleanup bill that may reach hundreds of billions of dollars.

The department's new willingness to reveal secrets is expected to aid many of the communities surrounding the 17 major facilities involved in the development, manufacture and testing of nuclear weapons. Those activities appear to have brought elevated levels of cancers and a wide range of environmental and health concerns to communities in Ohio, South Carolina, Washington and Nevada.

In disclosing the secret nuclear tests, O'Leary acknowledged that 34 of them released radiation into the atmosphere. The tests occurred from 1963 to 1990 at the department's Nevada test range.

In recent years, independent experts have greatly underestimated the number of secret underground nuclear tests, calculating that about 118 took place instead of 204. The additional figures bring the total of American nuclear tests to 1,051 since the dawn of the Nuclear Age.

Arms control experts pressing for a total halt to U.S. nuclear tests noted Tuesday that the government's ability to conduct the tests in recent years without being detected by modern monitoring devices raises questions about whether nations and watchdog groups would be able to verify any comprehensive international ban on nuclear weapons.

O'Leary said she plans to release more information in June about experiments in which 18 people were injected with plutonium in the 1940s. Those tests were among an estimated 800 various experiments involving more than 600 individuals over the years.

The experiments previously were disclosed in a congressional report and other documents, but few details are known. All 18 of the plutonium subjects have died, and laws assuring the privacy of government employees prevents immediate release of their names and cause of death, O'Leary said.

The Albuquerque Tribune recently reported on the testing and named five people it said were among the 18. Those five were injected with plutonium as part of work being done by the Manhattan Project in the development of the atomic bomb, the newspaper said.

O'Leary said she was "appalled, shocked

and deeply saddened" to learn of the experiments. Based on her own briefings, she said, "certainly by the standards of today, it is apparent that informed consent could not have taken place."

In other disclosures, O'Leary reported that the department had produced 89 metric tons of plutonium—enough for nearly 15,000 crude nuclear warheads—over the years. The nation has built 70,000 nuclear weapons, arming most of them with plutonium recycled from earlier warheads.

In a demonstration of environmental degradation linked to production of nuclear weapons, O'Leary reiterated a department finding that roughly 750,000 pounds of mercury have been dumped into a stream in Oak Ridge, Tenn. The mercury, associated with birth defects and nervous system disorders, was dumped by the Energy Department's Y-12 plant, which produced uranium components for nuclear weapons.

Not included in Tuesday's accounting are details of the nation's inventory of highly enriched uranium or the size and characteristics of the U.S. nuclear arsenal and year-by-year plutonium production at the Energy Department's plants in Hanford, Wash., and Aiken, S.C.

O'Leary said other details may come after department officials review for possible declassification about 32 million pages of information—a stack of documents three miles high—related to the nuclear weapon and energy program.

The new cache of information also is expected to be a boon for historians of the American nuclear weapon program. "It may indicate research directions that did not yield a useful nuclear weapon, or the testing of concepts that never materialized," said Steven Aftergood, director of the Project on Government Secrecy at the Washington-based Federation of American Scientists.

Among the secrets the new information could help to unlock, Aftergood said, are details of a rumored weapon developed in the 1960s that was designed to use a nuclear blast to accelerate pellets toward a distant target. Such a weapon would have been a key forerunner to technologies later explored in the Pentagon's "Star Wars" missile defense program.

CONTINUED



Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
FACSIMILE TRANSMITTAL FORM

Fax Number: FTS 896-4403 Verify (Voice) FTS 896-5081 Verify (Alternate) FTS 896-5078
CML 202-586-4403 CML 202-586-5081 CML 202-586-5078

f

Date: 12/9/95
To: Christine Varney
From: See O'Searcy

a

Transmittal consists of 5 pages, excluding this form.

X

Notes:



Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
FACSIMILE TRANSMITTAL FORM

Fax Number: FFS 896-4403 Verify (Voice) FTS 896-5081 Verify (Alternate) FTS 896-5078
CML 202-586-4403 CML 202-586-5081 CML 202-586-5078

f
a
X

Date: 12/9/93
To: Brian Burke
From: Sec. O'Searney

Transmittal consists of 8 pages, excluding this form.

Notes:

OLWH - Mclarty



The Secretary of Energy
Washington, DC 20585

ES CENTRAL FILE COPY
BS/93-826435
FILE CODE: OLWH - Mclarty

December 16, 1993

Ch

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY

Hazel R. O'Leary

SUBJECT:

Weekly Report

KEY DEPARTMENT NEWS

Russia Trip

Presently, I am in Russia as part of the Gore/Chernomyrdin Commission. The accomplishments of the meetings in which I have participated involve the areas of nuclear energy, oil and natural gas, and energy efficiency.

