



The Secretary of Energy
Washington, DC 20585

CLAY MCLARTY 4-21-94

April 21, 1994

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY

SUBJECT:

Weekly Report

KEY DEPARTMENT NEWS

• Earth Day Events

Last evening, I signed an industry-wide accord with the electric utility industry that solidifies their commitment to voluntarily reducing greenhouse gas emissions. To participate in our program, each company must sign a reduction agreement with the Department and report annually on progress. This is a significant accomplishment and has been negotiated in the six months since the President released our Administration's Climate Change Action Plan. For the first time, this industry is a part of the solution to a major environmental problem. This memorandum of understanding begins a process that will lead to specific agreements between the Department and over 750 electric utilities to limit greenhouse gas emissions. These companies represent 80 percent of the electricity generated in the Nation. I am confident that over 1,000 companies will sign up with the Department.

The achievement is significant for several reasons. The agreement commits the sector responsible for 35 percent of the Nation's greenhouse gas emissions to voluntary reductions. The agreement signifies that the President's voluntary initiative can work without imposing costly mandates on the private sector. It also represents a new method of environmental policy making wherein the Government establishes broad goals and provides accounting to ensure reductions while the private sector determines the cheapest way to achieve reductions. The Vice President attended the event, Representative Phil Sharp emceed it, and hundreds of industry leaders were in attendance.

Today, I delivered remarks at the White House Conference on Climate Change along with the Vice President. My remarks focused on the successes referred to earlier. Additionally, I communicated that the oil industry has delivered a letter which details their commitment to participate in the Department's voluntary programs. The coal industry which has the most at stake in this debate has provided me with a plan that commits the industry to proactively address greenhouse gas emissions. Lastly, the United Parcel Service has also committed participation in our programs. Hopefully, United Parcel Service's actions will lead other transportation companies to address the

climate issue. I believe that these new commitments represent real progress and continued proof that the Administration's voluntary approach can work.

Superconducting Super Collider

Yesterday, an amendment was offered to legislation moving through the House Science and Technology Committee that would prohibit the Department from expending any funds to settle the State of Texas' claim resulting from its investment in the Super Collider, from rewarding any non-competitive contracts, or initiating any new projects at the site. The Department strongly opposes this amendment. A compromise was offered that would have allowed us to achieve settlement, while maintaining the prohibition on expending funds for other activities at the site. Representatives of the State, however, did not accept this compromise. As a result, this amendment will be offered to legislation that defines the missions of the Department's Laboratories on the House floor. We believe that such an amendment could be adopted on the floor. It is not clear whether this legislation will become law. However, a floor debate on it will increase the visibility of the issue.

Foreign Spent Research Reactor Fuel Shipments

In an attempt to achieve the objectives of the President's non-proliferation policy, the Department will announce its decision resulting from an Environmental Assessment conducted on the impacts of accepting approximately 400 fuel rods from overseas research reactors. We have concluded that there would be no significant impact from accepting this fuel. This fuel was originally highly enriched uranium sold by the U.S. to foreign nations for use in nuclear research reactors. These nations have no available storage and will consider reprocessing this material. The Administration has discouraged such reprocessing believing that allowing the separation of highly enriched uranium and plutonium from fuel is not consistent with the Administration's nonproliferation objectives.

This action to accept these 409 spent fuel rods represent a major advance in the President's nonproliferation objectives. The National Security Council and the Departments of State and Defense strongly support this policy. Arms control and non-proliferation organizations will also support this action.

We are currently in the process of discussing this action with the affected congressional delegations and Governors and are attempting to work with Governor Campbell of South Carolina to determine future missions for the Savannah River Site, where the fuel will be stored, in order to make this action feasible. We have also communicated the status of this issue to the Office of Cabinet Affairs.

Business Executives for National Security

Tomorrow, I will address the annual conference of Business Executives for National Security in New York. My remarks will focus on the need to maintain the capability

of the National Laboratories to provide for national security while utilizing these assets to boost economic growth through technology transfer. I will also focus on the role of a committee, chaired by Bob Galvin, Chairman of Motorola's Executive Committee, that is charged with determining the future mission of the National Laboratories.

CONGRESS

Outreach

-- Yesterday, I delivered remarks at the Democratic Senatorial Campaign Committee's Agenda for 95' meeting. The key message of my remarks was that the American people believe that Democrats are better able to address the issues that are critical to the public.

-- I attended the DNC Trustees Reception Tuesday evening.

THE WEEK AHEAD

Trip to Washington and Oregon

Monday, I will travel to Oregon to meet with Governor Barbara Roberts. Our discussion will focus on the concerns of her State regarding the Department's activities at the Hanford site in eastern Washington. The Hanford site is a former weapons production site that is now the Department's largest environmental restoration project.

Tuesday, I will travel to Washington and Idaho to meet with the leadership of the Yakima, Umatilla, and Nez Perce Indian Nations. These Tribes are proximate to the Hanford site and the Department is committed to addressing their concerns regarding the health and environmental impacts of Hanford.

Wednesday, I will co-sponsor the Hanford Summit II with Washington Governor Mike Lowry. Hanford Summit II is a follow-up to the first summit held last fall to actively address issues and concerns from stakeholders, including State and local officials, Indian nations, community groups, and environmental organizations regarding the Hanford site. Important issues that we will consider involve declassification, economic conversion, technology transfer, and labor relations. The purpose of this second summit will be to report great progress on commitments that we made to the public at the first summit. For example, we have declassified substantial amounts of information, we have improved the climate for whistleblowers, and we have reached new levels of cooperation with organized labor. There will be significant public interest in the Summit.

- Visit to Tennessee

Thursday, I will visit the Department's Oak Ridge and Y-12 sites in Oak Ridge, Tennessee. The purpose of this visit is to highlight the efforts under way to transfer technologies from the Department's defense facilities and laboratories to the private sector.

I will tour the Centers for Manufacturing Technology, located on the Oak Ridge reservation, with Senator Sasser and Representative Lloyd. These centers represent joint ventures between the Department and private industry to deploy defense technologies in the market place.

- Fisk University

Saturday, I will deliver the commencement address at my alma mater, Fisk University in Nashville.

MEDIA

- Media Addressing the Climate Issue

Monday, I was interviewed by Fortune magazine and the Bloomsburg News Service (a business wire service for newspapers) on the agreements we reached with the utility industry to voluntarily reduce greenhouse gas emissions.

Tuesday, I conducted interviews with the Washington Post and Wall Street Journal and American Public Radio's "Market Place" on the climate issue. Chief executives from the industry including the CEOs of the Edison Electric Institute, New England Electric System and Public Service Electric and Gas Company participated in these interviews. Both the Journal and the Post favorably reported the story.

Yesterday, I participated in a press conference with Tom Kuhn, President of the Edison Electric Institute, on the accord reached with the electric utility industry. Media in attendance included ABC Nightly News, Cox and Hearst Broadcasting Companies, the United States Information Agency, the Associated Press and Reuters news services, and the Washington Post.

- Financial Times

Tuesday, I was interviewed by Robert Corzine of the Financial Times. This interview focused on the domestic oil and gas industry, the future of nuclear power, and challenge in addressing nuclear waste disposal.

- **National Public Radio**

Yesterday, I was a guest on the Diane Rehm morning show on National Public Radio.

- **White House Correspondents Dinner**

Saturday evening, I will attend the annual White House Correspondents Dinner as a guest of Newsweek magazine.

PRESIDENTIAL INITIATIVES

- **President's Council on Sustainable Development**

Monday, I co-chaired a working meeting of the Energy and Transportation Task Force of the President's Council on Sustainable Development.

- **First Meeting of the President's Advisory Committee on Human Radiation Experiments**

Today I attended the first meeting of the President's Advisory Committee on Human Radiation Experiments along with Secretaries Shalala and Jesse Brown, Attorney General Reno, NASA Administrator Goldin, and Deputy Secretary of Defense Deutch. The purpose of the meeting was to give a status report of the interagency efforts to retrieve and disseminate records to the public on human experimentation and to seek input from the Committee on how to better focus our search.

- **Health Care Event in Seattle**

We are planning an event to address the President's Health Care Reform Initiative in Seattle. The event will involve employees from the Starbuck's Coffee Company.

MONDAY, APRIL 25, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 9:00 AM HOLD

9:00 AM - 9:30 AM Congresswoman Pat Schroeder
(William Taylor)

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

12:30 PM - 2:00 PM National Science Bowl Luncheon
(Keynote Address & Award Trophies)
Washington Convention Center
(Terry Cornwell Rumsey)

2:15 PM - 2:45 PM "A Day With A Leader" Interview
with 6th Grade Students
National Association of Elementary
School Principals
Washington Convention Center

4:45 PM DEPART DOE FOR NATIONAL AIRPORT
Met by Reggie Sellers

5:16 PM Depart National Airport - Northwest

9:24 PM Arrive Portland, OR

FRIDAY, APRIL 29, 1994

SCHEDULE FOR HAZEL R. O'LEARY

8:00 AM - 5:00 PM Visit Oakridge National Laboratory
5:30 PM Travel from Oakridge, TN to Nashville, TN
7:00 PM - 8:00 PM Class of '59 Reception
Fisk University
(In Secretary's Honor)
8:30 PM HOLD

SATURDAY, APRIL 30, 1994

SCHEDULE FOR HAZEL R. O'LEARY

9:30 AM Arrive at Fisk University

10:00 AM - 12:00 PM Deliver the 1994 Commencement Address
The Oval Campus
Fisk University, Nashville, TN

12:30 PM - 1:30 PM National Utility Alliance, Inc.
Lunch Reception
Regal Maxwell House Hotel

1:40 PM - 6:00 PM HOLD

6:30 PM Alumni Annual Banquet (Award)
(Honoring Secretary O'Leary)
Loews Vanderbilt Plaza Hotel
2100 West End Avenue
Nashville, TN

Hot topic: What to do with U.S.'s radioactive cooling pools

A national repository promised by 1998 is not near completion. Three states are demanding answers.

P.A.B.

By Lori Montgomery
INQUIRER WASHINGTON BUREAU

WASHINGTON — A number of states are challenging the federal government over what to do with radioactive wastes filling cooling pools at nuclear power plants.

In 1987, the federal government told the states not to worry about it. Washington promised a national repository to store the used fuel by 1998.

But, with utilities running out of storage space and the national repository nowhere near complete, Energy Secretary Hazel R. O'Leary is expected to propose using money collected to pay for the repository to help fund temporary storage at nuclear plants. Federal officials maintain that on-site storage is a safe, temporary answer to the problem.

With completion of the national repository not expected before 2013, however, officials in Michigan, Minnesota and Florida have banded together to fight what they fear could become permanent storage in their states.

Representatives of the three states will meet soon for a strategy session in Detroit. They have invited other states to join them in dealing with what they see as a national crisis.

What to do with the used nuclear fuel is a growing problem, because storage pools are filling at the nation's 73 reactor sites. At six plants, the pools are already full.

At the Palisades plant in Michigan, the Surry plant in Virginia, the Brunswick plant in North Carolina, Calvert Cliffs in Maryland, and the Oconee and Robinson plants in South Carolina, the oldest, coolest rods already are being packed into metal or concrete casks and moved outside into dry storage.

By 1998, 23 plants will have run out of pool storage, according to the Nuclear Energy Institute, an industry research group. By 2000, 32 plants in 21 states will need more storage. And by 2010, 55 plants in 32 states, from Florida to Washington, will be out of

room, according to the Energy Department.

The shortage of storage capacity is becoming critical at the Oyster Creek Nuclear Generating Station in Forked River, N.J. The plant operator said it will be forced to close in 1996 if it does not build an above-ground facility.

GPU Nuclear Inc., owner of the aging Oyster Creek reactor, has applied for local zoning approval to store spent uranium fuel in steel casks.

Several other reactors in the Philadelphia area expect their spent-fuel pools to run out of room by the end of the century and are laying plans to reconfigure the fuel to extend the lives of the pools for a decade.

Peco Energy Co., the operator of the two Peach Bottom reactors and two units at Limerick, said it was considering plans to shuffle the fuel assemblies closer together in the pools to extend the storage capacity through the year 2010.

Public Service Electric & Gas Co., the operator of two Salem units, began "reracking" its fuel-storage pools in 1992 to extend its storage capacity until 2008.

Reracking a storage pool requires the plant operator to insert neutron-absorbing material between the fuel assemblies, which still give off a great amount of heat years after their removal from the reactor. The material prevents the tightly packed

fuel assemblies from setting off a new chain reaction.

But consolidating spent fuel in pools only delays the inevitable. Sooner or later, nearly every reactor will outgrow its fuel pools and need to seek above-ground alternatives.

In testimony last month before a House investigative subcommittee, Daniel Dreyfus, director of the Energy Department's project to develop a national waste repository, said:

"There is no question that dry storage will be an issue in many places [before a national repository is available]. It will be an expense, if not a legal issue. And that's a fact."

Minnesota Public Service Commissioner Kris Sands, Michigan Attorney General Frank Kelley and Florida Public Service Commissioner Susan Clark urged O'Leary on March 1 to review last year's legal finding by the Energy Department that said it did not have to accept the nuclear fuel by 1998 because no facility would be ready.

"Most reasonable people conclude it's better to have this waste in one or two places in the United States rather than in hundreds of places," Sands said. "The more places you have, the more chances of accident, the more chances of human error."

The state officials also objected to using money collected from utility consumers to pay for the national repository for any other purpose.

But O'Leary gave no reason to believe she would change current plans and urged those who met with her to press their case with Congress.

After the meeting, Kelley complained that "for 40 years, the Department of Energy (and other federal agencies) ... have pre-empted everything and said, 'We are responsible for nuclear waste. ... Big Daddy will take care of everything.'"

"Now we may not get a storage facility built by 1998. Therefore, any contractual arrangements will cease to exist. It's a complete cop-out after 40 years."

Inquirer staff writer Andrew Maykuth contributed to this article.

2044

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Nuclear travel is defended

Legislative panel told of waste safety

By Cy Ryan

SUN CAPITAL BUREAU

CARSON CITY - The chairman of a federal review board says a good safety record has been compiled in the transportation of nuclear wastes in this nation and the world.

John Cantlon, chairman of the Nuclear Waste Technical Review Board, told a legislative committee Thursday that "safety has been extremely high" in the hauling of nuclear wastes.

The committee, headed by Sen. Thomas Hickey, D-North Las Vegas, decided to devote a full meeting in the future to the issue of high level nuclear waste possibly being transported into Nevada for burial at Yucca Mountain.

Assemblyman Roy Neighbors, D-Tonopah, said residents in his district, including those in Pahrump and Fish Lake Valley, are interested in any route which would take the waste through their communities. Initial routes had been considered for those areas.

Hickey told committee members that the nation's premier response team to nuclear spills or problems is stationed at Nellis Air Force Base. The team was on site at nuclear plants in two hours after earthquakes hit in Southern California, he said.

Cantlon said nuclear weapons have been transported back and forth across the United States and many people didn't know the routes were close to their communities.

There was a nuclear spill between Germany and Belgium

but no gases escaped, he said. That spill became controversial, he said, because it was discovered that the load included some things that were not listed on the manifest.

Cantlon's review board is independent of the Department of Energy which is conducting a study whether Yucca Mountain is suitable as a high-level nuclear repository.

He said his board has been highly critical of the Energy Department in the past, but he said the agency is starting to pull things together.

There is a "growing awareness by the Department of Energy that they can't conduct business the way they have in the past," Cantlon said.

The DOE and its predecessor, the Atomic Energy Commission, operated without any oversight and has an unwieldy structure, he said.

Cantlon was critical of the department's decision to delay the study of how much waste can be safely stored at Yucca Mountain.

"We're uneasy about that," Cantlon told the committee. "We will pursue that with considerable vigor."

The study is designed to determine how much heat the mountain will be able to withstand without radiation escaping.

Dennis DeWitt, representing Citizens Against Nuclear Waste of Nevada, called for a moratorium on the studies.

He told the committee there have been "major problems" with the studies up until now and suggested the DOE "not waste time or money on an ill advised project."

DeWitt said the dry-cask storage at nuclear power plants can stay in place safely for 100 years while other avenues are explored for storage of high-level wastes.

But Sen. Lawrence Jacobson, R-Minden, said he was "not for delay after delay."

"We have got to take some action," he said.

U.S. firms to help Czech city reduce its air pollution

Washington Post

WASHINGTON - The Energy Department and three U.S. electric utilities have announced an initiative to help reduce air pollution in the Czech Republic, part of the Clinton administration's plan to combat global warming.

The project, coordinated by the Center for Clean Air Policy, a Washington-based environmental group, is the first U.S.-sponsored example of an industrial nation helping a developing country reduce emissions of the "greenhouse gases" that are believed to cause global warming by trapping heat near the ground.

Under the plan announced Wednesday, Wisconsin Electric Power Co. of Milwaukee, Edison Development of Chicago and Nipco Industries Inc. of Gary, Ind., will contribute \$800,000 for state-of-the-art technologies to reduce carbon-dioxide emissions from an energy plant in Decin, a heavily polluted Czech city of 50,000 people.

Decin, located in an industrial basin, has very high sulphur-dioxide emission levels. Life expectancy there is five years shorter than in other parts of the Czech Republic.

"This project will go a long way toward helping us solve our air problem, which is very severe," Decin Mayor Milan Kunc said in an interview Wednesday. "We would not be able to afford these technology without the help of the U.S. companies."

"We congratulate these utilities for stepping up to the plate and kicking off this plan to fight global warming," Energy Secretary Hazel R. O'Leary said. "If we are really going to tackle the problem, it is going to take some commitment from industry. These companies are leading the way."

O'Leary, who ran a Minnesota utility before taking charge of the Energy Department last year, has actively lobbied other utilities to become involved in the joint implementation program.

Last fall the administration an-

nounced a broad-based climate action plan to reduce U.S. gas emissions to 1990 levels. Acknowledging that the United States should also assist foreign countries in the battle against global warming, the plan also created the framework for such joint programs. The 1992 Global Climate Treaty encourages international cooperation to reduce their greenhouse gas emissions.

Under the plan, an electrical generating plant in Decin, which supplies about a third of the city's energy, will be switched from coal to natural gas. The U.S. companies agreed to fund 40 percent of the \$1.5 million project.

The project, to be finished in 1995,

should cut carbon-dioxide levels in Decin by 12,800 tons a year - a 65 percent reduction. It should also cut sulphur-dioxide levels by 98 tons a year.

The administration's climate action program was heavily criticized by environmentalists for relying too strongly on U.S. companies to take voluntary steps to achieve greenhouse emission reductions rather than instituting mandatory measures.

"We are finding that the voluntary process works much better than the command and control approach," said Richard Abdoo, chief executive of Wisconsin Electric. "We think this is a program that can work."

average. And SMUD estimates the system operates at a rate of less than 4 cents per kilowatt hour, compared with all-electric rates as much as five times higher during summer peak hours.

"This is not just something for individual homes, but it has real practical application for the rest of the country," Rich said. "It's cost effective and clean, much cleaner coal or oil-based systems."

So, if it's such a great deal, why aren't American neighborhoods littered with solar water heaters?

For starters, the enthusiasm for solar energy - which soared in the energy-crunched 1970s - waned in the 1980s as foreign oil supplies stabilized and prices declined. Federal tax credits on solar energy were dropped in 1985, effectively negating incentive to invest in solar energy systems.

Producers of solar water-heating systems also hastened the demise, according to Rich.

"You have to remember that those systems were originally designed for commercial use, not residential use," Rich said. "They were expensive and ugly."

And they didn't work too well, routinely freezing and breaking in cold climates.

Rich pondered all these negatives when the bottom dropped out of the solar energy market in the mid-1980s, when he worked as a salesman/repairman of solar water-heating systems for Sears in Virginia.

"I thought somebody ought to be able to build a better system, de-

signed specifically for a single-family home. . . . I thought I'd give it a try," he said.

The result was the SKYLITE system and the formation of ASN in 1988. ASN became the privately held manufacturing arm of Rich's original company, which still exists and goes by the sunshine name of AC-Rich & Sun.

Besides looking like a custom-made skylight, Rich's water-heating system has other advantages over 1970s vintage heaters.

Most important, it's about half the cost of older heaters. And Rich said it's freezeproof.

A "drainback" system automatically stores water when the roof panels are not collecting heat - on freezing winter nights, for example - and a special rubber absorber in the panels transfers heat without corroding or freezing.

Rich noted that in Sacramento the primary breakdown threat is summer heat, not freezing temperatures. He solved that problem with a venting system built into the roof panels. It automatically responds to high temperatures.

SKYLITE heaters also are easier to handle than older models. They are made of lightweight aluminum and covered with super-strong Lexan, the same shatterproof material used in windshields on thoroughbred race cars.

Rich said ASN is installing about 20 units a month from the 6,400-square-foot plant in Carmichael. His ambitions are much larger.

Within two years, his goal is to be operating out of a 30,000-square-foot plant, employing

FOR MORE INFO

If you would like to know more about the SKYLITE system, the SMUD program and ASN, you can call (916) 481-7200.

about 200 local workers.

Rich said numerous utilities have expressed interest in the heaters, but producing them on a large scale is going to require more than Department of Energy grants and SMUD's endorsement.

"We're frankly looking for venture capital to expand," Rich said. "Obviously, we think the potential is there. It's just a matter of getting the information out to people. We want to stay here in California, because we think the potential here is great."