In the area of nuclear energy, Minister Mikhailov of the Ministry of Atomic Energy and I have completed a Nuclear Safety Assistance Agreement that contains liability provisions that permit private U.S. companies to assist Russian nuclear reactor operators with safety and technological improvements at Russian reactors. Minister Mikhailov and I also concurred on principles for reactor safety that will guide future efforts in this area. Additionally, the Gore/Chernomyrdin Commission agreed on a timetable for the replacement of two Russian plutonium reactors with safe, modern gas turbine generators. This is an extremely important agreement as it will provide Western firms with the liability protection necessary to begin providing the expertise to improve the safety of unsafe Russian reactors.

In the area of natural gas and oil, substantial progress was made in the development of oil and gas legislation for Russia that will be an incentive for U.S. investment in their energy industry. Also progress was made in the development of an oil and gas technology center and in the creation of a model corporation involving retail gasoline distribution.

Russian Energy and Fuels Minister Shafranik and I led the Commission's negotiations on the details of 24 separate energy efficiency projects including the implementation of a program to install energy efficient lighting on Russia's main highways.

Openness Initiative

The Administration continues to receive extremely positive public and media reaction to the Department's Openness Initiative announcement in every region of the country. This initiative is seen as a substantial first step in achieving the President's commitment to declassify as many previously classified documents as possible in order to make the federal government more open and accountable to the public.

Newspapers across the country have run editorials applauding the Administration's efforts among those are: the Amarillo Daily News; the Aiken Standard, Aiken, South Carolina; the Oregonian, Portland, Oregon; the Boulder Camera, Boulder, Colorado; and the Spokesman Review, Spokane, Washington. Most of these articles appeared in newspapers near the Department's defense production facilities.

It is my intention to continue pushing the Initiative forward in order to keep the Administration out in front of this issue. I will press the Initiative during my visits to cities that are close to defense production facilities or National Laboratories, including San Francisco, California; Hanford, Washington; and Aiken, South Carolina, during the middle to end of January.

Domestic Gas and Oil Initiative

Last week's release of the Department's Domestic Gas and Oil Initiative received mostly positive media reaction and mixed reaction from industry. Industry reaction to the Initiative was mixed due to the steep decline of crude oil prices that was coincidental to the release of the Initiative. This prompted industry, particularly independent oil and gas producers, to call for greater assistance from the Administration. Some industry leaders were pleased with the Administration's attempt to initiate the development of a strategy to support the domestic industry. The greatest support for the initiative comes from the natural gas industry given the emphasis on creating new markets for natural gas.

Deputy Secretary Bill White will continue to communicate the proposals included in the Initiative in a series of editorial briefings with newspapers in the oil patch, including newspapers in Midland, Houston, and Dallas.

World Record Fusion Experiment

Thursday, December 9, researchers at the Department's Princeton Plasma Physics Laboratory set a world record in fusion energy by producing more than three million watts of controlled fusion power, the process that powers the sun and stars. If the power had been in the form of a constant electrical current it would be enough electricity to power a small town of approximately ten thousand homes. The experiments, conducted at the Laboratory's Tokamak Fusion Test Reactor in Princeton, New Jersey, will continue through most of 1994 and will yield data important for the design of future reactors.

This experiment achieves three elements of the Department's mission: to develop diverse energy sources, to encourage a productive and competitive economy, and to improve environmental quality.

CONGRESS

Outreach Meetings

I did not meet with any Members of Congress this week due to the congressional recess.

Meeting with David Wilhelm

I will meet with David Wilhelm, Chairman of the Democratic National Committee, Tuesday to explore opportunities to work together in publicizing Administration initiatives.

Meeting with Cas Robinson

I will meet with Cas Robinson, the National Association of Regulatory Utility Commissioners' Director of the Office of Nuclear Waste, to discuss the status of the Department's efforts to develop strategies to live up to its obligation to take title of spent nuclear fuel from commercial reactors in 1998. Our goal is to develop strategies that will dissuade the States and utilities which are considering suing the Department for its failure to live up to its obligation to take title to the waste in 1998.

THE WEEKS AHEAD

Meeting with Governor Walters, Oklahoma

Tuesday, December 21, I will meet with Governor Walters, at his request, and officials of the University of Oklahoma Energy Research Center to discuss potential cooperative energy research projects between the Department and the Oklahoma State University system.