Rich said he is working on an enhanced version of the SKYLITE system, which would reduce the space taken up by the indoor water storage tank, extend the system's life expectancy to 30 years (compared with the current 15 to 20 years) and cut overall costs. The updated system will become reality, however, only as time allows.

"I have to do my research when I have the time, which is one of the realities of this business right now," Rich said. "We're doing all the manufacturing, installing and research and development out of this office. It's pretty busy for everybody. . . . When you only have a dozen employees like we do, every one of them is valuable."

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AIKEN STANDARD

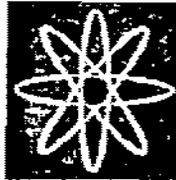
Aiken, South Carolina

Friday, April 15, 1994
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Sensitive Papers Will Be Released

By ERIC K. WARD
Staff Writer

Documents detailing Savannah River Site's tritium releases, annual plutonium production, and present inventory of highly enriched uranium will be among the first to be released in the Department of Energy's move to declassify records.



Bryan Siebert, director of DOE's newly formed Office of Declassification and Openness Initiatives, made the announcement Thursday during a public meeting in Aiken.

The meeting was held to give citizens an opportunity to tell the department how they feel the process should occur and what documents they'd like to see. Just a few people attended.

Energy Secretary Hazel O'Leary, under a directive from President Clinton, has pledged to lift DOE's historically rigid veil of secrecy. Secretary O'Leary has scheduled a release date in June.

DOE officials have repeatedly said they not only want but need public input to bring order to what could be a chaotic process: The department is sitting on millions of documents that could easily be misunderstood or not understood if they are released without a plan.

"We have so many documents it would be timely and to your advantage to tell us what you want," Ann Thomas, who heads up the declassification effort at SRS, said during Thursday's meeting.

(Please See SENSITIVE, Page 9A)

... Sensitive Papers To Be Released

(Please See SENSITIVE, Page 9A)

To make it easier DOE is developing a reference guide that will tell which documents are not classified, which are, and why, Siebert said.

He said a draft will be released for public input, which he described as breaking with DOE's tradition of just handing out a final version and expecting the public to live with it.

SRS Public Relations Department News Clips

CONTINUED

SRS: Researchers convinced

Continued from 5B

with an entrepreneur who has successfully bought and sold a dozen companies, and he says, 'Hey, I like your idea. It will sell!' well, that really fires them up," Ms. Azzaro said.

The morning sessions were a series of lectures in business techniques. Each afternoon a researcher sits one-on-one with a business expert. They explain their technology and the business person gives their perspective.

One day they meet with a marketing person, then a licensing expert, patent attorneys, business owners and others. By the end of the week, each researcher makes a presentation of a business plan of their technology to the whole group.

The conference stops there, but the plan doesn't.

Before they leave, the researchers form their own follow-up group that will continue the contacts as the ideas grow. They meet later with other experts, including economic development officials from states and counties.

Some of the ideas are marketed to American industry and some actually spin off to new businesses headed by the inventor.

The SRS researchers didn't see the value in the program when they were recruited to take part. "We had to drag them kicking and screaming. But now each of them have thanked all of the panel for involving them," Ms. Azzaro said.

"I was skeptical in the beginning. I was very, very, pleasantly surprised. It has been an incredibly positive experience," said Martin J. Pechersky.

Coherent optics, the technology Dr. Pechersky uses to determine the strength of welds on reactor vessels and other applications, also can be used to look for cracks in airplane or space shuttle wings.

"I come to understand much more graphically how technology is transferred to the commercial world and where I am located in that process," Dr. Pechersky said.

Electrical engineer Ken Odell, said before the program, "Our view of technology transfer was

that we have an invention and the best thing we could do is sort of throw it over the fence" surrounding the SRS.

Mr. Odell said that during the week he and the other researchers have come to see themselves as a part of a team with business, although unknown to each other, that turn ideas into products in the marketplace.

"Here are the other partners who are really working with us to carry it through," Mr. Odell said.

The inventor of the program, Marcia L. Rorke, founder of M-hawk, said she hoped to return for more seminars, but that it depends on how the six participants from SRS continue to develop their ideas and contacts.

"We can only whop them upside their head. They will have to have it stick with them and go back and talk it up and make it happen," Ms. Rorke said.

Turning to three of the men, Ms. Rorke said, "Stick together in a sort of think tank and the synergy you create will grow exponentially."



Department of Energy
Washington, DC 20585

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Date: 4/21/94
To: Christine Varney
From: Sec. O'Searcy

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Transmittal consists of 11 pages, excluding this form.

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Notes:



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In an attempt to achieve the objectives of the President's non-proliferation policy, the Department will announce its decision resulting from an Environmental Assessment conducted on the impacts of accepting approximately 400 fuel rods from overseas research reactors. We have concluded that there would be no significant impact from accepting this fuel. This fuel was originally highly enriched uranium sold by the U.S. to foreign nations for use in nuclear research reactors. These nations have no available storage and will consider reprocessing this material. The Administration has discouraged such reprocessing believing that allowing the separation of highly enriched uranium and plutonium from fuel is not consistent with the Administration's nonproliferation objectives.

This action to accept these 409 spent fuel rods represent a major advance in the President's nonproliferation objectives. The National Security Council and the Departments of State and Defense strongly support this policy. Arms control and non-proliferation organizations will also support this action.

We are currently in the process of discussing this action with the affected congressional delegations and Governors and are attempting to work with Governor Campbell of South Carolina to determine future missions for the Savannah River Site, where the fuel will be stored, in order to make this action feasible. We have also communicated the status of this issue to the Office of Cabinet Affairs.

Business Executives for National Security

Tomorrow, I will address the annual conference of Business Executives for National Security in New York. My remarks will focus on the need to maintain the capability

of the National Laboratories to provide for national security while utilizing these assets to boost economic growth through technology transfer. I will also focus on the role of a committee, chaired by Bob Galvin, Chairman of Motorola's Executive Committee, that is charged with determining the future mission of the National Laboratories.

CONGRESS

• Outreach

- Yesterday, I delivered remarks at the Democratic Senatorial Campaign Committee's Agenda for 95' meeting. The key message of my remarks was that the American people believe that Democrats are better able to address the issues that are critical to the public.
- I attended the DNC Trustees Reception Tuesday evening.

THE WEEK AHEAD

• Trip to Washington and Oregon

Monday, I will travel to Oregon to meet with Governor Barbara Roberts. Our discussion will focus on the concerns of her State regarding the Department's activities at the Hanford site in eastern Washington. The Hanford site is a former weapons production site that is now the Department's largest environmental restoration project.

Tuesday, I will travel to Washington and Idaho to meet with the leadership of the Yakima, Umatilla, and Nez Perce Indian Nations. These Tribes are proximate to the Hanford site and the Department is committed to addressing their concerns regarding the health and environmental impacts of Hanford.

Wednesday, I will co-sponsor the Hanford Summit II with Washington Governor Mike Lowry. Hanford Summit II is a follow-up to the first summit held last fall to actively address issues and concerns from stakeholders, including State and local officials, Indian nations, community groups, and environmental organizations regarding the Hanford site. Important issues that we will consider involve declassification, economic conversion, technology transfer, and labor relations. The purpose of this second summit will be to report great progress on commitments that we made to the public at the first summit. For example, we have declassified substantial amounts of information, we have improved the climate for whistleblowers, and we have reached new levels of cooperation with organized labor. There will be significant public interest in the Summit.

- Visit to Tennessee

Thursday. I will visit the Department's Oak Ridge and Y-12 sites in Oak Ridge, Tennessee. The purpose of this visit is to highlight the efforts under way to transfer technologies from the Department's defense facilities and laboratories to the private sector.

I will tour the Centers for Manufacturing Technology, located on the Oak Ridge reservation, with Senator Sasser and Representative Lloyd. These centers represent joint ventures between the Department and private industry to deploy defense technologies in the market place.

- Fisk University

Saturday. I will deliver the commencement address at my alma mater, Fisk University in Nashville.

MEDIA

- Media Addressing the Climate Issue

Monday. I was interviewed by Fortune magazine and the Bloomsburg News Service (a business wire service for newspapers) on the agreements we reached with the utility industry to voluntarily reduce greenhouse gas emissions.

Tuesday. I conducted interviews with the Washington Post and Wall Street Journal and American Public Radio's "Market Place" on the climate issue. Chief executives from the industry including the CEOs of the Edison Electric Institute, New England Electric System and Public Service Electric and Gas Company participated in these interviews. Both the Journal and the Post favorably reported the story.

Yesterday. I participated in a press conference with Tom Kuhn, President of the Edison Electric Institute, on the accord reached with the electric utility industry. Media in attendance included ABC Nightly News, Cox and Hearst Broadcasting Companies, the United States Information Agency, the Associated Press and Reuters news services, and the Washington Post.

- Financial Times

Tuesday. I was interviewed by Robert Corzine of the Financial Times. This interview focused on the domestic oil and gas industry, the future of nuclear power, and challenge in addressing nuclear waste disposal.

- National Public Radio

Yesterday, I was a guest on the Diane Rehm morning show on National Public Radio.

- White House Correspondents Dinner

Saturday evening, I will attend the annual White House Correspondents Dinner as a guest of Newsweek magazine.

PRESIDENTIAL INITIATIVES

- President's Council on Sustainable Development

Monday, I co-chaired a working meeting of the Energy and Transportation Task Force of the President's Council on Sustainable Development.

- First Meeting of the President's Advisory Committee on Human Radiation Experiments

Today I attended the first meeting of the President's Advisory Committee on Human Radiation Experiments along with Secretaries Shalala and Jesse Brown, Attorney General Reno, NASA Administrator Goldin, and Deputy Secretary of Defense Deutch. The purpose of the meeting was to give a status report of the interagency efforts to retrieve and disseminate records to the public on human experimentation and to seek input from the Committee on how to better focus our search.

- Health Care Event in Seattle

We are planning an event to address the President's Health Care Reform Initiative in Seattle. The event will involve employees from the Starbuck's Coffee Company.



The Secretary of Energy
Washington, DC 20585



April 28, 1994

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

KEY DEPARTMENT NEWS

• Trip to Washington and Oregon

Due to the day of mourning in observance of President Nixon's death, my trip to Oregon and Washington was postponed. These meetings will be rescheduled for mid-June.

• Decision on Future Mission of Argonne National Laboratory

The Administration terminated its support of the Integral Fast Reactor and Experimental Breeder Reactor in its fiscal year 1995 budget submission over the strenuous objection of the effected congressional delegations. Research in pursuit of these reactor concepts has taken place in Illinois and Idaho at the Department's Argonne East and West facilities. The reactors were terminated because the research conflicted with the Administration's nonproliferation policy and the reactors did not have any commercial potential.

When we made this decision, the Department and the Administration committed to developing higher priority nuclear missions that would maintain the highly skilled technical work force at the facilities. I have had several options presented to me that detail missions such as nonproliferation and reactor safety research and development for the facilities. In the next several weeks, I will make a decision on the budget levels for the facilities and attempt to hold employment levels constant. Before making final decisions, I will meet with the effected delegations to gain their input on these issues. I will also meet with the chairmen of the relevant appropriations subcommittees to seek their support of the effort. We have been consulting with the White House Office of Legislative Affairs on this issue.



Discovery of the "TOP QUARK"

Tuesday, Department of Energy physicists at the Fermi National Accelerator Laboratory in Illinois announced that they had discovered evidence of the existence of the "top quark," which is the last of the 12 subatomic building blocks that constitute all matter. The top quark has been the target of an intense 16-year hunt by rival teams of scientists around the world. This announcement represents a major accomplishment for science, for American physics, and for the Department's Fermi National Laboratory. The American-led team included scientists from Italy, Japan, Canada, and Taiwan, and simultaneous announcements of the breakthrough were made in each country.

Fermilab currently operates the most powerful particle accelerator in the world, which was the critical tool that enabled the American-led team to achieve this breakthrough. Work of this importance has been awarded with Nobel prizes in the past.

Superconducting Super Collider

The Department this week held serious and significant discussions with the State of Texas regarding its claim for reimbursement of its contributions in the Super Collider project. I believe that there is the potential to resolve this matter in the near future in a way that achieves the objectives of both parties.

Visit to Tennessee

Friday, I will visit the Department's Oak Ridge site, including the Y-12 plant, in Tennessee. The Oak Ridge facilities were essential to the Nation's defense activities. The Y-12 facility has had significant success in applying its expertise saving small businesses and helping new ones start up.

I will also tour the Centers for Manufacturing Technology, located on the Oak Ridge reservation, with Senator Sasser and Representative Lloyd. These centers represent joint ventures between the Department and private industry to deploy defense technologies in the marketplace.

We will also hold a meeting with local citizens to determine what information they want the Department to declassify. This visit will generate significant local media attention.

Fisk University

Saturday, I will deliver the commencement address at my alma mater, Fisk University in Nashville.

CONGRESS

• Outreach

- Monday, I met with Representative Patricia Schroeder (D-Colorado) to discuss the Department's activities at the Rocky Flats site in Colorado.
- Tuesday, I met with Congressman John Spratt (D-South Carolina) and Congressman Charlie Rose (D-North Carolina) to discuss the Department's decision to accept spent foreign research nuclear reactor fuel that was of U.S. origin. This fuel will be stored at the Savannah River Site in South Carolina and will enter the country through North Carolina.
- Next Wednesday, I will meet with Senator Byrd to discuss our fiscal year 1995 budget request, particularly the need to support the Department's climate change initiative.

THE WEEK AHEAD

• National Energy Resources Organization

I will be honored by the National Energy Resources Organization Wednesday night for my efforts in assisting the development of the President's voluntary Climate Change Action Plan.

My remarks will focus on a new method of environmental policy modeled after our voluntary emissions reduction agreement with the private sector in which the Government sets a goal or performance standard and the industry determines the cheapest ways to comply.

MEDIA

• White House Correspondents Dinner

Saturday evening, I attended the annual White House Correspondents Dinner as a guest of Newsweek.

• Minneapolis Star Tribune

Tuesday, I will have lunch with several reporters from the Minneapolis Star Tribune. Based upon the ongoing legislative struggle in Minnesota to grant Northern States Power permission to add additional on-site storage at its Prairie Island nuclear plant,

the interview will probably focus on the Department's efforts to characterize Yucca Mountain to determine if it is an adequate site to dispose of high-level nuclear waste from nuclear power plants.

- **Interview with Associated Press Energy Reporters**

I will be interviewed by the Energy Reporter of the Associated Press. The interview is a follow-up on our Earth Day activities, and will also focus on the Department's role in implementing the President's Climate Change Action Plan.

- **Journal of National Technical Association**

I will be interviewed by this publication that is a journal targeted to minority engineers and scientists. The interview will focus upon the Department's role in basic and applied science and opportunities we provide to minorities in the science and engineering fields.

- **OMNI**

OMNI is doing a profile on me. The interview will focus on the current status of the radiation issue and the Department's role in supporting basic and applied science.

MONDAY, MAY 02, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

10:00 AM - 10:30 AM Vice Premier Zou Jiahua
(Jack Siegel)

10:45 AM - 12:00 PM Senior Staff Meeting

12:30 PM - 1:30 PM Lunch

2:00 PM - 3:00 PM Dr. Fran Harvey, President
Government Environmental Services Co.
Westinghouse and Kevin Billings
Westinghouse

3:00 PM - 3:45 PM Interview - The Journal of National
Technical Association
(Barbara Semedo)

4:15 PM - 5:00 PM Dr. James Edwards, President, Medical
University of South Carolina,
Dr. Worth Bateman, Barbara Hatton,
President of South Carolina State
University, Steve Jones, Executive
Vice President of Medical University
of South Carolina
(Tom Grumbly, Dan Dreyfus, Clyde Frank)

5:15 PM - 6:15 PM Appointment

6:20 PM - 7:00 PM HOLD

7:00 PM DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

TUESDAY, MAY 03, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 9:00 AM HOLD

9:00 AM - 10:00 AM Joe Hebert, Associated Press
(Audrey Hoffer)

10:15 AM - 12:00 PM Jack Siegel - Goals and Measures
Room 8E-089 Program Review Center
(Bill White, Ann Lavin, Arch Durham,
Charlie Curtis, Nancy Weidenfeller,
Mike Gauldin)

12:30 PM - 1:30 PM Minneapolis Star Tribune Washington
Bureau Lunch
(Rich Rosenzweig)

2:30 PM - 4:30 PM Dan Dreyfus Terry Lash - Goals and Measures
8E-089 Program Review Center
(Bill White, Ann Lavin, Arch Durham,
Charlie Curtis, Nancy Weidenfeller,
Mike Gauldin)

4:45 PM - 5:00 PM Todd Ruelle
Clean Air Cab Company

5:00 PM - 6:30 PM HOLD

6:45 PM DEPART DOE FOR THE RITZ-CARLTON
Met by Reggie Sellers

7:00 PM - 8:30 PM National Coal Council Reception
The Ritz-Carlton
Pentagon City
1250 South Hayes Street
Arlington, VA

WEDNESDAY, MAY 04, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 9:00 AM HOLD

9:30 AM - 10:35 AM Metro Chamber of Commerce Members

11:15 AM - 12:00 PM Appointment

12:00 PM - 12:30 PM HOLD

12:30 PM - 1:30 PM Policy Process Meeting

2:15 PM DEPART DOE FOR THE CAPITOL
Met by Reggie Sellers

2:30 PM - 3:15 PM Senator Robert C. Byrd
S128 - The Capitol
(William Taylor, Rich Rosenzweig)

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

3:45 PM - 4:45 PM Omni Magazine Interview
(Barbara Semedo)

5:15 PM - 6:15 PM Appointment

6:20 PM - 7:00 PM HOLD

7:00 PM DEPART DOE FOR THE CAPITOL HILTON
Met by Reggie Sellers

7:15 PM NERO Awards Reception
The Capitol Hilton
16th and K Street, N.W.
Reception Starts at 6:00 P.M.

7:30 PM Speak at the NERO Banquet & Accept Award
The Capitol Hilton
16th and K Streets, N.W.
(Black-Tie Optional)

THURSDAY, MAY 05, 1994

SCHEDULE FOR HAZEL R. O'LEARY

- 7:30 AM DEPART RESIDENCE FOR DOE
Met by Reggie Sellers
- 8:30 AM - 10:00 AM Team Breakfast
- 10:00 AM - 12:00 PM Planning Session
- 12:30 PM - 1:30 PM Lunch- Bob Boylan and Nancy Weidenfeller
- 2:00 PM - 4:00 PM Bob Nordhaus - Goals & Measures
8E-089 Program Review Center
(Bill White, Charlie Curtis, Ann Lavin,
Arch Durham, Nancy Weidenfeller,
Mike Gauldin)
- 4:30 PM - 5:00 PM DROP-BY: Dr. Brian Eyre, Chief Executive
Energy Authority of Great Britain
(Pete Didisheim)

FRIDAY, MAY 06, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 9:00 AM HOLD

9:00 AM - 12:00 PM Contractors Meeting
8E-089 Program Review Center
(Don Pearman, Tom Grumbly, Sue Tierney,
Nancy Wiedenfeller)

12:30 PM - 1:30 PM Lunch

1:30 PM - 2:30 PM Historically Black Colleges and Universities
and Minority Institutions Environment
Technology Consortium
(Corlis Moody)

2:30 PM - 3:30 PM HOLD

3:30 PM DEPART DOE FOR NATIONAL AIRPORT
Met by Reggie Sellers

3:59 PM Depart USAir for Personal Travel -
Norfolk, VA

4:59 PM Arrive Norfolk, VA

Utilities Sign Global Climate Challenge Agreement

WASHINGTON (AP) - Five major utility associations signed an agreement with the government Wednesday to reduce emissions of greenhouse gases believed to contribute to global warming.

The signing of the Global Climate Challenge Agreement was announced by Energy Secretary Hazel O'Leary at an Earth Day exhibit of alternative energy technologies on the Mall.

The pact outlines five voluntary initiatives that the utilities will undertake with the help of the Energy Department. They include:

- developing commercial electrotechnologies - such as electric arc furnaces and infrared paint dryers - that promote the efficient use of electricity and support economic growth;

- investing in better forest management and the planting of trees, which consume carbon dioxide, the major greenhouse gas;

- promoting the use of electric vehicles;

- encouraging foreign utilities to be more energy efficient;

- working to increase the market for geothermal heat pumps, an advanced technology that uses the natural ability of the Earth's surface to heat and cool homes and businesses.

U.S. industries emit about 20 percent of greenhouse gases globally. At the Earth Summit in Rio de Janeiro two years ago, countries that signed the Global Climate Treaty committed to reducing emissions to the levels they were in 1990.

Signing the agreement were the Energy Department; Edison Electric Institute; the American Public Power Association; the National Rural Electric Cooperative Association; the Large Public Power Council; and the Tennessee Valley Authority.

The agreement has already come under criticism. A new study by the Union of Concerned Scientists and several environmental groups found the administration's blueprint for reducing greenhouse gases to 1990 levels won't work without additional measures.

The study outlined several other steps the administration could take to meet the goals, including tightening auto emission standards and upgrading energy efficiency standards for new and existing buildings.

[Energy]

This Associated Press story appeared in newspapers throughout the country.

Gore Labels Global Warming as Top Peril

■ **Environment:** The vice president marks the 24th Earth Day anniversary by comparing those skeptical of the climate change to tobacco industry leaders.

By MELISSA HEALY A22
Times Staff Writer

WASHINGTON—Vice President Al Gore, marking the 24th anniversary of Earth Day, Thursday called the threat of global warming "the most serious problem our civilization faces" and likened skeptics to leaders of the embattled tobacco industry.

"On one side there's a vast preponderance of serious scientists who have studied the evidence, and on the other hand we have a tiny minority of the self-interested who say, 'We just don't know,'" Gore said.

Gore's comments were aimed at a vocal community of those who challenge scientists' assertions that the buildup of carbon gases in the atmosphere will lead to a warming of Earth's surface, with dramatic disruptions in weather conditions, agricultural production and sea levels.

Like tobacco industry executives who have said there is no conclusive evidence that smoking can cause lung cancer, he said that many U.S. industrialists are warning that science has not proved that the accumulation of carbon

gases will lead to the feared "global warming" effects. With many such industrialists in his audience, Gore scoffed that "there was a time earlier in [the tobacco] debate when some people actually believed" the tobacco industry's denials.

The vice president's speech underscored the White House's challenge as it seeks to carry out President Clinton's promise to reduce the nation's emissions of greenhouse gases. In addition to skeptics resistant to making those reductions, the pace and urgency of the Administration's proposed solutions are frustrating environmentalists.

While Gore slammed the skeptics Thursday, the President gently chided environmentalists, telling an Earth Day gathering in the capital that "government should encourage people to work together, not pit business and workers and environmentalists against each other."

The Administration's comments came a day after the Energy Department signed an accord with more than 600 members of the Electric Utility Industry to reduce greenhouse gases. Under the memorandum of understanding, utilities voluntarily would adopt a variety of measures designed to reduce their release of carbon gases.

Environmentalists have attacked the agreement—and the Administration's efforts to draw industries into "partnerships" with government to achieve its environmental goals.

The Sierra Club, for instance, charged Thursday that the Administration's proposal for reducing greenhouse gases—announced last fall—will fail to stabilize those emissions at the 1990 level, as Clinton promised. The United States would have to cut 120 million metric tons of carbon emissions to meet its goals, but the plan Clinton has laid out will reduce those emissions by only about half of that, a Sierra Club analysis warned.

"This plan leaves to polluters but merely shifts its hit to the global warming problem," Sierra Club analyst Daniel Hacker said. "It's good for polluter public relations but doesn't do much for the planet."

In response to such charges, Gore held out an olive branch to environmental groups, declaring that they are playing a crucial role in holding the Administration to its promises.

"We need you; we need you," Gore said. "Keep it up."

On Thursday, Gore cited not only scientists, but also a study from the Travelers Corp. insurance company that said even a modest 0.9-degree Fahrenheit increase in average global temperature by 2010 could extend the hurricane season by 20 days, cause a 31% jump in hurricane landfalls in the United States, increase storms' severity and cause a 30% annual rise in catastrophic U.S. losses from storms.

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The Secretary of Energy
Washington, DC 20585

DLW/MCLARTY
MAY 12 1994
DLW/MCLARTY-1994-013981

May 12, 1994

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY

SUBJECT:

Weekly Report

KEY DEPARTMENT NEWS

Negotiations on the Superconducting Super Collider

The Department is hopeful that negotiations with the State of Texas to settle the State's claims for its investment in the Superconducting Super Collider Project will be concluded shortly. When appropriate, we will coordinate the public affairs strategy with the White House and the State.

Work Force Reduction Announcement in Tennessee

Today, the Department announced a reduction of approximately 1,500 positions at the Oak Ridge site in Tennessee. These reductions are a result of the significant decrease in the Department's Defense Programs budget and the operating contractor's efforts to achieve cost savings in cleanup activity through management and contracting efficiencies.

To minimize the number of involuntary reductions and mitigate impacts on the workers and communities, DOE approved a Special Retirement Incentive Program. This program will reduce the number of involuntary layoffs by providing incentives for employees to retire early. It is our estimate that approximately 750 employees will take advantage of the early retirement program, reducing the number of involuntary reductions by 50 percent.

Additionally, during my visit to Oak Ridge last month Senator Sasser and I announced that the Department will provide \$20 million for the Manufacturing Skills Campus. This is a joint effort between the Department and industry to develop technologies for commercial utilization and will retrain workers for private sector occupations.

Continuing the Declassification Initiative

The Department and the National Press Club will sponsor a two-day symposium entitled *Openness and Secrecy: A Symposium on Establishing Accountability in the Nuclear Age*. This event, convened in cooperation with the Department of Energy by the Government Accountability Project, the Information Trust, and the Fund for Constitutional Government, will examine DOE's Openness Initiative. This initiative is a visible and significant effort in shifting the way the national security community provides information to the public. Significant media attention is expected for this event.



Last evening I delivered the keynote address at the 58th Annual Executives Conference of the Institute of Paper Science and Technology in Atlanta. This conference was attended by over 200 industry leaders and representatives from academia. My remarks focused on the success that the industry has achieved in an era of fierce competition and our willingness to work with the industry to ensure that they have access to environmental technologies as they develop their priorities in an industry-wide strategic plan.

Chicago Events

While in Chicago today and tomorrow, I will participate in a number of events. Tomorrow morning, Mayor Daly and I will announce that Chicago is a participant in the Clean Cities program. The Clean Cities program recognizes cities across the country that deploy alternative fueled vehicles in the marketplace.

Tomorrow, I will meet with employees of the Argonne National Laboratory to discuss the future mission for the facility and the termination of the Integral Fast Reactor project. I am seeking to work with the leadership of the Laboratory to garner support in Congress for the new missions that have been developed. This was our commitment to the Illinois and Idaho delegations when we terminated the Integral Fast Reactor.

I will also deliver the commencement address and accept an honorary Doctor of Human Letters and Science degree at the Illinois Institute of Technology. The theme of my address will be the strategic role that technological development and research contribute to the economy and the importance of developing young leadership in these sectors.

OUTREACH

Congress

- Tuesday, I met with Senator Murkowski (R-AK) to discuss the Department's analysis of the Alaskan oil export ban. This is a contentious issue as lifting the ban would impact Labor as union vessels may not be used to transport the Alaskan oil to other nations. On the other hand, lifting the ban would increase domestic oil production particularly in California. The analysis of the ban will be released next week.
- Senator Reid (D-NV) and I met to discuss whether the Administration will conduct hydro-nuclear testing (small scale nuclear tests) to ensure the safety of the nuclear stockpile. This decision will be controversial as opponents and proponents of the various positions will advocate their positions as they relate to our efforts to negotiate a comprehensive test ban treaty and extend the nonproliferation treaty while there is a moratorium on testing.

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- I met with New Jersey Senators Lautenberg and Bradley to discuss fusion research that takes place at the Princeton Plasma Physics Laboratory. This is an important issue as the Congress may not support such research without a solid Administration commitment to participate in an intermediate fusion effort. Without an effort to garner congressional support, we may be unable to maintain the fusion option and be forced to close another lab.
- Next Wednesday, I will meet with Congressman David Obey (D-WI) to discuss the Department's budget priorities.
- Also next Wednesday, I will meet with Congressman Fred Upton (R-MI) to discuss the nuclear waste issue. Michigan, which hosts a nuclear power plant, recently ran out of storage for spent fuel and had to add additional storage.

THE WEEK AHEAD

Nuclear Energy Institute

Monday, I will address the annual conference of the Nuclear Energy Institute. My remarks to this audience of over 350 electric power and nuclear industry executives will focus on the nuclear waste issue. I will speak of my intention to issue a Notice of Inquiry asking affected parties to provide their views on how the Department can accept waste before the development of a permanent repository. Some members of the industry believe that the Department has a contractual obligation to accept waste in 1998. We do not believe we have such an obligation absent an operational repository.

Meeting with Oil Industry Chief Executives to Review Positive Agenda

I will meet with leading CEOs from the oil industry to devise an agenda on which we can move. We will likely focus on the ways in which the industry is regulated and seek to determine if there are new mechanisms that can be utilized to regulate the industry. The goal is to maintain the same level of environmental protection at less cost. Once we can agree on such an agenda, we will be working with the EPA to move it forward.

Women's National Democratic Club Event

Next Wednesday, I will attend the Women's National Democratic Club's Reception in honor of the members of the Clinton Administration.

Rutgers University Commencement

Next Thursday, I will deliver the commencement address at the Douglas College of Rutgers University.

MEDIA

- Eye on America

Yesterday, I conducted an interview with the CBS news program *Eye on America*. The interview will appear as part of a feature on the Department's Pantex facility in Amarillo, Texas. The interview focused on the role of the Pantex facility in dismantling nuclear weapons and finding workable solutions for the ultimate disposal of plutonium.

- Environment Showcase

While in Chicago, I will conduct an interview that will appear as part of a syndicated documentary entitled *Environment Showcase*. This edition of the program will be dedicated to the Department's Clean Cities program and Chicago's designation as a Clean City.

- Evening Exchange

Next week, I will conduct an interview with the *Evening Exchange* television program in Washington. This program will highlight the role of African American Cabinet members in the Administration.

PRESIDENTIAL INITIATIVES

- Women's Health Care Press Roundtable

Tuesday, I participated in a Women's Health Care Press Roundtable with Secretary Shalala and Administrator Browner at the White House. This roundtable discussion with members of the national media highlighted benefits to women of the President's Health Care Reform Initiative.

- President's Council on Sustainable Development

Wednesday, I participated in a meeting of the Energy Task Force of the President's Council on Sustainable Development of which I am the chair.

Mark

Circulation 82,000 Daily
95,000 Sunday

THE AUGUSTA CHRONICLE
Augusta, Georgia

Sunday, May 8, 1984
Page 1A
1 of 2

SRS storage will have price, area leaders say

By John Winters
Staff Writer

WASHINGTON — If Augusta area community leaders are going to accept Savannah River Site possibly having to store tons of highly radioactive plutonium for years, it's going to come at a price.

That price is two-fold: assurances of adequate safeguards and funding for new "positive" missions at the South Carolina

plant.

"There is a willingness to accept the less desirable missions with adequate safeguards for environment, safety and health," said Al Hodge, president of the Metro Augusta Chamber of Commerce.

"In return, we would want some positive, high-tech missions funded at SRS, like the Southeastern Technology Center.

Please see SRS on 14A

SRS: Funds for positive programs sought

Continued from 1A

tritium missions, a multipurpose reactor," he said.

"But we certainly don't want SRS to become a permanent storage facility for spent fuel or plutonium storage," Mr. Hodge added.

With the continuing dismantling of nuclear weapons, the nation is beginning to stockpile vast amounts of weapons grade plutonium, as well as plutonium in other forms.

For years the material — radioactive for thousands of years and the centerpiece of nuclear weapons — was considered of national importance. Now it's a deadly albatross and no one knows quite what to do with it.

So the Energy Department is preparing two environmental studies to answer these questions: where and how to store the material, and then how to dispose of it.

SRS is one of five sites being considered for a massive consolidated plutonium storage facility, if the DOE decides to go that

SRS Public Relations Department News Clips CONTINUED

B

SATURDAY

MAY 7, 1994

A-1

San Jose Mercury News

Physicist regains access

Energy secretary restores clearance to nuke lab critic

BY DAN STOBER
Mercury News Staff Writer

The personal intervention of U.S. Secretary of Energy Hazel O'Leary has restored the security clearance of a physicist who has long been a thorn in the side of management at Livermore's nuclear weapons laboratory.

"She realized what happened to me was a real violation of her policy of openness and her policy of protecting whistle-blowers," said Hugh DeWitt, 63, who has spent virtually his entire career at the Lawrence Livermore National Laboratory.

O'Leary announced her decision during an interview on National Public Radio in which she noted that taking a worker's security clearance is an obvious form of punishment within the laboratory culture.

The Department of Energy revoked DeWitt's security clearance last month, saying he had revealed classified information in articles criticizing the lab's exaggerated claims for the X-ray laser, a weapon the lab attempted to build in the 1980s.

No threat to security

DeWitt charged that the DOE action was retaliatory. All the information in the articles came from open sources such as newspapers and congressional debate, he said. Nothing in the articles posed any threat to national security, DeWitt argued, and in the end the Department of Energy agreed.

John Belardo, an Energy Department spokesman in the regional office in Oakland, said security officials had changed their minds after a "review" of the incident. The review came after DeWitt wrote letters to O'Leary and members of Congress.

"I was vindicated by Hazel O'Leary on nationwide radio," DeWitt said Friday. "I'm chortling. I'm enjoying it."

DeWitt began work at the laboratory in 1957 and has been an in-house critic since the 1970s. He has campaigned against secrecy and in favor of a nuclear test ban.

The intervention of O'Leary was unprecedented at the lab — "a fundamental, revolutionary difference" from past practice, DeWitt said.

Reagan administration

By comparison, John Herrington, who was secretary of energy under Ronald Reagan, condemned Roy Woodruff, a Lawrence Livermore manager who, like DeWitt, had complained that the X-ray laser had been "oversold" to Washington officials.

"I think there should be freedom of expression within the laboratory, but I do not favor having scientists going public on opposite sides of the issue if it is going to be damaging to the laboratory," Herrington said during a visit to Livermore in 1988.

When DeWitt lost his security clearance, he was moved to an office outside the fence of the weapons laboratory. Even though he did not need access to classified information to continue his physics research, he had lost access to the offices of his colleagues.

With the restoration of his clearance, he could move back inside. But DeWitt says he's happy with his new office. Ironically, he said, it's the best office the lab has ever given him.

MAY 08 1994

WPPSS warned about savings in terminating 2 nuclear plants

ASSOCIATED PRESS

RICHLAND — The WPPSS board is considering a plan to terminate two mothballed nuclear-power plants that could save \$153 million over five years.

But Walt David, Washington Public Power Supply System project manager, warned the board Friday that the figures he had could vary by 25 percent, up or down.

An alternative, but more thorough and expensive, way of restoring the sites after termination would still save \$56 million, David told the WPPSS board.

The board heard David at a meeting to discuss the issues involved with granting the Bonneville Power Administration's request to terminate the two plants, No. 1 at the Hanford Nuclear Reservation and No. 3 at Satsop, in Grays Harbor County.

No action was taken. The board is to vote on the issue this Friday.

David said the termination plan that would save \$153 million over keeping the plants in mothballs involved burying the concrete reactor buildings and related structures.

The more expensive plan involves demolishing all the structures except the power block, and burying the rubble.

Termination would end some contractual agreements between the supply system and the BPA, and would eliminate the possibility of WPPSS completing either of the plants.

WPPSS directors have authority to start or stop work on the plants, but the BPA, in the midst of its own downsizing, has control over the WPPSS budget.

Last year, BPA administrator

Randy Hardy said the plants should be terminated because natural gas and other sources can meet the region's future energy needs more cheaply than nuclear power.

Without \$10.5 million a year in maintenance, the plants would lose federal certification. It would be virtually impossible to relicense the plants once their certification was gone.

The board was scheduled to vote April 8, but Hardy recommended the delay because WPPSS directors had been swamped with paperwork before the last meeting and did not feel comfortable voting on terminating the plants.

The directors did not sound much more comfortable after Friday's six-hour meeting.

"I think today only made things muddier than they were a month ago," said Vera Clausen, who represents the Grant County Public Utility District.

The board agreed to consider votes on a variety of alternatives this week, ranging from immediate termination of both plants to postponing consideration of termination.

Compromise resolutions include voting for termination, with the BPA continuing to pay for preserving the mothballed plants through next Jan. 15.

The extension would give federal officials time to decide whether to implement one of two plutonium-burning proposals being considered.

A consortium of private companies has proposed finishing the two plants, giving them to the government, then using them to burn plutonium from dismantled nuclear weapons, making electricity.

Backers of the so-called Isaiah

Project said they have lined up \$8 billion in financing.

The supply system has offered its own proposal to convert its No. 2 reactor at Hanford — the state's only operating commercial reactor — and finish the adjacent No. 1 reactor.

Clausen said the board was considering too many options.

"The danger is we'll look like we're so split," she said. "I'm worried about our regional image."

Don Carter, who represents the city of Richland on the board, was the most outspoken critic of the termination proposals.

"My position remains the same. I heard nothing to convince me to terminate now and then evaluate later," Carter said.

Board president Roger Sparks said he leaned toward voting to keep the plants intact.

"The issues are not completely clear-cut," Sparks said. "My school of thought is these are long-term projects and we should keep them going."

If the board votes not to terminate the plants, the BPA can either accept the decision or appeal it to an arbitrator, whose decision would be binding on both agencies.

The supply system's nuclear-construction program began in the mid-1950s when the Richland-based consortium was formed by Northwest utilities to begin a lofty construction program that eventually included five nuclear-power plants.

Only one of the five plants was completed, the 1,150-megawatt No. 2 plant at Hanford. Two other plants were terminated, the remaining two were mothballed, and the supply system was forced into a \$2.25 billion bond default.

TRI-CITY HERALD
Tri-Cities, WA

MAY 08 1994

Everybody's sure sensitive over Democratic convention

The Democratic Party's decision to move its June 10-11 state convention from Spokane to Richland is shaping up as one of the nastiest political controversies in years, and the Tri-Cities is right at ground zero.

Even Tri-Citians have to admit something is ironic about a convention moved out of sensitivity to Asian groups — to a high school gymnasium decorated with a mushroom cloud.

Political notebook

Some west-side commentators are calling the state party wacky, but since conventioners are expected to dump hundreds of thousands of dollars into the Tri-City economy, a more evenhanded view is, of course, appropriate. So about all anyone can say for sure is somebody goofed.

Maybe it was the two Spokane County Democratic Party officials who allegedly used the words "chinks" at a party meeting in 1992 to describe the Hong Kong owners of Spokane's Davenport Hotel — though they deny it, and eyewitnesses can't agree exactly who said it. (They're sure somebody did.)

Maybe it was the state vice chairwoman from Spokane who, when a rather rude Asian activist refused to shake her hand, clasped her hands together and bowed in a patronizing manner. She later apologized and was cleansed by "sensitivity training."

Maybe it was the Asian American activists who couldn't overlook the boorish behavior and sued the dickens out of the Democratic Party. Like that was going to solve anything?

Maybe it was Charles Rollins, the chairman of the state party, who couldn't find a way to make anyone happy.

But certainly it was the Spokane party volunteer who, at the April 16 county convention, as a reporter watched, called Asian American demonstrators "chinks" and started bowing in their direction. And certainly it was Spokane County Chairwoman Sally Jackson who held a press conference and defended the woman. The volunteer was kind of old, you see, so that excused everything.

You have to wonder how old these people are, all right.

Anyway, the Democrats just can't win. By bending over backward not to offend Asian groups, the state party has antagonized at least a portion of organized labor. Sure, no union hotels are in the Tri-Cities. But the real trouble seems to be the two Spokane Democrats who may or may not have started it all are

Erik
Smith

officers of the Hotel and Restaurant Employees Union. John Workland and Marge Davis are well-known in Spokane union circles; their supporters say they were convicted without a trial. Leaders of the Washington State Labor Council aren't coming. Spokane union officials are furious.

Larry Hall, the Spokane-based representative for United Food and Commercial Workers Local 1429, had a letter published the other day in the Spokane Spokesman-Review. Hall wrote, "The convention will be held at Richland High School, where you have to pass the logo of a mushroom cloud, and whose slogan is 'nuke 'em 'til they glow.'"

The newspaper called Hall back apparently unable to believe this appears on Richland High School booster buttons. This is one of the things that makes this such a wonderfully twisted story. The Halls knew all right: Larry Hall used to be stationed in the Tri-Cities, and his wife, Beth, was chairwoman of the Benton County Democratic Party.

Says Hall, "As much support as labor gives the Democratic Party, I think the Democratic Party ought to give support to labor. I feel like I've been tried and convicted of being a racist, and I'm not."

Hall says he hopes the Hotel and Restaurant Employees Union sets up a picket line — and if it does, he'll be there, too. "Those people who choose to cross, cross," he says. "But I can rarely find it in my heart to support a politician who will cross a picket line."

No telling what the union is planning

Workland, its director, isn't taking calls from the press.

Just imagine the fun if the 1,200 or so convention delegates have to cross picket lines. And what makes this story even more twisted: Many of the Democrats who demanded the move are union officials. Joe Nilsson, chairman of the Thurston County party, says he might wear his Washington Federation of State Employees T-shirt to Richland. It's a discrimination issue, he says, not a labor issue.

"There may be a few pickets, but it's nothing like it would have been in Spokane," Nilsson says. "There probably would have been hundreds, and a lot of us would have been out there with them."

The Tri-Cities might as well get ready for the spotlight — and start asking the important questions about the convention, before the rest of the state does.

Like who gets the Richland Bombers T-shirt concession?

Erik Smith covers politics for the Herald.

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95,000 Sunday

THE AUGUSTA CHRONICLE

Augusta, Georgia

Sunday, May 8, 1994
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CONTINUED

route. Other options include doing nothing or upgrading existing storage facilities at all five sites.

The administration is leaning toward either disposing of the plutonium by using it as a fuel and burning it up in reactors, or treating it in a plant such as SRS's Defense Waste Processing Facility for permanent burial.

Whatever the decision, it will have to be stored for years until a disposal method is chosen and built.

More than one-third of the weapons grade plutonium was produced over the past 40 years at SRS's production reactors, and some officials believe SRS does need to do its part.