MEDIA

Openness Initiative

The media attention that the Department received this week surrounded the Openness Initiative that was announced Tuesday, December 7. Several national print and broadcast media have run very positive editorials commending the Initiative, these include; The Washington Post, The Los Angeles Times, The New York Times and Paul Harvey's nationally syndicated radio program. The story also appeared on the first page of every newspaper in a community near our defense production facilities. In the near future I will conduct interviews with The Los Angeles Times and NBC's Now Magazine program on the Initiative.

World Record Fusion Experiment

The fusion experiment that took place at the Department's Princeton Plasma Physics Laboratory generated positive national media attention. The event was reported on by a wide range of national media including; CNN-TV, ABC World News Tonight, CBS Evening News, The Washington Post, and The New York Times.

Domestic Gas and Oil Initiative

The Domestic Gas and Oil Initiative received positive media coverage from each of the major networks and most major newspapers including The New York Times, the Wall Street Journal, and The Washington Post.

Fortune Magazine

Friday, December 10, I conducted an interview with Fortune Magazine that focussed on the Department's initiatives that supported the Administration's policy agenda. It appears that the reporter is also interested in doing a feature story on the Department's National Laboratories.

Year-End Interviews

Wednesday, December 22, I will conduct several interviews focussing on 1993 accomplishments and 1994 goals with the Associated Press, the Minneapolis Star Tribune and trade press. I will also appear on John McLaughlin's program on C-NBC and Jack Anderson's nationally syndicated radio program. These interviews will focus on the past year's accomplishments and next year's priorities.

PRESIDENTIAL INITIATIVES

Federal Fleet Conversion Event

Thursday, December 9, I took part in an event with the President and Vice President at which the Federal Fleet Conversion Task Force presented recommendations to the President on how to initiate conversion of the federal fleet to alternative fuel vehicles.

Health Care Event

Thursday, December 23, I will go to the Howard University Hospital to visit children in order to publicize the President's Health Care Event. We are also exploring other opportunities on Wednesday to highlight the President's Health Care Reform Initiative.

Personal Travel

I will be out of the office the week of January 3.

SEATTLE TIMES DEC 13 1993

EDITORIALS

B-4 st

Revelations, penalty
rebuild DOE credibility

ENERGY Secretary Hazel O'Leary is doing more to rebuild confidence in her department than armies of taxpayer-supported government and industry apologists.

Her aggressive policy of acknowledging environmental and safety transgressions, and a startling refusal to reward substandard work make O'Leary a breath of fresh air.

Last week, she revealed 204 previously unannounced nuclear weapons tests as part of a campaign to declassify millions of pages of information about the nuclear weapons industry. In another burst of candor, the department admitted its quandary over pools of radioactive fuel from earlier bomb production.

The public has long suffered the malevolent effects of decades of secrecy maintained as much out of paternal arrogance and financial expediency as national security. A callous disregard for the health and safety of U.S. citizens marked the relationship between the industry and the regulators in the manufacture and testing of the bombs. Hanford is the toxic legacy that haunts this state.

For reasons described as safety and management lapses, the DOE refused to pay Westinghouse Hanford Co. millions of dollars in bonus money. The poor performance rating earned the company the dubious distinction of being the first contractor not to receive bonus pay since an incentive plan was created almost 20 years ago.

This change says more about DOE mustering the courage to do the right thing than implying that Westinghouse is the only contractor to suffer operational and compliance problems.

O'Leary is unmasking and cataloging the hideously complicated and expensive cleanup job. Ultimately, she and the Clinton administration will be held accountable for actually getting something done. For now, the remedial displays of candor and discipline are a reassuring start.

10A1

MARY McGRORY

A2 O'Leary's Energy Is Felt

Energy Secretary Hazel O'Leary has begun to do what her predecessor, Adm. James Watkins, talked about doing, that is "changing the culture at the department." And she is making an honest man of Bill Clinton, who promised during the campaign to open up the secrets of our nuclear enterprises.

Not much was expected of O'Leary by the disarmament and environmental crowd. They feared that a utility executive might shirk for nuclear power. For them, the secretary's performance has occasioned some pleasant surprises.

First, it was her critical opposition to the resumption of nuclear testing. State, Defense and the nuclear laboratories favored more blasts. Her own staff was designing a plan for the 15 tests permitted under the law.

O'Leary, admitting ignorance, made her own preparations. She convened a seminar in a secure room in the basement of the Forrestal Building. She called in the directors of the nuclear laboratories at Los Alamos, Livermore and Sandia, all keen testers, and several experts, including testing advocate James Schlesinger and testing foe, Frank von Hippel, who was then at Princeton and has since come back to Washington to work with the presidential science and technology adviser as an assistant on national security.