Rep. Butler Derrick, D-Johnston, S.C., whose district includes SRS, said there is a real problem in the potential that the nuclear material could fall into unfriendly hands, especially material coming out of the former Soviet Union.

"I'm willing to have SRS be a part of this, even if it includes

some temporary, and I emphasize temporary, storage," he said. "However, we are not going to become a dump, a permanent repository because they can't find any place or anything to do with it."

"And if we're part of this solution, then there has to be positive things on the other end - a multi-purpose reactor, research facilities and serious funding of our transition from defense to peaceful uses," the congressman said.

South Carolina Gov. Carroll Campbell remains opposed to using SRS simply as a plutonium storage site, said Carl Roberts, the governor's senior environmental adviser.

"He wants useful, productive missions for the site, and is opposed to SRS being used simply as a dump for the Energy Department's unneeded material," he added.

However, Mr. Roberts said there is a "possibility" the governor would not oppose taking the plutonium - provided the site get something in return.

"DOE has not approached us with that avenue," Mr. Roberts said. "If they were to fund some very beneficial facilities and programs, it might be worth considering doing our share of installing other things."

"When and if an offer is made, we would look at it," he said. "But to simply dump it here, he opposes that."

Others, however, believe it's wrong to play quid pro quo.

"I don't like that way of making policy by taking unrelated issues and trying to link them together," said Brian Costner, director of Energy Research Foundation, an SRS watchdog group. "That's playing into pork-barrel politics."

"We have to recognize that plutonium is not only a national but international issue," he said. "SRS helped produce a lot of that plutonium, and it has a responsibility to be a part of dealing with the problem."

Nuke lab scientist regains security status

Clearance restored for Livermore physicist DeWitt

By Keay Davidson
EXAMINER SCIENCE WRITER

The head of the U.S. Department of Energy has restored the full security clearance of a Lawrence Livermore National Laboratory scientist who lost it after accusations he had released classified data.

Hugh DeWitt, a lab physicist who has frequently and publicly criticized the lab for its nuclear weapons work, will have his security clearance restored following the decision by Energy Secretary Hazel O'Leary, DOE officials confirmed Thursday.

Previously, Energy department officials had accused DeWitt of "two different types of infractions" involving his handling of secret information, David Christy of DOE's Oakland office said Thursday.

"They had him for two 'class A' (types of infractions) in a 12-month period," Christy said. Christy declined to describe the alleged infractions.

In part, DOE's action was triggered by an article DeWitt wrote three years ago for a Stanford magazine.

The article detailed the history of the now-defunct X-ray laser, a "Star Wars" super-weapon — an orbiting anti-missile laser powered by a nuclear blast — that lab personnel tried and failed to perfect in the 1980s. Congress later killed the program.

At that time, DOE accused DeWitt of including secret information in the article. He countered that the article contained only information already available from public sources such as newspapers and magazines.

Nonetheless, on March 10 DeWitt's security clearance was downgraded, and he was forced to work in another Livermore office accessible to lower-clearance personnel. Publicly, DeWitt joked that he liked the new office better because it gave him a nicer view.

Still, he appealed to O'Leary, who appointed a team to investigate the accusations. The team advised her to restore DeWitt's clearance.

Tuesday, an O'Leary aide phoned DeWitt to inform him that his security clearance had been restored.

"This is a big story," DeWitt said Thursday. "I'm very happy."

Ironically, the aide was a man who, while working for an outside environmentalist group a few years ago, had sued DOE to stop construction of a nuclear plant in Idaho. Now, he's one of the highest-ranking DOE officials — a dramatic sign of O'Leary's impact on the DOE world view.

O'Leary's action seems sure to enhance her reputation as an outspoken advocate of greater openness in DOE, which has been accused of clinging to Cold War-style secrecy. In late 1993 she declassified huge amounts of information, including data on people who were unknowingly injected with radioactive material in the 1940s.

Livermore spokesman David Schwoegler said Thursday the lab "did not make the (original) decision nor the recommendation" to remove DeWitt's clearance. Rather, the decision was made by DOE officials, Schwoegler said.

DOE contracts with the University of California to run the Livermore lab, located east of San Francisco in the Livermore Valley.

Tri-Valley Herald

Friday, May 6, 1994

Front Page

Clearance back for lab maverick

By Jonathan Webman
STAFF WRITER

LIVERMORE — Energy Secretary Hazel O'Leary this week personally intervened to restore the security clearance of maverick physicist Hugh DeWitt, once called the conscience of the Lawrence Livermore National Laboratory.

Department of Energy spokesman Sam Grizzle said DeWitt's clearance was officially restored Thursday, two months after its revocation.

"I enjoy the vindication of it all," said DeWitt, who was contacted Tuesday by O'Leary's chief of staff, Dan Reichler. "No doubt I'll be insufferable once I get back inside."

DeWitt — a long-time critic and thorn in the side of DOE and lab managers — had been charged March 8 with leaking classified information and compromising national security.

The accusations stemmed from a Stanford University article he wrote in 1991, in which he referred to two classified nuclear tests.

The information had already been printed in numerous national publications, he said. Some of it was repeated in a front-page column about the lab printed last May in a San Francisco newspaper.

At O'Leary's insistence, the department reviewed the case and decided the data on the lab's controversial X-ray laser program did not pose a security risk after all.

"The bottom line is, when she asked people in security what was going on, they said they looked at it and determined there was no problem," Grizzle said.

"It's a perfect example of how we're trying to open this department up. The Cold War's over."

Grizzle, putting the best spin on the situation, added, "the other message here is that the system worked."

O'Leary could not be reached for comment Thursday.

But she told National Public Radio in Washington that these kinds of interventions might teach the Energy Department's old guard

some new tricks.

"Repetitive(ly) asking the question teaches the lesson," she told NPR.

It was the second time O'Leary stepped in to bail out one of the department's scientists. Alexander De-



DeWitt

Volpi, a researcher at the Argonne National Laboratory outside of Chicago and another whistle blower, had a similar experience last December.

O'Leary stepped in to send a message.

"The intervention in the DeVolpi case was to say, 'Hello? O'Leary to center of the Department of Energy universe: Have you received the signal?'" she said.

DeWitt had been hauled into the security office March 11 and stripped of the badge that allowed him into most of the lab's grounds — including his own office. He was relocated to a new office in a unclassified part of the lab.

In place of his security-cleared green badge, he was given a red badge, "clearly (the mark of) an underclass," O'Leary said.

"That's a very obvious form of punishment known and understood by everyone in the culture," she added.

Livermore lab scientist wins back security clearance

By PETER WEISS

LIVERMORE — A scientist and internal critic barred since March from classified areas at Lawrence Livermore Laboratory will get back his security clearance, Department of Energy officials said Thursday.

Lab physicist Hugh DeWitt denounced suspension of his clearance as "overzealousness and foolishness" in an April 4 letter to Energy Secretary Hazel O'Leary.

O'Leary revealed during an interview Thursday on National Public Radio that she had intervened on behalf of DeWitt.

The American Federation of Scientists once honored DeWitt as "the conscience of the Livermore laboratory."

He has been denied access to areas including the building where he worked for allegedly "permitting an unauthorized person to hear, obtain visual access to or otherwise obtain classified information," a March DOE letter to the physicist said.

The restriction inconvenienced him but did not prevent him from doing his work because his research on the physics of stars is classified, DeWitt said.

He moved to a new office 30 feet away, inside the security fence, he said.

DOE officials would not give further details about DeWitt's alleged secrecy violation, but the outspoken physicist, who has tangled with DOE censors in the past, said he was told the suspension resulted from a May 3, 1993, San Francisco Examiner column.

ing the mid-1980s.

Because of it, DOE had already charged DeWitt with a security infraction in September 1991 for revealing classified information.

DeWitt said the infraction was "silly nit-picking" because the classified information in the article that had already appeared in newspapers and other public documents.

The agency had left his clearance untouched at that time.

But describing the article again to the columnist apparently revived DOE's concerns, he said.

This week O'Leary and top DOE security officials ruled in DeWitt's favor.

"The information involved should be declassified," DOE spokesman Sam Grizzle said.

Energy Department officials said they didn't know when DeWitt's clearance would be reinstated, but predicted it would occur within weeks.

A member of O'Leary's staff telephoned DeWitt on Tuesday to let him know, he said.

"I'm very pleased. It certainly does vindicate me," he said.

DOE pitched the turnaround on DeWitt as a triumph of a new "openness" policy instituted by O'Leary.

In the radio interview, O'Leary said she helped another DOE scientist at Argonne National Laboratory in Chicago last December.

He had lost his clearance over encyclopedia entries he wrote about nuclear weapons.

I'm very pleased. It certainly does vindicate

Hugh DeWitt, Livermore lab scientist

The Energy Department is the federal agency in charge of the lab.

DeWitt speculated that he had erred in the agency's view by talking to the columnist about an article the physicist had written in 1991 for the Stanford Alumni Mag-

The article criticized lab scientists' behavior in a secret "Star Wars" project dur-

TUESDAY, MAY 17, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:45 AM Appointment

10:00 AM - 11:00 AM China Trip Meeting
(Jack Siegel, Sue Tierney, Dan Reicher,
Martha Krebs, Christine Ervin, Helen Bird)

11:15 AM - 11:45 AM Bill Gould, Chairman
National Labor Relations Board

12:30 PM - 1:30 PM Lunch- Sylvia DeLeon

1:30 PM - 3:00 PM HOLD

2:00 PM - 3:00 PM Mother Jones Interview
Eileen Welsome, Reporter
(Barbara Semedo)

3:00 PM - 4:00 PM Phone Calls
(Beth Arner)

4:30 PM - 5:30 PM Prebrief: Senate Interior and Related
Agencies Appropriations Subcommittee-
Senator Robert Byrd, Chairman
(Betty Smedley)

6:30 PM Evening Exchange Interview
WHMM TV Channel 32
(Barbara Semedo)

WEDNESDAY, MAY 18, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 9:00 AM HOLD

9:00 AM - 9:30 AM John Layton

9:45 AM DEPART DOE FOR RAYBURN HOUSE OFFICE BUILDING
Met by Reggie Sellers

10:00 AM - 10:30 AM Congressman David Obey
2462 Rayburn House Office Building

10:45 AM - 11:15 AM Congressman Fred Upton
2439 Rayburn House Office Building

11:30 AM DEPART RAYBURN HOUSE OFFICE BUILDING FOR
DOE
Met by Reggie Sellers

12:00 PM - 1:00 PM Policy Process Luncheon

1:45 PM - 2:00 PM Drop-By: Vina Colley
7A-097 Tara O'Toole's Office

2:00 PM - 3:00 PM Phil Carrol, President & CEO of Shell Oil;
Kenneth Derr, Chairman and CEO of Chevron;
Constantine Nichadros, President & CEO of
CONDCO, Inc.

3:15 PM - 4:00 PM Review Success Story Boards
(Nancy Wiedenfeller)

4:15 PM - 5:00 PM Ed Harper, President & CEO of
Association of American Railroads

5:00 PM - 5:30 PM Phone Calls
(Beth Arner)

5:35 PM DEPART FOR FOR THE NATIONAL PRESS CLUB
Met by Reggie Sellers

THURSDAY, MAY 19, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 10:30 AM HOLD

11:00 AM (T) DEPART FOR TRAVEL - NEW JERSEY

4:30 PM Commencement Address - Douglas College/
Rutgers
New Brunswick, NJ

7:17 PM DEPART NEWARK, NJ FOR PHEONIX, AZ

11:06 PM ARRIVE PHEONIX, AZ

- 5:45 PM - 7:00 PM Declassification Conference
National Press Club
(Mike Gauldin)
- 7:00 PM DEPART THE NATIONAL PRESS FOR HYATT REGENCY
ON CAPITOL HILL
Met by Reggie Sellers
- 7:10 PM DROP-BY: Chevron Corporation and Times
Mirror Magazines, Inc.'s 40th Annual
Conservation Awards Dinner
Hyatt Regency Capitol Hill
400 New Jersey Avenue, N.W.
Start time for Reception 6:30 P.M.
Hall of Battles
Start Time for Dinner 7:30 P.M.
Regency Ballroom
- 7:15 PM DEPART HYATT REGENCY ON CAPITOL HILL FOR
WOMEN'S NATIONAL DEMOCRATIC CLUB
Met by Reggie Sellers
- 7:45 PM DROP-BY: Women's National Democratic Club
Reception in honor of the Members
of the Clinton Administration
1526 New Hampshire Avenue, N.W.
Reception Starts 6:00 P.M.
Reception Ends 8:00 P.M.

FRIDAY, MAY 20, 1994

SCHEDULE FOR HAZEL R. O'LEARY

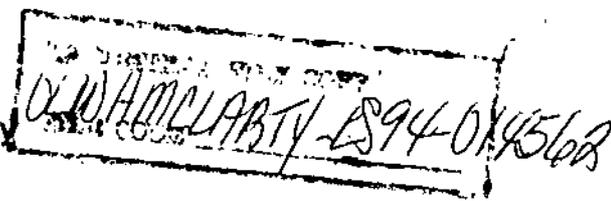
12:00 PM

Speak at the Western Energy and
Communication Association
Camelback Inn
Phoenix, AZ

5:30 PM - 7:00 PM HOLD: Ed Pastor Fundraising Event



The Secretary of Energy
Washington, DC 20585



May 19, 1994

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY

SUBJECT:

Weekly Report

KEY DEPARTMENT NEWS

• Action on Nuclear Waste

In the near future, the Department will issue a Notice of Inquiry to determine the views of affected parties on the Department's preliminary judgment that it does not have a legal obligation to accept waste in 1998, absent an operational facility; options for interim storage of nuclear waste recently developed by the National Association of Regulatory Utility Commissioners; and the Department's plan that would provide storage canisters to utilities running out of storage at reactors without adversely affecting ratepayers. This was controversial within the industry. When we stated our intent to publish this document, affected utilities thought that the Department was backing away from our obligations under the Waste Policy Act to develop an interim solution for waste before a long-term policy for the disposition of waste is developed. These utilities have been assured that this is not our intent and now support the exercise.

The purpose of this exercise is to begin to develop a convergence of opinion among the affected parties (utilities and States) so that we can develop an interim strategy for waste disposal. This is essential as 21 states will exhaust reactor storage by 2000.

• Analysis of the Alaskan Export Ban

The Department committed to analyze the impacts of the ban on the export of Alaskan crude oil that was enacted during the energy shortages of the 1970s. This commitment was made during the development of the Department's Domestic Gas and Oil Initiative. The analysis will likely conclude that lifting the ban would create up to 6,500 jobs in Southern California and encourage the production of 70,000 barrels of oil a day in California by 2000. Lower priced Alaskan crude currently floods the California market providing a disincentive for the production of California's resources. Lifting the ban would send the correct economic signals to California oil producers.

This has been a very contentious issue in the past as lifting the ban would cause a loss of jobs in the maritime industry because exported oil may not be transported by American vessels. However, job gain would still outweigh job loss. Industry and the



affected unions are attempting to negotiate a solution to this issue that would allow for export on American ships. If these parties are successful, I believe that we should attempt to develop a legislative strategy to lift the ban that would highlight the benefits to the California economy, create jobs, strengthen the domestic industry and enhance energy security.

- Promoting the Administration's Openness Initiative

Yesterday, the Department and the National Press Club sponsored *Openness and Secrecy: a Symposium on Establishing Accountability in the Nuclear Age*. The purpose of this conference was to trace the history of secrecy that evolved during the Cold War and to promote dialogue among interested parties and the media on the role of openness and transparency in furthering national security objectives.

Among those who participated with me in the symposium were Representatives Phil Sharp (D-IN), George Miller (D-CA), and Lane Evans (D-IL) and former Secretary of the Interior Stewart Udall.

- Development of Agenda with the Oil Industry

Yesterday, I met with the Chief Executive Officers of Shell, Conoco and Chevron. Our discussions focused on the necessity for the industry and the Administration to work together to create jobs. We agreed to begin developing new models of regulation, particularly in the refining sector, that would allow for the maximum environmental protection at the lowest possible cost. We also agreed on the need for regular meetings. I believe this line of communication is beneficial for the Administration.

- Events in Arizona

Tomorrow, I will address the Western Energy and Communication Association, a group consisting of leaders from the electricity and telecommunications industries. My remarks will focus on a recently developed proposal in California to enhance competition in retail electricity markets. I will express support for competition but stress the need for an orderly transition, maintenance of environmental protection, and insurance of equity among customer classes.

I will also participate in an environmental education event with Mark DeMichele, the Chief Executive Officer of the Arizona Public Service Company.

CONGRESS

- Congress

-- Yesterday, I met with Congressman Fred Upton (R-MI) to discuss the issue of nuclear waste, the Department's progress in characterizing Yucca Mountain as

a site to dispose of spent commercial waste, and plans to develop an interim strategy to store spent fuel. Twenty-one reactors will run out of on-site storage by 2000. This issue is important to Michigan as one of its nuclear power plants recently exhausted its storage for spent fuel and had to add additional storage.

-- Today, I met with Congressman Jim Cooper (D-TN) to discuss the status of the debate on the President's Health Care Reform Initiative. I will communicate the results of the meeting personally.

-- Friday, I will participate in a fund raiser for Congressman Ed Pastor (D-AZ).

• Women's National Democratic Club Event

Last evening, I attended the Women's National Democratic Club's reception in honor of the members of the Clinton Administration.

• Outreach Next Week

-- Tuesday, I will meet with Senator Dale Bumpers (D-AR) and request that he take the lead as a senior member of the Appropriations Committee to advocate full funding of the Department's climate change initiative.

-- Tuesday, I will meet with Senator Don Nickles (R-OK) to discuss the Department's fiscal year 1995 budget request. He is the ranking minority member on the Appropriations Committee that funds our Energy Efficiency and Fossil Energy programs.

-- Tuesday, I will also meet with Representative Don Johnson (D-GA) to discuss regional economic development initiatives in his district.

-- Tuesday, I will participate in a fund raising breakfast for Representative Carrie Meeks (D-FL).

MEDIA

• KOED Television

Tuesday, I conducted an interview with San Francisco's PBS affiliate KQED. This program entitled *Green Means* focuses on environmental issues. The focus of my interview was the Department's initiatives to deploy alternative fuel vehicles in the marketplace.

- Greenwire

I will be interviewed by *Greenwire*, a widely circulated newsletter that addresses environmental issues. The interview will focus on the Administration's environmental initiatives.

- American Defense Monitor

I will be interviewed by *American Defense Monitor*, a program broadcast nationally on public television stations. The interview will focus on the cleanup of the Department's weapons production facilities and the status of the efforts to negotiate a comprehensive test ban treaty.

- Chicago Tribune

Next Wednesday, I will participate in a round table discussion on a number of energy-related issues with editors and journalists of the Washington bureau of the Chicago Tribune.

- Dennis Wholey Show

Next Thursday, I will conduct an interview on the nationally broadcast PBS *Dennis Wholey Show*. This interview will focus on the Department's changing mission in the post-Cold War era.

PRESIDENTIAL INITIATIVES

- Health Care Activities

This week I spoke with Senators Breaux, Johnston, and Lieberman and Representatives Sharp, Tauzin, and Cooper to learn their latest positions on health care. Results of these meetings have been provided to Cabinet Affairs.

CHICAGO TRIBUNE

MAY 14 1994

Energy chief gives tip of the hat to city

By Stevenson Swanson
 TRIBUNE ENVIRONMENT WRITER

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 The decision by Chicago and area businesses to add thousands of clean-fuel cars to their fleets should help spur Detroit automakers to step up production of the vehicles, U.S. Energy Secretary Hazel O'Leary said Friday.

In a ceremony at City Hall, Mayor Richard Daley, Gov. Jim Edgar and representatives of area businesses joined the Energy Department's Clean Cities program, which aims to put 250,000 new alternative-fuel vehicles on the road by 1996.

Chicago is the 10th and largest city to sign up for the voluntary program. More than 130 businesses, institutions and business groups in the metropolitan area have agreed to buy clean-fuel vehicles, according to Deborah Boldt of the city's Environment Department.

The city plans to have 1,600 cars and trucks, or 33 percent of its fleet of 3,500 non-emergency vehicles, running on clean fuels by 1996. Clean fuels include ethanol, methanol, propane, compressed natural gas, electricity and a blended diesel fuel made in part from soybeans.

"I'm proud of this program, and I'm especially proud of Chicago

for putting together the broadest and deepest coalition of businesses and individuals," O'Leary said at the signing ceremony in the City Council chamber.

Other cities in the program include Philadelphia, Boston and Atlanta.

The phase-in of clean-running vehicles over the next several years will not eliminate the area's summertime ozone problem because the number of vehicles involved will be too small. But since it is directed at operators of fleets with 10 or more vehicles, it is expected to send a strong message to automakers that a steady demand will exist for the currently hard-to-find vehicles.

"The Clean Cities program is a little nudge to what is ready to happen," said O'Leary, as she inspected a variety of clean-fuel vehicles lined up on LaSalle Street. "It will help create the services that will support these alternative fuels. We're trying to do it together and in a way that is the least costly to the taxpayer."

Although the Clean Cities program is intended to support all types of clean fuels, Edgar made a particular pitch for ethanol, which is made from corn. Illinois is the nation's largest producer of ethanol.

KINDC

CHICAGO SUN-TIMES MAY 14 1984

Plan Will Boost Alternative Fuel Use

By Mary A. Johnson
Staff writer

Mayor Daley and Gov. Edgar joined forces with the Clinton administration on Friday to clean up the environment, signing a historic document at City Hall that would boost the alternative fuels market in a six-county area.