The secretary came out of two days of meetings convinced that our national security did not depend on further testing. With the help of the Arms Control and Disarmament Agency, she carried the day in the inner councils. Clinton decided to continue the informal moratorium on testing.

Last week, O'Leary took another step to show she takes seriously the Clinton pronouncements on openness in government. She held a news conference to make a huge dump of previously classified information on matters nuclear.

She has long thought that if government was going to regain public confidence and persuade other nuclear nations to come clean on vital data, she would have to tell some secrets: The public should know the shameful truth about plutonium experiments on human beings that were carried out in the '40s and '50s.

Actually, the experiments were revealed at congressional hearings in 1986, but a committee report mandating further investigation came to nothing. The Albuquerque Tribune recently published a series in which reporter Eileen Welsome identified five of the 18 subjects of medical tests that O'Leary called "worthy of Nazi Germany." She has made a probe of the whole project a top priority.

She also gave out previously secret figures about 214 unannounced tests of nuclear weapons, and the content of plutonium stockpiles. As is usual in such cases, the bureaucrats thought she told too much, the arms control experts, too little. "During the Cold War, I would have been arrested for what I said," she said cheerfully.

The fact that she told anything at all has to be considered near miraculous in the light of the secrecy cult at her department, which is still sitting on 3.3 miles of classified documents. Hush-hush is still so pervasive, some environmentalists complain, that they can't get even unclassified information about nuclear blasts of a generation ago.

Although O'Leary cleared her disclosures with the National Security Council, some on her staff thought she would be suspected of being off on a tangent. Spurgeon Keeny of the Arms Control Association thinks that disclosures that many of the secret bomb tests went undetected could provide ammunition to enemies of arms

control, bolstering their claim that verification is impossible. But Keeny applauds O'Leary because "when you open up these subjects to scrutiny by press and academia, you get public discussion, and Congress learns the right questions to ask."

And she got a positive reaction from the Russian Embassy. They requested a videotape of her news conference and all the supporting documents. She took a large bundle of material to present to Viktor Mikhailov, the Russian minister of atomic energy, with whom she is converging in Moscow. We haven't been in a strong position to lecture them because we have been so secretive ourselves.

O'Leary promises more to come. On the most sensitive subjects, she must obtain concurrence from the Department of Defense, which is averse to telling the time to unauthorized persons.

Tom Corcoran of the National Resources Defense Council, who was disappointed that the revelations didn't answer a lot of questions the council submitted to O'Leary, says, "I don't want to criticize her. She has made a first cut. She has started a process."

Open O'Leary

Energy secretary lifts nuclear secrecy shroud

Disturbing as the nuclear news was this week from the Energy Department, it involved historical information the American public needed to hear. Its release speaks well for Energy Secretary Hazel O'Leary, the former Northern States Power Co. executive is showing a reassuring zeal for lifting her department's traditional shroud of secrecy.

In its first disclosure of declassified data from nuclear weapons programs, the Energy Department Tuesday revealed that it had performed 204 secret nuclear tests between 1963 and 1990. Although the tests violated no law, they illustrate a proclivity for senseless secrecy.

More alarming, but unsurprising, was the report on storage of uranium fuel — the raw material for plutonium — in leaking containers at sites around the United States. The alarm is generated by the rapid deterioration of the uranium containers, plus the incredible admission that some of them were buried in places the agency no longer can locate with precision. Those factors will add billions in additional cost to the many-decade effort to clean up the nation's nuclear-weapon production sites.

Lack of surprise at the uranium fuel mess results from the series of reports since 1989 that have revealed outra-

geously irresponsible behavior by the Energy Department and its predecessors from the dawn of the nuclear age into the 1980s. In the name of protecting the United States from nuclear threats abroad, federal officials lied to American citizens, put lives at risk without permission and fouled environments with highly toxic radioactive waste.

That horrendous government behavior was shielded from detection by the thick lid of secrecy that the government lay over all nuclear weapons programs. "We were shrouded and clouded in secrecy," O'Leary said of the situation. "And I would take it a step further: I would call it repression."

As O'Leary seeks to lift that repressive lid, Americans should expect more nuclear horror stories. Tuesday's revelations result from just the first steps in the Energy Department's review of 32 million nuclear weapons documents for declassification. Difficult as the information contained in those documents will be to hear, Americans need to know the details of their nuclear history.

O'Leary has made a commendable start on revealing that history. She needs to see the job through to the end, always resisting the bureaucracy's ever-present inclination toward secrecy.

OUR VIEW

Lowering Of Security Veil Wise Policy For DOE Sites

Although she doesn't always say the reassuring words we would like to hear about the future of the Savannah River Site, Energy Secretary Hazel O'Leary in her pronouncements and public appearances comes across as one of President Bill Clinton's top choices for his cabinet.

This week Ms. O'Leary added to her stature when she opened the books on many years of well-kept secrets within the Department of Energy.

Some of the words about accumulated wastes and potential leaks at SRS were unsettling. On the other hand Ms. O'Leary has faced the fact that sweeping these matters under the rug is not the wisest policy.

Many of DOE's best-kept secrets date to the days when the SRS security program discouraged employees from revealing even their work areas and their job assignments — whether carpenter or chemist. Many of those security education rules were left over from World War II, when it was patriotic to remember that "The slip of a lip can sink a ship." In the 1950s, as the Cold War intensified, it was

feared that your favorite beer joint or even the grocery checkout line might harbor Russian spies.

Perhaps the spies were here, but changing world conditions have reduced the value of any information they might acquire.

It was against that background, however, that DOE's secrecy evolved, and for good reason; the fact is that the Soviet Union did employ spies who gave away secrets that enabled that country to produce the atomic bomb.

Now, many of the restrictions on the plant and its operations are no longer top secret. In the absence of national security considerations, it is wise to remove these restrictions in the interest of freedom of information and also because of the heavy cost of maintaining a strict security program.

Ms. O'Leary's policy of openness is a welcome sign. Public scrutiny is the best assurance against operating practices that are wasteful and that could endanger the health and lives of citizens.

MONDAY, DECEMBER 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 - 10:00 AM HOLD

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

12:00 PM - 1:00 PM HOLD

1:00 PM - 2:00 PM Lunch

2:00 PM - 4:00 PM LAB Directors Meeting

4:00 PM - 6:00 PM Holiday Event

5:15 PM - 6:15 PM Appointment

TUESDAY, DECEMBER 21, 1993

SCHEDULE FOR HAZEL R. O'LEARY

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

8:30 AM Declassification Breakfast

10:00 AM - 10:30 AM Dr. Homer Neal, Vice President of Research
University of Michigan

11:00 AM TENTATIVE: NBC Now/Katie Couric & Tom Brokaw

12:00 PM - 1:00 PM Lunch- David Wilhelm

2:00 PM -----Start Staff Time-----

2:00 PM - 2:15 PM Terry Cornwell-Rumsey - CFC

2:30 PM - 3:00 PM Vic Reis

3:00 PM - 4:00 PM Jim Decker, Dr. Ann Davies
Tokamak Physics Experiment Project

4:00 PM -----End Staff Time-----

4:30 PM Governor David Walters (D-OK);
Charles Nesbitt, Oklahoma Energy
Secretary; Representatives from the
University of Oklahoma Energy Center;
Representative from the University of
Tulsa and Kristen Ames from the
Governor's Office
(Martha Krebs)

WEDNESDAY, DECEMBER 22, 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

9:30 AM - 10:30 AM Betty Smedley, John Layton
(Dan Reicher)

11:00 AM - 12:00 PM Cas Robinson, NARUC Commissioner

12:00 PM - 12:30 PM Bill White

12:30 PM - 1:30 PM Team Lunch
(B. Berls, H. Davis, B. DeGrasse, P. Didisheim,
D. Dreyfus, A. Durham, D. Forrister, M. Gauldin,
T. Grumbly, J. Hakes, J. Keiher, M. Krebs,
C. Moody, B. Nordhaus, T. O'Toole, D. Pearman,
B. Rainey, D. Reicher, V. Reis, R. Rosenzweig,
T. Cornwell-Rumsey, K. Simpson, W. Taylor,
S. Thomas, S. Tierney, B. White)

2:30 PM - 3:00 PM Press: Joe Bebert, AP

3:15 PM - 3:45 PM Press: Bill Loveless, Inside Energy

4:00 PM - 4:30 PM Greg Gordon, Minnesota Tribune

5:15 PM - 6:15 PM Appointment

6:15 PM - 8:30 PM HOLD

8:30 PM DEPART DOE FOR CNBC STUDIO

9:30 PM John McLaughlin - Live
CNBC
1825 K Street, N.W.

THURSDAY, DECEMBER 23, 1993

SCHEDULE FOR HAZEL R. O'LEARY

8:30 AM - 11:00 AM DOE Community Outreach
Howard University Hospital

FRIDAY, DECEMBER 24, 1993

SCHEDULE FOR HAZEL R. O'LEARY

Holiday - Christmas Eve