It was a historic moment on all fronts. Besides bringing U.S. Energy Secretary Hazel O'Leary to City Council chambers to witness more than 30 top executives sign the plan, the agreement also brought Edgar to the council chambers for

the first time. "It's a much quieter place than the Illinois General Assembly," joked Edgar when he took the lectern. "But then as I look out there I realize that these are not the councilmen."

Chicago is the largest city to sign on to the Clean Cities program, and, Daley said, "we will put our money where our mouth is by requiring the conversion of part of our city fleet of vehicles."

O'Leary told the signers the program is about diversity of fuel with the economics, intellect and marketplace in a particular community deciding what will be the

fuel of choice.

"I am very proud of this program and I am proud of Chicago and the state of Illinois," O'Leary said. "We have pulled together."

Under the pilot program, 40 of 9,500 vehicles in the city's fleet will be converted to methanol or propane, said William Corbett, the city's commissioner of fleet management.

The agreement pledges to replace one-third of all government-owned cars and trucks with alternative fuels by 1998. Among the signers was CIA President Robert Belcastre.

Illinois is the largest producer of ethanol, and its expanded use will mean more economic opportunities for Illinois farmers, Edgar said. After the signing, Daley and O'Leary inspected a lineup of vehicles run by a diversity of fuels that were parked across the street from City Hall.

Richard Smith, owner of Delaware Cars and Limousines, showed off a double barrel propane tank stashed in the front seat of his stretch limousine.

"It's absolutely harmless. They're explosion proof, they are safer than gasoline," Smith said. "We're doing better than ever."

BURRELLES

NEWS EXPRESS

PAGE 2 OF 2

BOSTON GLOBE MAY 11 1994

Panel asked not to cut energy-efficiency plan

P. 1

ASSOCIATED PRESS

WASHINGTON - Proposed deep cuts in the administration's budget for energy efficiency would seriously jeopardize President Clinton's plan to combat the threat of global warming, Energy Secretary Hazel O'Leary told Congress yesterday.

Environmentalists predicted that the Clinton plan, which is aimed at reducing "greenhouse" gases to 1990 levels by the end of this decade, would fall short anyway because of low

energy prices and the proposal's reliance on voluntary action.

Shortly after taking office, President Clinton outlined his plan, which depends heavily on energy conservation because carbon dioxide, the leading greenhouse gas, is a product of burning fossil fuels.

O'Leary, along with State Department and Environmental Protection Agency officials, said the administration's climate goals can be achieved, but only if Americans conserve energy and Congress provides enough money for

energy conservation programs.

The administration has asked for \$978 million for energy conservation initiatives for the 1995 fiscal year, beginning next October.

If that budget is cut by \$120 million it "would ... put the emission reduction target at substantial risk. Reductions beyond the \$120 million level will make the president's commitment virtually impossible to meet," O'Leary said at a hearing of the Senate Energy and Natural Resources Committee.

According to congressional and administra-

tion officials, the tight budget has prompted lawmakers to consider shifting money from energy efficiency to other parts of the Energy Department's budget, including more financing for nuclear programs, which the administration has earmarked for cuts.

The committee chairman, Sen. Bennett Johnston, Democrat of Louisiana, agreed that "uncertainties in the regulatory climate and the ... budget process may make the president's greenhouse gas-reduction targets difficult, if not impossible, to achieve."

BURRELLE'S

NEWS EXPRESS

CHICAGO TRIBUNE

MAY 19 1994

Chicago set to fill 'er up with soybeans

City, businesses vow to use clean-fuel cars

By Stevenson Swanson
TRIBUNE ENVIRONMENT WRITER **1/1**

The City of Chicago and more than 100 area businesses and institutions will dramatically increase the number of clean-fuel cars and trucks in their vehicle fleets under a federal program to be unveiled Friday.

The Chicago area is the largest metropolitan region to join the voluntary program of the U.S. Energy Department, but even so, the phasing-in of clean-running vehicles over the next several years

will not eliminate the area's summertime ozone problem because the number of vehicles involved will be too small.

Still, the commitment of Big Government and Big Business to buy thousands of cars and trucks that run on such odd things as diesel fuel made from soybeans is an important step in moving alternative-fuel vehicles out of the laboratory and onto the street.

Fleet operators exert power beyond their numbers because their vehicles get heavier use and thus burn more fuel than family autos.

"Fleets help create that critical mass to develop the infrastructure for supplying the fuel and making

it available to the public," said George Cornell, general manager of Alternative Transportation Fuels Inc., an Oak Brook-based company that supplies propane and other non-gasoline fuels. "Our objective is to make it as convenient, as transparent, if you will, to refuel with alternative fuels as it is today with conventional gaso-

SEE A1A, PAGE 26

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line."

Energy Secretary Hazel O'Leary, Gov. Jim Edgar and Mayor Richard Daley will announce that the region is joining the Energy Department's Clean Cities program at a City Hall press conference Friday morning.

Chicago is the 10th and largest city to sign up for the program, which aims to put 250,000 new alternative-fuel vehicles on the road by 1996. Philadelphia, Boston and Atlanta are also in the program.

Under Clean Cities, the city and many large corporations will replace 33 percent of their existing vehicle fleets with clean-fuel vehicles. By 1996, Chicago plans to expand its clean fuel cars from fewer than 30 currently to about 1,800, or one-third of its fleet of 5,500 non-emergency cars and trucks.

Although corporate plans are varied, the city projects that the total number of clean-running cars and trucks on area roads will grow by 1,000 vehicles a year, beginning as soon as this year, and accelerate in later years as more companies join the program.

Currently, there are 1,701 alternative-fuel vehicles in the region and 69 places to refuel them.

"The supply of these vehicles has been tricky because car manufacturers are so conservative," said Deborah Boldt of the city's Environment Department. "But a program like this sends a real strong message because this

is almost like a purchase order."

Among the companies that are signing up are Commonwealth Edison Co., Amoco Corp., and Peoples Gas—all of which have a stake in the emerging market for alternative fuels.

Alternative fuels include propane, compressed natural gas, ethanol, methanol, electricity and soy-diesel, a blend of conventional diesel fuel and a fuel made from soybeans. Emissions of pollutants such as carbon monoxide can be as much as 98 percent lower than unleaded gasoline, and the volatile hydrocarbons that contribute to summertime ozone can be slashed as much as 85 percent.

These fuels produce less pollution in part because many of them burn more completely than gasoline and because some of them are gases that must be stored in airtight tanks within a vehicle, which eliminates a major source of gasoline emissions—evaporation from the fuel tank and fuel lines.

But vehicles that run on these unusual energy sources can cost as much as \$4,000 more than conventional cars currently, although that price differential is expected to decrease if they catch on.

The city estimates that 375,000 cars and trucks belong to area corporate, business or institutional fleets of 10 or more vehicles. Even if a third of all fleet vehicles—or 125,000 vehicles—runs on clean fuels by 1996, as the city hopes, that would represent only about 3 percent of the 3.8 million cars and trucks in the six-county metropolitan area as of 1993.

From the Energy Department's

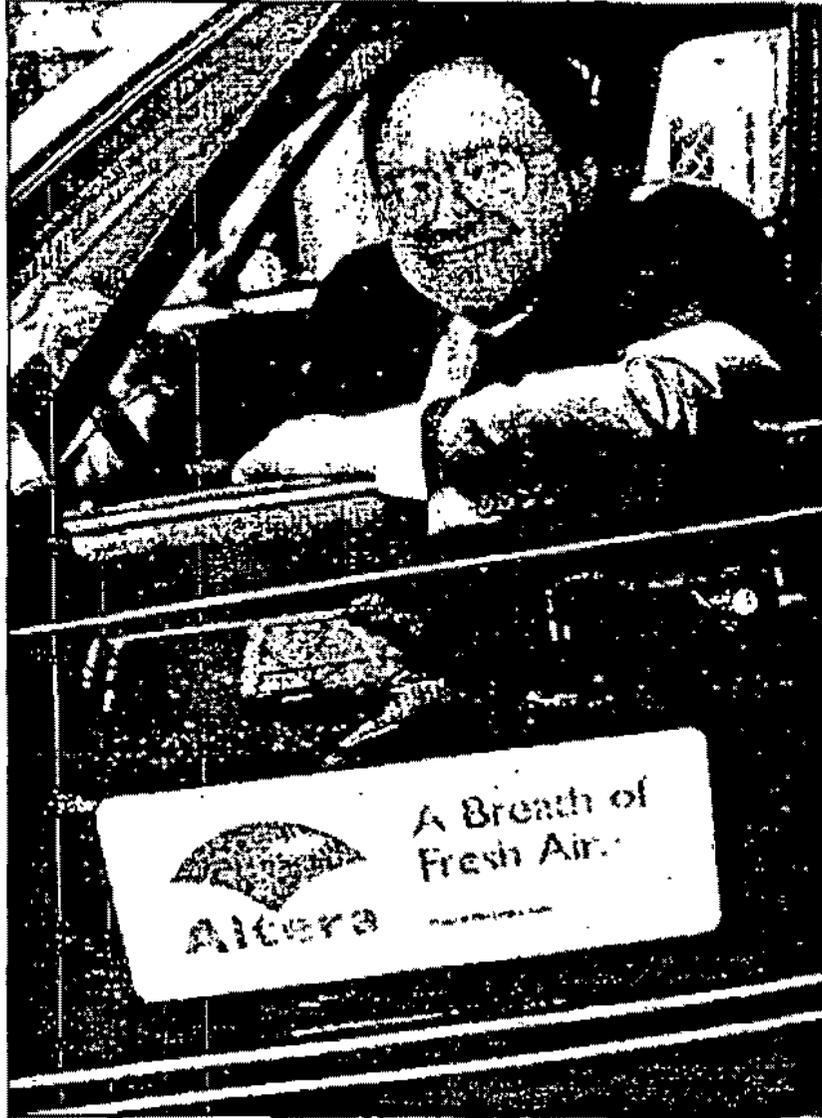
point of view, non-gasoline types of fuel are primarily a way to reduce imports of foreign oil and create jobs in this country.

But the driving force for the city and other area participants in the Clean Cities program is the Clean Air Act of 1990, which requires that by 1996 the Chicago area reduce its emissions of the pollutants that form ozone on hot summer days by 15 percent from 1990 levels. The far-ranging act is responsible for a host of added regulations on industrial emissions, beefed-up vehicle emission inspection programs and the Employee Commute Options program intended to force large area businesses to reduce the number of commuting trips made by their employees by mandating car pools or increasing work-at-home jobs.

The Clean Air Act will eventually force state and local governments and large fleet operators to buy clean-fuel cars, but by participating in the Clean Cities program, corporations will receive credits that they can apply to future requirements to reduce factory emissions.

For the city, the extra cost of the vehicles and the fuel are still unknown because the markets are so small. But by getting as many area fleet operators involved as possible, Boldt hopes the city will hold costs down by spreading them over a large base. More participants should also yield more information about what works and what doesn't.

"We'll be collecting data on which fuels are most effective in reducing emissions for the cost."



Tribune photo by James Mayo
George H. Cornell of Alternative Transportation Fuels Inc. in Oak Brook sits at the wheel of his propane-powered car.

The Miami Herald

Date MAY 13 1994

For a cleaner community, push alternatives to gasoline

ANOTHER Earth Day has passed and what did we see? Posters, booths at environmental fairs, informative workshops and speakers, T-shirts, hats, and pens made from recycled milk jugs, all decorated with environmental slogans.

But what about the rest of the year? One way to build upon the success of Earth Day is to buy or convert a vehicle to run on a "clean fuel." This is precisely what a new coalition, the Florida Gold Coast Clean Cities Coalition, encourages.

Composed of 20 leaders from Dade, Broward, and Palm Beach counties, and four officials from the state and federal governments, the coalition has adopted an action plan to reduce our dependence on gasoline. By executive order, Gov. Lawton Chiles has set a state goal of having 30,000 alternative fuel vehicles on our roads by Dec. 31, 1996.

In recognition of our efforts, the U.S. Department of Energy has designated the Florida Gold Coast as a Clean Cities Area.

With three million vehicles currently operating in the tricounty area, we have a lot of work to do. We expect to persuade the 92 municipalities of Southeast Florida to join state and federal governments in committing to put about 10,000 AFVs into service over the next 30 months, but we will also need help from the private sector. We are working with fuel suppliers to identify the best combination of incentives to get these vehicles on the road.

But why should anyone consider laying out \$5,000 to convert a vehicle to use natural gas, \$2,500 to convert to propane, or \$15,000-plus to buy an electric vehicle?

There are fewer than 500,000 alternate fuel vehicles in the United States. That means an AFV fleet vehicle will stand out as an environmental message! In addition to the positive publicity that brings, there are three important reasons to switch:

- To diversify our fuel supply. Currently the United States imports 40 to 45 percent of the petroleum used in this country annually. This amounts to seven million barrels of oil a day, more than was imported in 1973 when the OPEC embargo caused gasoline shortages. Without new types of fuels, U.S. dependence on foreign oil will grow to 70 percent by 2020.

- To clean the air in our cities. Seventy percent of Florida's air pollution comes from vehicles. By choosing alternatives to gasoline and diesel fuels,

- To protect our economy. The U.S. Department of Commerce has estimated that one U.S. job is lost for every \$52,000 sent overseas to pay for imports. South Florida imports transportation fuel worth more than \$1.25 billion, which means at least 20,000 jobs are lost annually due to oil imports.

What are the alternatives?



SUELLEN FARDELMANN

The author is mayor of Cooper City and chairman of the Florida Gold Coast Clean Cities Coalition.

23A

- Natural gas. Extracted from underground reservoirs, natural gas is a mixture of gases, principally methane. When used to power vehicles, natural gas is stored on board in either compressed or liquefied form. There are approximately 30,000 natural gas vehicles in the United States and more than 700,000 around the world.

- Propane. About two-thirds of the liquefied petroleum gas, or propane, available today is produced during natural gas processing. The remainder comes from crude oil refining. Like natural gas, LPG is stored in a protected tank. There are approximately 350,000 propane vehicles in the

1 of 2

United States and perhaps three million world-wide.

● **Electricity.** Power is stored in batteries. There are approximately 150,000 electric vehicles in England and perhaps as many as 5,000 in the United States.

● **Alcohol.** Two forms are used: Methanol, or wood alcohol, is a colorless, odorless liquid that can also be blended with gasoline; ethanol can be produced from woody plants, agricultural wastes, and corn. The latter is used mostly in the Midwest, usually in a mixture with gasoline. There are approximately 10,000 alcohol powered vehicles in the United States. Brazil has several million vehicles running on ethanol.

We won't be able to meet our goal of 30,000 AFVs without the support of the private sector and the general public. Fleet managers for cities and the three counties will be asking for funds to convert vehicles to run on alternative fuels. Our coalition is also looking for companies and individuals ready to convert a vehicle to alternative fuels. Call the toll-free hotline 1-800-423-1363 to learn more about alternatives to gasoline. And to find out what else you can do, write to the Gold Coast Clean Cities Coalition, c/o SFRPC, Suite 140, 3440 Hollywood Blvd., Hollywood, FL 33021.

O'Leary cautions against closing nuclear power plants

By Greg Gordon
Washington Bureau Correspondent

Washington, D.C.

B1
Energy Secretary Hazel O'Leary warned Tuesday that closing "safe, reliable, economic" nuclear power plants because of fears about above-ground storage of radioactive waste could lead to serious electricity shortages.

As the Minnesota Legislature grappled with the future of NSP's Prairie Island plant, O'Leary expressed broad concern that state governments might shut reactors rather than permitting on-site storage in huge steel and concrete casks.



Hazel O'Leary

O'Leary said plants in Michigan, Florida, Illinois and several other states will face problems similar to NSP's over the next seven to 15 years as they also run out of space for radioactive waste in underground storage pools.

"As a secretary of energy responsible for setting policy and ensuring that there is a diverse and reliable supply of energy, I have to get concerned once 20 percent of the electric energy supply is 'at risk,' if that's the result of legislative review of the process," she said in an interview with the Star Tribune.

Northern States Power Co. has said a shut-down at Prairie Island would cut its generating capacity by one-fifth. Nuclear power also accounts for about 20 percent of the nation's energy supply.

O'Leary said power shortages are "one of the risks that the nation takes on" if it closes nuclear plants. "I don't think that the nation clearly understands that," she said. "A safe, reliable, economic and environmentally correct power plant that's up and running — I don't care what it's running on — ought to be kept on line."

O'Leary, a former NSP executive who has pledged to withdraw from matters narrowly affecting the company, talked cautiously about its Prairie Island predicament. Agreeing to be interviewed as the Minnesota Legislature nears a decision on the matter, she said department lawyers advised her to discuss NSP only as its situation applied to other utilities.

She sought to calm concerns in Minnesota and elsewhere that on-site storage would become permanent because of the government's failure to find a repository, where the waste would safely decay over 10,000 years. She also said she will soon send a letter to Sen. Paul Wellstone, D-Minn., assuring him that joint department research with Canada into the potential for storing nuclear waste in granite formations "does not contemplate Minnesota as a site."

Wellstone is concerned that the study might be used to locate a repository in northern Minnesota, where there are many deep underground granite formations.

O'Leary also offered an overview of her approach to the nuclear waste conundrum confronting the industry. Although she has made a "vigorous" effort to try to find a storage site for high-level nuclear waste, she said, she is routinely blamed for the government's failure to do so. When Congress passed the 1982 Nuclear Waste Policy Act, it pledged that the federal government would begin accepting the high-level radioactive waste at a temporary site by 1998 and later move it to a permanent burial ground.

O'Leary said that after Congress eliminated funds last year to continue an unsuccessful search for a temporary site, she has little hope of meeting the 1998 deadline. While New Mexico's Mescalero Indian tribe continues to entertain the idea of offering a site, she said, its interests "have got to be balanced against the interests of other people in their broader community" who may oppose the idea.

She said she has given up taking the lead in finding a temporary disposal site for the industry's waste because of the nuclear industry and the public "so distrust what we as government have said on this issue." Instead, she said, she will await a recommendation from the National Association of Regulatory Utility Commissioners before acting.

She has taken several steps to speed the scientific study of Nevada's Yucca Mountain, where the government already has spent more than \$2 billion on scientific analyses, to determine whether it could be a safe, permanent repository for the waste, she said. "And I wake up every morning understanding that it's clearly a part of my mission," she said.

O'Leary said that a clear answer on the Yucca site won't come before 2001, but that if substantial progress is not made by the end of this year, she will seek an "interim solution."

She said providing nuclear utilities with multipurpose canisters designed for containing the waste temporarily and later shipping it to a burial site could provide "some answer." But O'Leary said that if the government provides the canisters, that does not mean she is abandoning her obligation to find a permanent disposal site.

Some nuclear utilities, which assess consumers a surcharge on their electric bills and pay it into a federal nuclear waste fund, are considering suing the government for its failure to locate and build a storage site. For example, the Nuclear Waste Strategy Coalition, consisting of Minnesota, Wisconsin, Michigan and Florida, has stepped up the pressure on the Energy Department with talk of a suit. O'Leary said such action would not be "very worthwhile . . . because it tends to close off the opportunity for discussion and debate."

CONTINUED

O'Leary also said that:

■ Her agency is drafting plans for reducing energy consumption and for providing replacement power as nuclear reactors near the end of their permit lives or exhaust waste storage options.

■ She rejects criticism from environmentalists of the administration's plan to combat global warming with voluntary agreements among more than 760 utilities to reduce emissions of greenhouse gases. O'Leary said that "to do a mandatory program to cut emissions, you'd better have five years for me to get it up and running, because that's how long it takes to get legislation and then to regulate If you want me to do something about the beginning of the 21st century, then I'd better use something . . . all ready to go, and that's a voluntary program."

■ She was "upset and concerned" to learn from newly declassified agency documents that researchers sponsored by the Energy Department conducted radiation tests on stillborn babies in Chicago during the 1950s. She said she expects the documents to be reviewed by the President's Advisory Committee on Human Experimentation, which is studying whether to recommend compensation to victims of secret radiation tests.



The Secretary of Energy
Washington, DC 20585

May 26, 1994

O'NEILL LARTY-2914-015334

MEMORANDUM FOR MACK MCLARTY
FROM: HAZEL R. O'LEARY
SUBJECT: Weekly Report

Hazel R. O'Leary

PRESIDENTIAL INITIATIVES

- Health Care

Last week, I communicated the substance of my discussions with seven Members of Congress on health care issues. I continued the discussions this week and will meet with Senator Joseph Lieberman after the recess. I also previously discussed the issues with Senator Dale Bumpers and Congressman Don Johnson.

KEY DEPARTMENT NEWS

- Markup of the Energy and Water Appropriations Bill

The House Appropriations Subcommittee, responsible for appropriating funding for 90 percent of the Department's activities, marked up its fiscal year 1995 appropriations bill Monday. The Committee has jurisdiction over our renewable energy, science, national security and cleanup activities.

The Committee strongly supported the Administration's investment initiatives. The Committee supported the Administration's renewable energy initiatives included in the Global Climate Change Action Plan and supported the Department's full request for renewable energy. The Committee also supported Administration and Department initiatives (such as the Tokomak Fusion Project and the B-Factory located in California) and supported the Advance Neutron Source at a lower level. The Committee also supported the Department's science activities and minimally reduced the Department's request for cleanup and national security activities. The full Committee is scheduled to mark up the bill today.

Developing Support for a New Mission at Argonne National Laboratory in Illinois and Idaho

The Administration terminated the Integral Fast Reactor in its fiscal year 1995 budget submission because of its inconsistency with the Administration's nonproliferation policy and fiscal pressures. This decision was strongly opposed by the Illinois and Idaho delegations. At that time, I committed to working with the laboratories to develop follow-on, less controversial missions that were of higher priority to the Nation. We have developed new missions that address proliferation and reactor safety concerns and support the current levels of employment in Illinois and cause the loss of only 60 jobs in Idaho. Department staff briefed delegation staff yesterday on these new missions. By the end of the week, we will also brief the appropriators, and Members of Congress who were strongly opposed to the Integral Fast Reactor, in an attempt to gain their support of the new proposals. We will also seek the support of the environmental and arms control communities for this initiative.

I am very concerned that if the Illinois and Idaho delegations continue their support for the Integral Fast Reactor in the Senate (because the Senate supported the reactor last year) resulting in the DOE proposal losing and the House does not fund the Integral Fast Reactor (and I don't believe they would under any circumstances), we may lose an opportunity to secure support of the new missions. I will be meeting with Senators Simon and Mosely-Braun to determine how they want to move ahead. It has been very difficult for them to support these new missions as it would be seen as supporting the Administration's decision in Illinois. The Department will require strong White House support on this issue as it unfolds.

CONGRESS

Due to the congressional recess, I will not hold any meetings with Members of Congress next week.

WEEK AHEAD

Advocating Departmental and Administration Industrial and Research and Development Initiatives before the New York Society Forum of Security Analysts

Tuesday, May 31, I will deliver remarks to the Society of Security Analysts--an organization of analysts who advise investors on company outlooks. The focus of my remarks will be how Administration and Department initiatives and R&D efforts significantly impact the energy sector, environmental technology sector, and other sectors such as the transportation, computing and semi-conductor industries.

U.S. Study Backs Allowing Export of Alaskan Oil

■ **Energy:** The report predicts lifting the '70s-era ban would create jobs and boost federal government revenues.

By MICHAEL PARRISH
TIMES STAFF WRITER

California's hard-pressed independent oil producers will get good news this morning as the Clinton Administration releases details of an unpublished but long-awaited study of lifting the current ban on Alaskan crude oil exports.

The Energy Department cost-benefits study predicts that ending the ban would create as many as 7,000 jobs in the California and Alaska oil industry. It also estimates a boost to the federal treasury—mostly from higher oil-tax revenues—of as much as \$284 million annually.

The independents, along with British Petroleum Co., have long lobbied to end the ban they say forces oil that would otherwise be sold in Asia into the glutted California market, depressing regional crude prices. The independents argue that the ban has cost the state \$2,000 oil industry jobs since 1985 as it has stifled investment and production in California's vast oil fields.

Opposition has come chiefly from U.S. maritime unions and shippers, who have been guaranteed the tanker jobs by a federal law controlling marine traffic between U.S. ports. That federal law does not apply to exports.

Now such opposition has apparently ended in a still-unannounced agreement between BP—the big Alaska producer hoping to enter the Asian market—and the maritime interests. Though oil company executives have declined to confirm the details, BP apparently will agree to use U.S. crews and ships in any tanker traffic from Alaska to Japan, the expected destination for much of the surplus Alaskan crude.

"We understand that the unionized shippers and the oil and gas companies and their unions have been coming up with a win-win solution," William White, assistant energy secretary, confirmed to The Times. "And we are encountering many people in Congress and union leaders who have historically opposed the export of Alaskan North Slope oil, who have this past week come to us and said that they have reversed their position."

Though the Clinton Administration has yet to take a

Please see OIL, D10

formal position on the ban, several high Administration officials have said that the ban should be overturned if the Energy Department study finds such a move to be cost-effective.

Though the study makes no specific recommendation on the ban, White said, highlights of the study show significant economic benefits to the West Coast oil industry.

• If world oil prices remain low, the study estimates a net job gain in the California and Alaska oil industry of 6,500 in 1994 and 1995, dropping to 6,000 jobs total during the period 1996 to 2000. If world oil prices rise, the early job increase would be less—4,800 in 1994-1995—but gains would be greater later on, up to 7,000 jobs from 1996 through 2000.

• Those numbers would be even higher if the apparent pact with the maritime industry is formalized, since the study estimates that lifting the ban could otherwise jeopardize 230 to 494 U.S. shipping jobs in 1994 and 1995, using figures from the U.S. Department of Transportation's maritime administration.

• California crude oil price hikes from ending the ban would increase federal revenues by \$20 million to \$25 million annually at the Elk Hills Naval Petroleum Reserve, near Bakersfield, currently the nation's seventh-largest producing field. Adding increased federal tax revenue from the expected higher sales of other oil producers would bring the annual federal benefit to \$284 million from \$50 million.

• Higher crude prices would give producers incentives to make new investments in existing fields.

Atlantic Richfield Co. and Exxon Corp., two other big Alaska crude producers, consume virtually all their production in their own refineries and distribution networks and would not be significantly affected by a lifting of the ban.

The ban dates from the oil crisis of the 1970s, when Congress was considering legislation to enable construction of the Trans-Alaskan pipeline to bring crude oil from Alaska's remote North Slope south across the state to the year-round port of Valdez.

At a time when angry Americans were waiting in gas lines, the ban was included to assure U.S. access to the domestic crude as well as jobs for the U.S. maritime fleet.

"The world has changed," White said. For one thing, he noted, the ban was passed, no strategic reserves existed—such as the million barrels now stockpiled at the Elk Hills—beyond what is needed for sale, to protect the nation against foreign oil boycotts or other crises.

Most observers expect 150,000 barrels a day to be diverted from the Alaskan production to Asian markets, White added. Consumption is about 16 million barrels daily, with 7 million barrels of that from foreign producers.

White expects to detail findings from the report in Monterey, Calif., today at the annual meeting of the California Independent Petrol Assn., which has lobbied force to end the ban.

10P7

O'Leary charges up Energy Department

By Linda M. Harrington
Chicago Tribune

WASHINGTON

Hazel Rollins O'Leary is one Cabinet member who knows how to take a pie in the face.

When the U.S. Energy Department fell a few thousand dollars short of a goal O'Leary had set to raise money for federal government charities, she hatched the idea of a pie-throwing contest.

She enlisted the help of senior staff members, and agency employees then paid for the privilege of tossing a few gooey pies at her and other politically appointed bosses.

She not only reached her fund-raising goal, but now the tough-minded O'Leary also has been asked to head the entire Clinton administration's charity campaign in 1995.

It isn't difficult to imagine that O'Leary, 56, could convince President Clinton to take a lemon meringue pie in the face for a good cause.

This tactic does not mean that the first black and the first woman to head the troubled energy agency instinctively reverts to the bake-sale method of fund-raising.

Instead, it exemplifies her drive to set high goals, her determination to meet them, her sometimes playful side and her desire to lighten and open up a downtrodden agency that until now has been veiled in secrecy and tight security.

Charged with overseeing a staff of 20,000 federal workers and 149,000 contractors, O'Leary has grappled with shifting the agency from its military Cold War focus on nuclear-weapons production to dismantling them and pushing for cleaner energy sources.

Becoming energy secretary was not part of the former utility company executive's life plan.

Her goal was to be chief executive officer of Northern States Power, the Minnesota company she had worked for since 1989 and of which she had been a president nine days before her Senate confirmation hearing.

Clinton heard of O'Leary while attending a weekend retreat at Hilton Head, S.C. A mutual friend

She has had her share of detractors, however.

Environmental and military-issues organizations, leery of her utility background, swung into action in a bid to prevent her confirmation.

"I spent more time and energy than anyone else trying to keep her out of the government," said David Culp, legislative coordinator for the Plutonium Challenge, a coalition of national environmental groups. "But I've dramatically changed my views. She's a shining star in the Cabinet."

Once O'Leary interviewed with the president and first lady, she knew it was time for a detour from her booming utility career.

"I wouldn't have (taken the job) if I didn't think it was the right thing to do," O'Leary said in her seventh-floor office overlooking the nation's capital. "It's back-breaking. It's bone-crunching — but I love it."

Just by walking every day in the door of the Forrestal Building a few blocks from the Capitol, O'Leary is challenging the system. She is not the stringent military leader of yore: The previous secretary was an admiral.

When she entered her first Energy Department senior staff meeting, O'Leary was shocked to encounter a conference room packed with white, clean-shaven men, all with expensive-looking cuff links on their shirtsleeves.

"There is nothing diverse about this group," she thought, then swiftly moved to surround herself with a more culturally and philosophically mixed set of advisers. She says her first move was to hire a man with a beard.

Last December one of the newly appointed staffers, Dan Reicher, deputy chief of staff, alerted O'Leary to the horrifying tales of involuntary human radiation experiments conducted by the government.

"You're not going to believe this," Reicher said.

The decisions that day made the previously low-profile O'Leary a Cabinet star, spotlighted by media scrutiny and the watchful eye of the American public.

When Reicher told her of the experiments, O'Leary was dressed in workout attire for her twice-weekly aerobics class in the department's

(It) exemplifies her drive to set high goals, her determination to meet them, her sometimes playful side and her desire to lighten and open up a downtrodden agency that until now has been veiled in secrecy and tight security.

exercising, her mind confirmed what had to be done: start to open up 32 million pages of department documents.

The Office of Classification suddenly was renamed the Office of Declassification.

At her confirmation hearing 15 months ago, O'Leary made five commitments to Congress and the American public: establish a strong team of experienced workers, report results instead of how the department spent its budget, change the bureaucratic culture of employees at the agency, tell the truth and collaborate with Congress.

But if she somehow falls short of those goals, a pie-throwing contest won't be able to make up the difference.

CONTINUED

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BURRELLE'S

NEWS EXPRESS

PAGE 2 OF 5



The Secretary of Energy
Washington, DC 20585

MONDAY, MAY 30, 1994

SCHEDULE FOR HAZEL R. O'LEARY

Memorial Day (Observed)

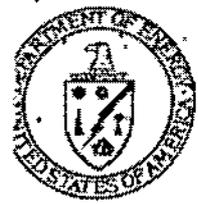
12:00 PM DEPART RESIDENCE FOR WASHINGTON
NATIONAL AIRPORT
Met by Reggie Sellers

1:00 PM - 2:00 PM DEPART WASHINGTON NATIONAL AIRPORT FOR
NEW YORK, NEW YORK
Met by Beth Arner

2:00 PM Arrive New York LaGuardia Airport
Met by Steve Fried

3:00 PM Arrive St. Regis Hotel





The Secretary of Energy
Washington, DC 20585

WEDNESDAY, JUNE 01, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 8:30 AM HOLD

8:30 AM - 9:00 AM Daily Briefing
(Rich Rosenzweig, Dan Reicher, Jim Solit,
Mike Gauldin, Johannah Dottori, Beth Arner,
Carolyn Wallace)

9:00 AM - 11:00 AM Jay Hakes - Goals & Measures
Room 8E-089 Program Review Center
(Bill White, Ann Lavin, Arch Durham,
Charlie Curtis, Nancy Weidenfeller,
Mike Gauldin)

11:15 AM - 12:00 PM Leon Panetta, Director of OMB
Room 252 - Old Executive Office Building

12:15 PM DEPART OEOB FOR THE WHITE HOUSE
Met by Reggie Sellers

12:30 PM - 1:30 PM Natural Resources Cluster Luncheon
The White House Mess

1:40 PM DEPART THE WHITE HOUSE FOR DOE
Met by Reggie Sellers

1:45 PM - 2:15 PM Environmental Impact Statement on Spent Fuel
(Dan Reicher, Jill Lytle, Tom Grumbly)

2:30 PM - 3:30 PM Black Enterprise Magazine Interview
(Audrey Hoffer)

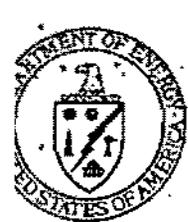
3:45 PM - 4:15 PM John Layton

4:30 PM - 5:00 PM Health Care Press Calls
(Barbara Semedo)

5:15 PM - 6:15 PM Appointment

6:20 PM - 6:45 PM HOLD





The Secretary of Energy
Washington, DC 20585

FRIDAY, JUNE 03, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:30 AM - 9:00 AM Daily Briefing
(Rich Rosenzweig, Dan Reicher, Jim Solit,
Mike Gauldin, Johannah Dottori, Beth Arner,
Carolyn Wallace)

9:00 AM - 9:45 AM Planning Session

10:30 AM - 11:30 AM Technology Reporter POD
(Barbara Semedo)

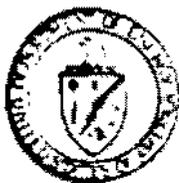
12:30 PM - 1:30 PM Lunch with Robert Hefner,
GHK Company

2:00 PM - 2:30 PM Ed Harper, President & CEO of
Association of American Railroads

3:00 PM - 4:00 PM (Tentative) Low Level Waste
(Dan Dreyfus, Tom Grumbly, Terry Lash)

4:30 PM - 5:00 PM Close-Out





Department of Energy
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT
FACSIMILE TRANSMITTAL FORM

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Date: 5/26/94

To: Christine Varnay

From: Sean O'Leary

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Transmittal consists of 8 pages, excluding this form.

X

Notes:



The Secretary of Energy
Washington, DC 20585

Mack McLarty
1894-015986

June 2, 1994

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY *Hazel R. O'Leary*

SUBJECT:

Weekly Report

PRESIDENTIAL INITIATIVES

• **Health Care Event in Florida**

I will participate in a health care event at Jack Eckard Drugs in Orlando, Florida. The focus of the event will be on the need for an employee mandate to support universal coverage.

• **Health Care Press Calls**

I conducted press interviews on the President's Health Care Initiative with radio stations in North Dakota and Wisconsin. The most frequently asked questions dealt with Representative Rostenkowski's participation in the development of health care legislation.

• **Science and Technology Initiative with Howard University**

Today, I announced an award by the Department to Howard University for its participation in the Advanced Photon Source Project--a high energy physics project being developed at the Argonne National Laboratory in Illinois. One hundred industry users have contributed \$150 million to use the facility. The Advanced Photon Source is an x-ray technology that will directly benefit commercial applications in materials, supercomputing and medicine. This \$9.2 award is the largest single award ever made by DOE to a Historically Black College or University. The award was made on the academic and scientific merits of the University's proposal through a peer-reviewed competition, not based on the university's minority status. The award will allow Howard University, in collaboration with the University of Michigan and AT&T Bell Laboratories, to conduct ceramics research over the next four years.

This award demonstrates the Administration's commitment to forming partnerships between the academic and industrial sectors to enhance scientific research and to increase economic competitiveness.

KEY DEPARTMENT NEWS

Major Announcement to Enhance the Computer Capabilities of Industry

The Department will announce next Tuesday a major research initiative with Minneapolis-based Cray Research Inc., one of the world's major supercomputer firms, and 14 other major companies. This \$52-million cost-shared partnership is further evidence of the Administration's efforts to enhance the competitiveness of American industry and the Department's ability to use its resources to benefit the economy.

This partnership will involve two top-end Cray supercomputers that will be located at Los Alamos National Laboratory (NM) and Lawrence Livermore National Laboratory (CA). These computers will be used solely for software development involving industrial firms. This is also a unique partnership because we will lease the machines and a criterion for the solicitation was that proposals addressed the need to work with the private sector in this effort.

The goal is to help companies make the transition from existing supercomputers to the next generation of more powerful, so-called massively parallel machines. Major companies involved and the benefits of the collaboration include: Boeing Aircraft will reduce product cycle time through better computer simulation design of aircraft; Amoco and Schlumberger-Doll will increase production from oil fields through better reservoir modeling; IT Corporation will improve environmental remediation through better ground water modeling; Alcoa will enhance automobile manufacturing through better metal forming simulations; and Biosym will make contributions to health care through computational chemistry for drug design.

I announced this initiative in my remarks to the New York Society of Security Analysts and it received favorable attention in the New York Times and the Wall Street Journal.

Advancing the Administration's Agenda in Asia

We will visit China and India in July. No U.S. Cabinet Member has visited India in a decade. There are significant opportunities to advance renewable energy, energy efficiency and clean coal technologies. We will also explore joint projects that U.S. companies might pursue in China and India to reduce global warming gases. Finally, we expect to discuss nonproliferation issues including, potentially, fissile material cutoff, safeguards, seismic monitoring, and declassification. Our delegation will include officials from other affected agencies and, possibly, from the private sector. We will be coordinating this trip with White House staff.

Budget Amendment Affecting Defense Facilities and Employment

During the last week, the Department has attempted to work with our appropriators to secure additional funds for our Stockpile Stewardship Program. These funds would be used to ensure the reliability and safety of our weapons stockpile and to reduce employment losses at our defense facilities in Dayton, Ohio; Kansas City, Missouri; Pinellas, Florida; and Oak Ridge, Tennessee, by 50 percent. We have also reached a tentative agreement that would allow the initiation of plutonium disposition activities at the Pantex site in Amarillo, Texas. This amendment would be included in the House Energy and Water Appropriations bill. Members will decide in conference how the amendment will be included in the bill as the full committee has already passed the bill.

We have coordinated this effort with Bill Burton of your staff and with the Office of Management and Budget staff. Members who have an interest in this amendment have requested it on Wednesday, June 8, prior to the Energy and Water Appropriations bill reaching the floor.

Controversies Surrounding a Buy-American Provision in the 1992 Environmental Policy Act

The Energy Policy Act of 1992 included a provision that established criteria by which industrial firms could compete for large Department of Energy procurements. This provision (section 2306) stipulates that firms which compete for DOE contracts must invest a requisite percentage of funds in the United States, employ U.S. citizens, and that the country in which the firm is incorporated must offer similar opportunities in contracting to American companies. This section is controversial as some Members of Congress want the Department to apply more stringent criteria not included in the legislation such as mandating that firms license technologies derived from these contracts in the United States.

The Department will develop a general rulemaking governing eligibility for participation in the program. However, there is an eight-year, \$700 million program for which contract competition decisions must be made before the development of a rulemaking. As one firm in this competition is not corporately organized in the United States, the visibility of this issue has been raised in the Congress.

We have communicated to concerned Members of Congress that stringent eligibility requirements will be applied to this competition including investment and employment decisions. We have been informed by the U.S. Trade Representative's Office that the host country in question is an ideal trading partner.

To ensure that we protect the economic interests of the U.S., the Department will require all bidders to provide a commercialization plan that will detail where firms plan to commercialize technologies that come evolve from this program. The major U.S. bidders are comfortable with this approach.

The National Economic Council is attempting to develop an Administration-wide position on these provisions because other agencies will face similar laws.

- **Address to Highlight Administration and Department Economic and Technology Initiatives**

Tuesday, I delivered remarks to the New York Society of Security Analysts, an organization of analysts who advise investors on company outlooks. My address focused on Administration and Department efforts to use the Government's scientific and technological assets such as the National Laboratories to create high wage jobs. I specifically highlighted the sectors of the economy that the Department impacts through its research and development such as energy, environmental technology, semiconductors, and transportation.

- **Announcement of an Environmental Impact Statement on Spent Nuclear Fuel**

The Department plans to release for public comment and interagency review a draft Environmental Impact Statement (EIS) on the management of spent nuclear fuel across the DOE complex. The EIS will support decisions regarding storage and disposition of spent nuclear fuel from nuclear weapons production, the naval nuclear program and nuclear research.

The EIS analyzes five management alternatives ranging from dispersed storage and management to centralization at a single site. It considers five DOE sites in Idaho, Washington, South Carolina, Nevada and Tennessee and five Navy sites in Hawaii, Washington, New York, Maine and Virginia. A portion of the EIS involving spent fuel shipments to Idaho responds to a court order issued in litigation brought by Governor Andrus. The draft EIS will be controversial because all existing potential host States are opposed to receiving additional spent fuel. The document will be distributed broadly for public comment over the next three months.

OUTREACH

- **Canadian Natural Resources Minister**

Yesterday, I met with Anne McLellan the Canadian Minister of Energy and Natural Resources. Our discussion focussed on her desire to use the Department's Voluntary "Climate Challenge" with the electric utility industry as a model for a similar effort in

Canada. This is significant because use of the "Climate Challenge" voluntary model by other nations demonstrates the Administration's leadership in the negotiations to implement the convention on climate change.

- **Congress**

Due to the Congressional recess, I did not conduct any meetings with Members of Congress this week.

- **Testimony**

Wednesday, I will testify before the Appropriations Subcommittee on Interior and Related Agencies on the Department's fiscal year 1995 budget request. The Committee funds the Department's energy efficiency and fossil energy programs and the strategic petroleum reserve.

THE WEEK AHEAD

- **Boston, MA**

Thursday, I will deliver the commencement address at the Harvard University School of Public Health's Commencement. The speech will focus on facing the challenges of the public health profession and the unique opportunities it presents to promote activism. We will work with the White House to develop a health care or anti-crime event. Also, while in Boston, we plan to visit a laser production facility to focus on high technology jobs using DOE technology.

- **Florida**

I will deliver a speech to the 2,000 member Society of Nuclear Medicine in Orlando, Florida. The speech will focus on the positive aspects of nuclear medicine such as cancer treatment and x-ray technology and balance nuclear energy's darker side. I will update the work of the President's Human Radiation Experiments Task Force.

MEDIA

- **Black Enterprise Magazine**

Yesterday, I was interviewed by Black Enterprise. The interview focused on the Department's progress in achieving diversity and success stories about African-American and small businesses who have been ranked in the Black Enterprise "Top 10" businesses through work with DOE. This article is scheduled for publication in September.

Interview with Technology Reporters

I will conduct an interview with the technology reporters of several trade publications to highlight the Administration's technology transfer initiatives with an emphasis on products spun out of the DOE National Laboratories.

MONDAY, JUNE 06, 1994

SCHEDULE FOR HAZEL R. O'LEARY

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

8:00 AM - 8:30 AM HOLD

8:30 AM - 9:00 AM Daily Briefing
(Rich Rosenzweig, Dan Reicher, Jim Solit,
Mike Gauldin, Johannah Dottori, Beth Arner,
Carolyn Wallace)

9:00 AM - 9:45 AM Breck School 6th Grade Students
Room 1E-245

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

12:30 PM - 1:30 PM Lunch with Thomas Sedlar
Sedlar Associates

2:00 PM - 4:30 PM HOLD

4:30 PM - 5:00 PM Close-Out

5:15 PM - 6:15 PM Appointment

6:20 PM - 7:00 PM HOLD

7:00 PM DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

7:00 PM

DEPART DOE FOR RESIDENCE
Met by Reggie Sellers

Notes:

CONGRESS OUT OF SESSION

THURSDAY, JUNE 09, 1994

SCHEDULE FOR HAZEL R. O'LEARY

2:30 PM Commencement Address: Harvard School
of Public Health
Harvard University
Boston, MA
(Audrey Hoffer)

7:00 PM Depart Boston, MA for Washington, D.C.

8:42 PM Arrive Washington National Airport

9:00 PM DEPART NATIONAL AIRPORT FOR RESIDENCE
Met by Reggie Sellers

Summaries of this piece
can in the 611 LATIMES, A8
Spokesman-Review, MO
The City Herald, AZ

NEWARK STAR LEDGER WEDNESDAY JUNE 1, 1994

Princeton 'Tokamak' fusion reactor tops own energy-producing record

By KATYA MASTRORUSSO P.1

Scientists at Princeton University, working to develop an alternative power source known as fusion, have broken their own world record, producing historic levels of energy on a giant doughnut-shaped "tokamak" reactor.

Researchers at the Princeton Plasma Physics Laboratory in Princeton said yesterday they had produced 9 million watts of energy on the \$450 million Tokamak Fusion Test Reactor, far exceeding the 6.4 million watts produced Dec. 10 at the U.S. Department of Energy-funded facility. The work also dwarfs the 1.7 million watts produced by a group of European scientists two years ago at the Joint European Torus (JET) in England.

"It's another milestone for us," said Ronald Davidson, director of the 800-employee facility managed by Princeton University on its Forrestal Campus. "We've crossed another research frontier in terms of the depth and detail of what we can explore."

The breakthrough was achieved last Friday at 8:30 p.m., but lab officials said they were wary of releasing results until they had sifted through the data and double-checked their instruments and their numbers.

"Fusion never sleeps - we spent the weekend analyzing the data," said Dale Meade, deputy director of the laboratory. "This is confirmation of our understanding and it shows that December was not a fluke in the pen."

We are gaining the kind of fundamental knowledge that will help us get to the next step."

Scientists at the lab had been working double shifts for two straight weeks conducting experiments that led up to the research advance. Fusion occurs when light atoms fuse, as opposed to nuclear fission, in which energy is released when heavy atoms are split. It is not expected to be commercially available before the year 2050.

Although fusion occurs regularly at the heart of stars, where temperatures and densities necessary to contain the gases are ideal, it is best cre-

 Please turn to Page 17

ated on earth in a reaction that occurs at the lowest of the extreme temperatures that are needed.

As a result, the Princeton scientists have continually tried to achieve a fusion reaction by combining two isotopes of hydrogen known as deuterium and tritium. It is done by joining ionized gases known as plasmas through a giant, doughnut-shaped vacuum vessel lined by electrified magnetic rods and heated to temperatures far beyond those at the center of the sun.

In the record-breaking experiment, 9 million watts of power was produced for four-tenths of a second. The temperature at the lower core of the plasma was about 400 million degrees Centigrade. The sun at its center is about 15 million degrees Centigrade, Meade said. About 22 million watts were used to power the reaction.

In a discovery that might sound abstract but is of great interest to the plasma physics community, the Princeton scientists said they had detected "alpha particles" for the first time in the reaction. The massive particles, objects of some mystery to scientists, have long been theorized to be created in such reactions and are believed to be pivotal in sustaining reactions beyond a few seconds, since they have the capability of "self-heating."

The particles become trapped in the plasma during reactions, passing along energy and stirring up other particles, Meade said. If harnessed correctly, it is believed that they could be responsible for continuously sustaining reactions in more advanced reactors.

Scientists at the facility have spent most of the past five months studying the December results before embarking on the new series of experiments. They learned two key things which contributed to the latest success - they cooled the inside of the Tokamak with lithium and they injected more "fuel" into the reaction.

CONTINUED



CONTINUED

Litton, Meade said, aids in the confinement of the plasma at its edge, extending the duration of the reaction. To enhance power levels, the scientists guessed correctly, Meade said, that increasing the current flowing through the Tokamak's magnets would help. As a result, the current was increased from 2 million amperes to 2.5 million amperes.

The recent experiments add crucial confirmation and specific details that will be invaluable as scientists move to build new fusion reactors on the road to establishing commercial viability. Meade lauded the advance to the incremental methodology of Orville and Wilbur Wright.

"Their first flight was 110 yards long for 18 seconds," Meade said. "Then they went back and looked at their data, analyzed it and gradually increased the length and duration of their flights. Just as their early work led to the development of much more sophisticated aircraft, we are trying to understand what we are doing so we can apply it to the next step."

The House Appropriations Committee last week approved \$716 million for fusion technology as part of the \$15.82 billion energy appropriations budget for the 1995 fiscal year. "The fusion program at Princeton University is a critical part of our nation's research and development efforts to harness the environmentally sound energy sources that we will require for the 21st century and beyond," said Rep. Dean Gallo (R-Ill. Dist.) a long-time supporter of the fusion program and a committee member.

The fusion budget includes \$68.3 million for the Princeton Plasma Physics Laboratory and \$48.7 million to continue the design and construction of the Tokamak Fusion Experiment (TFX), the next-stage fusion reactor to be built at Princeton.

"Continuation of the TFX is a smart step for America," Gallo said. "It is a promising technology that will bring about a more compact and economic fusion reactor with



Bill Blanchard, chief operations engineer at the Princeton Plasma Physics Laboratory in Princeton, watches the monitors in the control room. Researchers have produced historic levels of energy in the laboratory.

commercial potential." Although the action is one of several approvals that must take place, fusion scientists said they were heartened by the action. Later this year, the Princeton scientists expect to increase the Tokamak's power level to 10 million watts, which would satisfy the design goal called for in the reactor in 1975. Construction of the reactor began in 1976 and lasted six years.

Scientists conducted experiments on the reactor recently from a control room in the laboratory's main building.

ing. Indeed by camera and computer data file.

The record has been created to several milestones, including records in temperature and confinement time. The Tokamak is scheduled to be dismantled in September, but scientists said yesterday they are seeking to postpone the shut-down by three to six months.

"Some of the phenomena we have observed on the Tokamak is very interesting and not fully understood at this stage," said Davidson, the lab's director.

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TRI-CITY HERALD
Tri-Cities, WA
MAY 27 1994

Hanford budget 'a major victory'

By WANDA BRIGGS
Herald Staff Writer

The House Appropriations Committee's support Thursday for 98 percent of Hanford's \$1.06 billion 1995 budget request is being hailed as "great news" by Rep. Jay Inslee.

"This is a major victory for the cleanup program and the Hanford community," Inslee, D-Wash., said. "Once again, the Congress has pledged its commitment to sustaining the Hanford cleanup and meeting the legally binding milestones of the Tri-Party Agreement."

The House Appropriations Committee reduced the budget requested for cleanup at Hanford by \$25 million to \$40 million, or less than 2 percent, Inslee said.

The Department of Energy's cleanup program nationwide was funded at \$5.128 billion, \$39.2 million short of the administration's request.

In early May, the House Energy and Water Development subcommittee was told it could spend \$1.5 billion less in 1995 than it did this year. That was a crisis for concern because the reduction would have represented a 7 percent cut in the subcommittee's total spending this year of nearly \$22 billion, Inslee said.

But because of "dramatic changes" made to the cleanup program over the last year, the subcommittee was able to preserve nearly all of the administration's 1995 funding request, he said.

The efforts of Secretary Harold O'Leary, Assistant Secretary Tom Grumbly and the

Hanford community to improve operations have made a dramatic impact on the subcommittee," Inslee said.

The committee commended DOE for its successful negotiations of the Hanford Tri-Party agreement with the U.S. Environmental Protection Agency and Washington state. And it urged DOE to copy the approach at other sites.

Inslee and other congressional leaders lobbied hard to preserve funding for Hanford and its environmental management program.

In early May, Inslee initiated a three-state delegation letter signed by House members from Washington, Oregon and Idaho supporting DOE's full budget request.

The letter also supported spending \$125 million in 1995 to help mitigate worker displacement as defense production is reduced. The House Appropriations Committee cut that request by only 1.2 percent.

Key items in the Hanford House Appropriations budget are:

- Full funding of DOE's request of \$744 million for nondefense environmental restoration and waste management. A portion of this is allocated to Hanford.

- An \$89.2 million—or 1.7 percent—reduction from the requested \$3.217 billion for defense environmental restoration and waste management. One quarter of this is allocated to Hanford cleanup. Defense

waste cleanup makes up two-thirds of Hanford's total budget.

- Some \$14 million for construction of the Hazardous Materials Management and Emergency Response Training Center (HMMER).

- \$10 million to continue construction of the Environmental Molecular Sciences Laboratory (EMSL) to be operated at Hanford by Pacific Northwest. The \$30 million sum of the art complex is to be completed in 1996.

- \$17.7 million for work to continue on analyzing and cleaning of Hanford's 177 underground waste storage tanks.

- \$4 million for the Waste Receiving and Processing (WRAP) plant.

"This was an especially sweet victory for Hanford because it came at a time when there is a major scramble for federal dollars and at a time when the committee's entire budget was cut 7 percent," Inslee said.

"This is a powerful statement that the committee wants to honor Hanford cleanup agreements," he added.

The House energy and water subcommittee budget will now go before the full House, probably in June, and then to the Senate Appropriations Committee for its funding recommendations for DOE programs.

Countries agree to inspections

By John Winters
Staff Writer

WASHINGTON .. Russian and American negotiators have reached an agreement to begin reciprocal inspections this summer of each other's key weapons-grade plutonium storage plants, Energy Secretary Hazel O'Leary announced Wednesday.

The secretary, during a two-day meeting here promoting openness within the department, also announced plans to create a national panel to review all past whistleblower cases brought against the department.

The agreement, made last week, will allow inspectors from both countries a first-time look at stockpiles of plutonium pits the centerpiece of nuclear weapons.



Hazel O'Leary: Energy secretary says attitude toward whistleblowers must change.

The U.S. inspections include Rocky Flats in Colorado and the Pantex Plant in Texas.

Mrs. O'Leary said the agreement could allow for inspections of other plutonium storage plants. Savannah River Site is expected to be included in the agreement because it stores plutonium and has produced the radioactive element for nearly four decades.

The inspections are part of the agency's efforts to reduce the threat of nuclear weapons by opening up facilities that previously have been the most guarded in the country.

The department hopes that by releasing information on stockpiles, other nations will follow suit and each country could then reduce stockpiles with assurances others are following suit.

The two-day seminar in Washington was sponsored by various environmental groups, the National Press Club and whistleblower supporters.

Mrs. O'Leary drew loud applause with her announcement about reviewing past whistleblower cases. She said individuals who report safety concerns or mismanagement are a key ingredient to ensuring safety at DOE plants.

"I want to make 'whistleblower' a publicly acceptable word," she said. "Whistleblowers are critical to safety ... and often what they do is at great risk to themselves, their families and their health."

Mrs. O'Leary said she hoped to have an independent review panel set up in June to review cases and insisted there would be "no reprisals."

She also stressed that DOE and contractor officials taking action against whistleblowers would face reprimands themselves.

"We are going to start an outreach and training program for those who don't understand (the necessity of whistleblowers)," she said. "I want all of us to celebrate whistleblowers."

The secretary admitted her department has lost public trust but pledged to rebuild that by opening her agency to unprecedented scrutiny.

She began that undertaking Dec 7, when she released information about past radiation experiments on humans as well as plutonium production amounts at SRS and other sites. Also released was information about nuclear weapons tests, of which one out of every five was not reported.

The secretary said she planned another release of previously classified information by the end of June.

Date: JUN-01-84

O'Leary May Back Alaska Exports

From Times Wire Services **D2**

WASHINGTON—A move to lift a ban on oil exports from Alaska got tentative support from the secretary of energy Tuesday, while an aide to U.S. Sen. Patty Murray said the ban would stand if challenged on the Senate floor.

Murray (D-Wash.) is fighting to make the ban permanent.

Under current law, oil from Alaska's North Slope must be sold in the United States, a condition imposed when the trans-Alaskan pipeline was approved by Congress in the 1970s.

The Department of Energy is expected to release a study later

this month on the costs and benefits of lifting the ban.

Petroleum refiners and consumer groups support the ban because they believe West Coast oil prices would soar if North Slope crude could be sold abroad. Selling Alaska's production abroad would make oil scarcer in the United States and, the groups argue, more expensive.

Murray, whose constituents include Tesco Corp., which owns a refinery in her state, is up against California oil companies and British Petroleum, which favor lifting the ban. HE wants to sell oil in Far Eastern markets from its part-owned Prudhoe Bay, Alaska, field, while Califor-

nia oil producers think a price rise could spur new drilling in the state.

Secretary of Energy Hazel O'Leary, speaking at a meeting of the New York Society of Security Analysts in New York, said that if lifting the ban "is not detrimental to the economies of Alaska and California," she would support removing it.

Major maritime unions have removed objections to lifting the ban. Unions that now support lifting it include the Seafarers International Union, the American Maritime Officers and the International Organization of Masters, Mates & Pilots.

1051

Budget would save half of Mound jobs

ASSOCIATED PRESS

88

DAYTON

The U.S. Department of Energy plans to submit a revised budget for the Mound nuclear weapons plant that would preserve about half of the nearly 700 jobs targeted for elimination, Rep. Tony Hall says.

"The revised budget will take care of Mound's critical funding needs and ensure that the plant can be safely and responsibly operated next year as operations continue to phase down," Hall, D-3, of Dayton, said in a statement.

About 1,600 employees work at the suburban Miamisburg plant, which makes triggers for nuclear weapons and power sources for space probes.

The Energy Department plans to end defense-related work at the plant by the end of

1995, leaving environmental cleanup as the primary activity.

Under the budget submitted last February, about 677 jobs would be eliminated. Under the revised budget, only 348 positions would be trimmed, Hall said.

"I have been assured that Energy Secretary Hazel O'Leary will fight for the higher budget numbers," said Hall.

The revised budget must still win approval of the Office of Management and Budget. It would then be sent to Congress, which would have to adopt the new provisions along with the rest of the president's budget.

The revised budget would affect spending only in the fiscal year beginning Oct. 1. Mound had anticipated laying off workers this year to save money for next year.

BURRELLE'S

NEWS EXPRESS
PAGE 4 OF 18



Department of Energy
Washington, DC 20585

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Date: June 2, 1994

To: Mack McLarty

From: Hazel R. O'Leary
Secretary of Energy

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Department of Energy
Washington, DC 20585

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Date: June 2, 1994
To: Brian Burke
From: Hazel R. O'Leary
Secretary of Energy

Transmittal consists of 12 pages, excluding this form

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The Secretary of Energy
Washington, DC 20585

OLW/MCLARTY-0594-016699

June 9, 1994

MEMORANDUM FOR

MACK MCLARTY

FROM:

HAZEL R. O'LEARY

SUBJECT:

Weekly Report

PRESIDENTIAL INITIATIVES

• **Health Care Event in Florida**

Saturday, I participated in a health care event at Jack Eckard Drugs in Orlando, Florida. The event highlighted the need for an employee mandate to support universal coverage. The event however was not well attended.

• **Meeting with Senator Lieberman**

Tuesday, I will meet with Senator Joseph Lieberman (D-CT) to discuss his present views on health care legislation.

• **Continued Promotion of the Administration's Job Creating Technology Initiatives**

Today, I participated in a tour of Thinking Machines Corporation in Cambridge. Thinking Machines is one of the 17 industrial partners involved in the Cray Research partnership. We highlighted the capabilities of these high performance computers and conducted a media round table with the Wall Street Journal, the Christian Science Monitor, the Boston Globe and Associated Press. This event allowed me to advocate the Administration's and the Department's technology and job creating initiatives.

• **Development of the National Energy Plan**

The Department is in the initial phase of developing the National Energy Strategy. The President is statutorily required to submit the plan to the Congress. We requested a delay in submitting the plan to the Congress until June 1995. The theme of the plan will be sustainable development, highlighting the Administration's actions to develop and commercialize clean energy sources and drive them into international markets to create jobs. The plan will be developed after gaining public participation through an open process that we are now developing.

As this plan affects virtually all agencies of Government, there is a strong need to coordinate the development of the plan through an interagency process. We will discuss the status of our planning efforts with the National Economic Council and begin discussions on developing an interagency process that meets the needs of all affected parties.

KEY DEPARTMENT NEWS

Major Announcement to Enhance the Computer Capabilities of Industry

Tuesday, the Department announced a \$52 million, cost-shared agreement among the Los Alamos and Lawrence Livermore National Laboratories and an industry group headed by Cray Research, one of the world's preeminent supercomputing firms. This agreement demonstrates both the Administration's efforts to increase the competitiveness of American industry and the Department's ability to use its resources to benefit the economy. The agreement also demonstrates the capabilities of the Department's National Laboratories to add value to private sector efforts.

The goal of the agreement is to assist U.S. companies in making the transition to the next generation of massively parallel supercomputing by developing software on two supercomputers at the Lawrence Livermore and Los Alamos National Laboratories. For our industrial partners, the applications of this agreement are improved design simulation for Boeing aircraft, increased oil production through improved reservoir modeling for Amoco and Schlumberger-Doll, and computational chemistry for Biosym's drug production.

Another unique aspect of this agreement is that the two supercomputers were leased rather than purchased ensuring that the hardware can be updated as technology is developed. The media coverage for this event, which was extensive, is detailed in the "Media" section of this report.

Budget Amendment Affecting Defense Facilities and Employment

This week we have continued our efforts to secure inclusion of a budget amendment that directs significant funding to our defense facilities in Oak Ridge, Tennessee; Tampa Bay, Florida; Dayton, Ohio; and Kansas City, Missouri. Funds would be diverted from activities that had been canceled at Savannah River. We are working with the South Carolina delegation to secure their support of the amendment.

As of today, we believe that the outline of an agreement has been reached. This budget amendment would be used to ensure the reliability and safety of our weapons stockpile and to reduce employment losses at our defense facilities. It would also fund plutonium disposition activities at the Pantex facility in Amarillo, Texas.

Study to Discuss the Impact of Lifting the Ban on the Export of Alaskan Crude Oil

The Department is currently circulating its draft study to other agencies that quantifies the impact of lifting the ban on exporting Alaskan crude oil on employment, State revenue, domestic energy production, environmental quality and gasoline prices for consumers. The draft shows that 9,000-28,000 jobs would be created by lifting the ban, significant revenue would be generated for Alaska and California, and 100,000 barrels of oil would be produced annually by the year 2000. There are minimal environment impacts and little impact on gasoline prices due to the presence of integrated oil companies refining crude oil in the region that would discourage independent refiners from passing on higher costs to consumers.

This ban has always been a controversial issue. However, industry and labor have reached agreement on lifting the ban within the last several weeks. Some have expressed concern that an Administration position on lifting the ban would adversely impact passage of the Export Authorization Act that expires on June 30, 1994, and argue that the study should not be released believing it would confuse the matter on the Senate floor. It is my belief, however, that delaying release of the study would lead Alaskan Senators to place a hold on the bill, not allowing it to come to vote on the Senate floor and, therefore, delaying reauthorization of the Act. This study was the result of a commitment I made last November to Independent Petroleum Association of America to review this issue. I believe we should strongly consider lifting the ban as few policy initiatives can create jobs, create revenue for both the affected States and the Federal Government, and increase domestic energy production without cost to the U.S. Treasury.

Boston, MA

Today, I delivered the commencement address at the Harvard University School of Public Health. My remarks highlighted the substantial support for public health in the President's Health Care Reform proposal--\$2.8 billion over six years. I also highlighted some public health issues that the Department must address, such as cleaning up former weapons production facilities and providing for the health and safety of the workers and neighboring communities. I challenged the graduates to take risks and use their capabilities in Government.

Hanford Summit II

Thursday, I will cosponsor the Hanford Summit II with Governor Mike Lowry at the Hanford Site in Richland, Washington. Hanford was formerly our largest weapons production facility. The estimated cleanup cost at Hanford is \$50 billion. Relations among the Department, the State, and the local community have historically been poor. However, we believe that through extensive effort and open communication we have become partners with the parties involved in the cleanup effort.

The purpose of this event is to facilitate dialogue among the States of Washington and Oregon, the Department, and local stakeholders including representatives of environmental groups, community economic development organizations, labor unions, whistleblowers, and Native American Nations. This summit is a follow-up to one held last Fall. The Department made many commitments at the first Summit, and we will measure progress to date on issues such as the development of possible future missions for the site, goals and time lines for the cleanup of the site, worker and community health and safety, Native American land rights, and collective bargaining practices. This event provides an excellent opportunity to highlight the Administration's efforts to work with communities that are faced with a challenging transition from a Cold War defense-dependent economy and to transfer technology used in our environmental remediation efforts to the private sector to create jobs. Significant media coverage of this event is expected.

OUTREACH

- Pacific Northwest Outreach

- Thursday, I will meet with Governor Mike Lowry of Washington to discuss how the State and the Department can work together to stimulate economic development in the Tri-Cities area.
- Friday, I will meet with Governor Barbara Roberts of Oregon about the need for the Department to move more aggressively to meet its environmental remediation goals at Hanford and on the Columbia River.
- Also Friday, I will meet with the Confederated Tribes of the Umatilla Indian Reservation Board of Trustees and with the Yakima Indian Nation Tribal Council in Washington State. Our discussions will focus on issues such as the remediation of the Hanford site and Columbia River, options for the protection and future of arid lands, and cooperative agreements to fund and support tribal education programs.

- Congress

- Yesterday, I met with Representative Edward Markey (D-MA) to discuss his amendment to the Defense Authorization bill. This amendment, which would have directed the President to suspend the ability of Japan to use United States-origin plutonium, was provoked by reports of missing plutonium at a Japanese nuclear facility. I expressed the Administration's opposition to the amendment due to its effects on our negotiations with North Korea and also its negative effect on the U.S.-Japan Nuclear Cooperation Agreement. Mr. Markey agreed to change his binding amendment to a "sense of the Congress" resolution. This measure was soundly defeated yesterday.

- Next Tuesday, I will meet with Representative Vic Fazio (D-CA) to discuss the results of the Department's draft study on the impacts of lifting the ban on the export of Alaskan oil. The study concludes that lifting the ban would create jobs in California and Alaska, increase revenue in both States, and encourage domestic energy production. Lifting the ban would have minimal impacts on the environment or on gasoline prices due to the presence of integrated oil producers refining oil that would limit the ability of independent refiners to pass on higher costs to consumers.
- Also Tuesday, I will meet with California Senators Diane Feinstein and Barbara Boxer to discuss the effects of lifting the Alaskan oil export ban on California's economy.
- Also Tuesday, I will meet with Senator Paul Simon to attempt to gain his support for the missions that we have developed to utilize the capabilities of the Argonne National Laboratory in Illinois following our proposal to terminate the Integral Fast Reactor.
- Next Wednesday, I will meet with Representative Butler Derrick (D-SC) to discuss the budget for the Savannah River Site.

Testimony

Yesterday, I testified before the Appropriations Subcommittee on Interior and Related Agencies on the Department's fiscal year 1995 budget request. The Committee funds the Department's energy efficiency and fossil energy programs and the strategic petroleum reserve. Included in the energy efficiency request is the Climate Change Action Plan. The Committee is under tremendous fiscal pressure, and it is unlikely that the Committee will strongly support this initiative.

THE WEEK AHEAD

Publicizing the Administration's Commitment to Converting the Federal Fleet

Tuesday, I will participate in a ceremony to open Amoco's first compressed natural gas fueling station in Washington, D.C. Four more stations will open in the next several months. Developing this infrastructure is essential if the market for alternative fueled vehicles is to develop.

Events in Pacific Northwest

Wednesday, I will travel to Seattle to address the 62nd Annual Convention of the Edison Electric Institute. My remarks will focus on the issues driving change in the industry such as competition, environmental issues such as global climate change, and the Government's lack of progress in siting a permanent repository for nuclear waste causing the need for additional on-site reactor storage, which could lead to the closure of plants.

MEDIA

- **Publicizing the Department Partnership with Cray Research**

Tuesday's announcement of the Department's supercomputing partnership with Cray Research and 17 companies received positive media coverage that highlighted the Administration and Department's technology initiatives with the private sector. The event was covered by the Washington Post, the San Francisco Chronicle, the Minneapolis Star Tribune, Reuters News Service, CNN and several regional network television affiliates.

-- John Carlson, the Chief Executive of Cray Research, and I will participate in an interview with the Minneapolis Star Tribune to discuss the Administration's and the Department's technology partnerships with industry and their impacts on job creation and competitiveness.

- **Minnesota Public Radio**

Today, I was interviewed by a Minnesota Public Radio station on the status of the Department's efforts to characterize Yucca Mountain to determine if it is a suitable site for the disposal of spent commercial nuclear waste.

JUN 08 1994

Cray Research joins project with Energy Department

By Jennifer Corbett
Staff Correspondent

Washington, D.C.

Cray Research Inc. said Tuesday that it has signed a cooperative agreement with the U.S. Department of Energy and 15 leading industrial firms to develop software that will make supercomputer software available to help solve problems such as cleaning up toxic waste dump sites.

The program includes projects in the fields of environmental modeling, petroleum exploration, materials design and advanced manufacturing. The project is expected to result in the creation of a wide range of software for Cray's new massively parallel supercomputer.

Energy Secretary Hazel O'Leary said Tuesday that the agreement was historic because it was being driven by industry needs instead of by government needs. Typically the federal government has entered into an agreement with a private company for defense-related purposes. Some of the technology that was developed for defense is beginning to be made available for commercial uses as part of the Clinton administration's defense conversion plan.

Cray Chairman and Chief Executive John Carlson, who participated in a news conference with O'Leary, along with executives from the other industrial partners including Amoco, Boeing, Exxon, AT&T, General Motors and Xerox, said, "The task is to take [massively parallel processing systems] into commercial vitality."

Contract terms call for Cray to lead the private-sector consortium that will work with the two national laboratories to pursue the MPP software development projects involving approximately 70 full- or part-time software development experts.



John Carlson

Cray, based in Eagan, is relying on money from the government, the other partners and \$12 million of its own to create software that will be used on the Cray T3D massively parallel supercomputer. The government will contribute half of the money — \$36 million — for the three-year program.

T3D models will be installed at the Los Alamos and Lawrence Livermore national laboratories, which during the Cold War devoted considerable supercomputer research work to developing nuclear bombs.

A massively parallel supercomputer uses hundreds or thousands of high-speed microprocessors, or computer chips, to process large amounts of information quickly. The computer breaks mathematical problems into many tiny pieces that can be solved

Cray continued on page TD.

simultaneously by the computer chips. The T3D represents an important departure from Cray's traditional supercomputer design, which used up to 16 larger computer processors.

Although the Department of Energy is converting some of its activities from defense related-work, it will use the technology the Cray project generates to develop more nuclear bombs if necessary, an department spokesperson said.

Carlson said its customers want software along with supercomputers. "They all need solutions to problems [but] they don't want to have to worry about being computer scientists," he said.

Gary Smaby, president of Smaby Group, a Minneapolis-based computer industry research company, said "the name of the game today is applications."

He said Cray's foundation was built by developing supercomputers or hardware but now it must also shift toward providing the software needed to make the computers applicable to their customer's needs. "Today, a commercial customer won't buy a machine without applications."

Smaby said the Department of Energy was interested in cooperating with Cray and the other companies to put its laboratories to use since they are no longer developing defense-only related items.

Cray had negotiated a similar agreement with the Energy Department, but it fell through in March 1993. Carlson said Cray submitted a slightly different proposal this time around — mainly that it was \$20 million less than the original deal.

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NEWS EXPRESS

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Supercomputer Access Opens Up

By David Elnatan
Chronicle Staff Writer

p. 01

In a move designed to give private industry access to today's most powerful supercomputers, the government yesterday announced an ambitious plan to increase U.S. competitiveness while exploring some of the most tantalizing mysteries of science, including the nature of the atom.

The Industrial Computing Initiative, involving 16 corporations and the Department of Energy, also is designed to push forward the technology of massively parallel processing computers — the astonish-

ingly fast machines that are expected to dominate supercomputing in the near future.

In perhaps the most intriguing project of all, supercomputer maker Cray Research will hook up with Thinking Machines to develop software that can be used on different supercomputer systems. Incompatibility of supercomputing software is one of the biggest obstacles facing the industry today.

The collaboration is a first among rivals in the young industry. "It's a first and a much needed first," said Steve Conway, a spokesman for Cray. "It's kind of like the

situation with railroads in the 19th century, when everyone had a different gauge of track so they couldn't move things around. This is the electronic equivalent of that."

The United States already dominates the market for massively parallel processing. Last year, Intel and Thinking Machines led the market with about \$90 million each in sales.

Cray entered the arena last September with the T3D and says it has sold 21 of the machines so far. Their price ranges from \$2 million to \$30 million depending on configurations. The ones earmarked for the technology transfer program go for about \$3 million apiece.

So far, the Japanese have yet to break into the massively parallel market, although Fujitsu, Hitachi and NEC all have machines in the works.

"For the first time, we will be operating top-end supercomputers for the exclusive purpose of developing software applications with industry," Energy Secretary Hazel O'Leary said yesterday in announcing the technology transfer program.

The three-year program, which will be

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NEWS EXPRESS

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conducted at the Energy Department's Lawrence Livermore and Los Alamos national laboratories, includes AT&T Bell Laboratories, Boeing, Xerox, Exxon and Amoco.

The companies will work on individual projects connected to their businesses. Financing for the \$52 million project will be split between the government and the companies.

The blazing machines will give project workers a tool previously limited to government agencies and large universities.

And the companies plan to put them to the test.

In one project, scientists from Xerox in Palo Alto will work at Livermore to develop codes to simulate movements of atomic particles. Today's electron microscopes can provide images only at a molecular level, and cannot predict effects of temperature changes and other factors. The supercomputer might do that.

If successful, the Xerox research could lead to a new generation of tiny transistors used among other things in flat panel displays for laptop computers — an area in which Japan has a dominant lead on U.S.

companies.

Energy and the environment figure prominently in the program. One project at Livermore calls for Boeing to develop a three-dimensional model of the global atmosphere to help aircraft designers make sure the ozone layer is not damaged by supersonic commercial aircraft now on the drawing boards.

"This is a very significant project," said Breck Henderson, a spokesman for the lab. "Scientists have been trying to model the atmosphere to predict the effects of greenhouse gases, and with this computer power they can take a step in that direction."

THE OREGONIAN
Portland, ORC1
JUN 08 1984**Energy Department buys two big
Cray computers for laboratories**

Cray Research Inc. said it won a \$55 million contract with the U.S. Energy Department for two of its computers and for development of new software for two national laboratories.

Cray's 9-month-old T3E massively parallel supercomputer will be installed at the Los Alamos National Laboratory in New Mexico and Lawrence Livermore Laboratory in California, Secretary of Energy Hazel O'Leary said.

Shares of Cray, the world's biggest supercomputer maker, were up 1/2 at 21 1/2 in midday trading Tuesday.

Program will help Amoco compute oil, gas reserves

By John N. Maclean
TRIBUNE STAFF WRITER

3/3

Amoco Corp. will participate in a \$52 million government-business project that will develop software for supercomputers to simulate oil and gas formations far below the earth's crust.

The Energy Department will put up \$25.2 million, and 15 private companies the remainder. The project includes other programs, such as research in environmental contamination and remediation, materials design and advanced manufacturing software for satellite technology, automotive air bags and semiconductors.

The purpose of the program involving Amoco would be to maximize the recovery of petroleum reserves. Using supercomputers from Cray Research Inc. of Eagan, Minn., and the contemplated software, oil companies could determine how much oil is in the reservoir, where it is located and how best to recover it.

Amoco's contribution is valued at about \$1 million and includes the time of two computer researchers as well as materials, ac-

ording to an Amoco spokesman, Greg Clock. The project is expected to take three years.

"This technology will help us find, develop and produce more natural gas in the North American continent," said Wolfgang Schollenberger, Amoco Production's vice president of research.

"State-of-the-art advanced technology in reservoir simulation will enable Amoco and other companies in the industry to recover the vast amount of reserves still existing in mature reservoirs in the U.S. and increase domestic oil and gas production."

Cray Research's new T3D massively parallel supercomputers will be installed at the Los Alamos National Laboratory in New Mexico and Lawrence Livermore Laboratory in California, according to Secretary of Energy Hazel O'Leary. Parallel computers can perform hundreds of functions simultaneously in contrast to conventional vector computers, which operate sequentially.

Companies involved in other aspects of the program include Boeing Co., Exxon Research and AT&T Bell Laboratories.

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ENERGY

Energy Industry Relief Targeted

Knight-Ridder Service

WASHINGTON — President Clinton will meet with lawmakers from energy producing states June 18 to discuss ways to help the domestic oil and gas industry.

Clinton understands the industry's problems, said administration officials, but is concerned about the cost of the tax proposals.

The White House has spent the last two months calculating the cost of proposed tax breaks to help the operators of oil wells that produce only a few barrels per day, and a similar credit to encourage new drilling.

While the industry provided estimates that the tax breaks would cost the Treasury \$1 billion to \$2 billion in lost revenues over five years, administration experts pegged the cost at closer to \$5 billion, sources said.

At a time when Clinton is struggling to pay

for his top priority programs, including health care, the high cost makes it harder for him to push for oil industry tax relief, especially since oil prices have rebounded.

Some administration officials want the president to support some less costly proposals, such as royalty relief to encourage offshore drilling and an end to the ban on exporting Alaskan crude oil, which is believed to depress the price of oil on the West Coast.

The administration is also considering a proposal to accelerate write-offs for geological and geophysical expenses, one official said.

About 120 lawmakers, led by Sen. David Boren, D-Okla., asked Clinton for the meeting during the oil price collapse that began last December. The low prices triggered new fears that marginal wells, which provide about a fifth of U.S. oil production, would be plugged or abandoned.

Boren called the meeting with the president "a good first step to address this crisis."

The cost of the proposals is important because federal budget rules require any new tax break to be offset by other changes in the tax code to increase revenues.

Oil and gas producers do not believe the cost of the new tax breaks should be offset by higher taxes from other elements of the industry, said Denise Bode, president of the Independent Petroleum Association of America, a trade group.

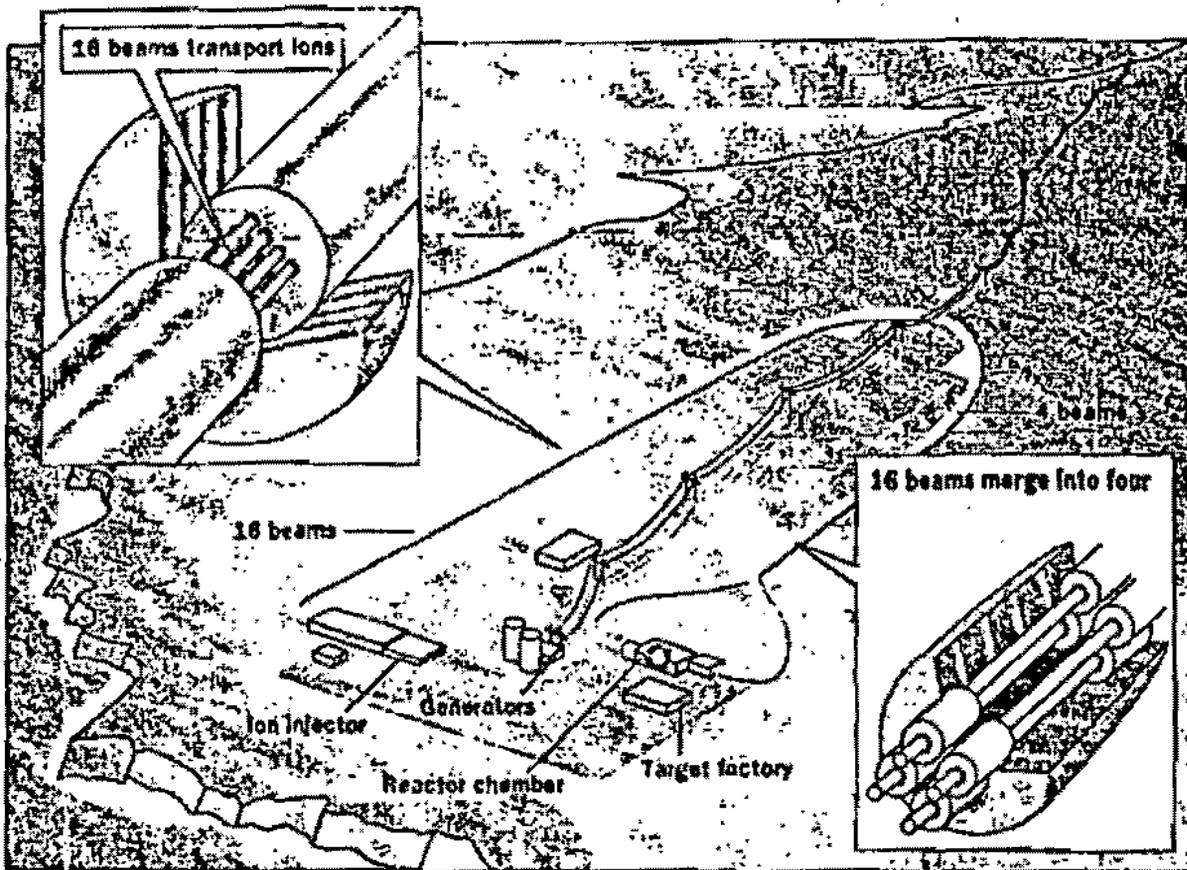
She said the U.S. economy has received a "windfall" from lower energy prices in recent months, and some of the money should be reinvested in the oil industry.

Bode said the industry's supporters in Congress hope Clinton will be receptive because he will need some of their votes to pass his health care plan.

CONTINUED

Fusion power plant

If research with Livermore's superlasers shows that commercial fusion is feasible, then a prototype commercial power plant might "implode" nuclear fuel pellets with heavy charged particles or ions, not lasers. In one design, proposed by Lawrence Berkeley Laboratory, the plant would fire ions through 16 parallel "beams." After the beams curve around, the ions merge into four beams that enter the reactor chamber from different sides and hit the tiny nuclear "target." The fusion reaction would generate heat that could drive turbines and create electricity.



SOURCES: Lawrence Livermore National Laboratory, Lawrence Berkeley Laboratory, U.S. Department of Energy, Fusion Research Associates, "The Man-Made Sun" by T.J. Rognerson

CLAMMER GRAPHICS

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NEWS EXPRESS

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Department of Energy
Washington, DC 20585

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Date: 6-9-94 Fax # 456-2983
To: Christine Varney
From: Hazel R. O'Leary

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From: Hazel R. O'Leary

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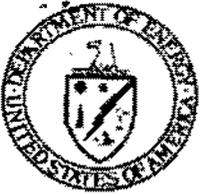
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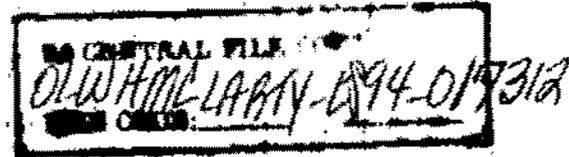
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The Secretary of Energy
Washington, DC 20585



June 16, 1994

MEMORANDUM FOR MACK MCLARTY
FROM: HAZEL R. O'LEARY
SUBJECT: Weekly Report

PRESIDENTIAL INITIATIVES

Presidential Meeting with Congressional Leaders on Energy Policy

Following up on today's energy meeting with members of Congress, the Department will work with the U.S. Trade Representative and others to satisfactorily resolve the trade issues that are delaying Administration support for lifting the ban on the export of Alaskan crude oil. We will also disseminate the results of a study on the economic, energy, and environmental impacts of lifting the ban, which I committed to in November before the Independent Petroleum Association of America. Additionally, we will work with the Office of Management and Budget and the Department of the Treasury on the scoring of various tax proposals and determine if there are initiatives on which we can move forward.

I recommend that our Administration consider supporting a few initiatives that benefit the economy and represent good energy policy. We could then develop a strategy where we could support one initiative every month for a few months. This would provide significant political benefits to the Administration in several key States, as well as represent good energy policy.

I participated in a conference call with the Washington Post, the New York Times, the Wall Street Journal and the Los Angeles Times today to follow up on the President's meeting and commitments. Deputy Secretary White communicated to regional press on the outcomes of the meeting.

Gore-Chernomyrdin Commission

Next week we will host senior officials of the Russian Federation for ongoing discussions of the Gore-Chernomyrdin Commission for Cooperation in Energy and Space. I believe we are making significant progress on national security and energy issues vital to the Nation and the Administration.

- **Non-Proliferation** -- The Vice President and Prime Minister Chernomyrdin will sign an agreement that commits Russia to close its two remaining reactors that produce weapons-grade material no later than 2000. The Department will lend assistance to accelerate the closure by helping in the development of alternative energy sources. This is a major step forward in reducing the production of materials that can be used in nuclear weapons and should be communicated to the American people as a step that goes a long way toward reducing the nuclear danger.

Additionally, reciprocal inspections of the Russian Tomsk-7 and the Rocky Flats plants will take place this summer. These reciprocal inspections aimed at verifying dismantlement of nuclear weapons are a major step forward in insuring compliance with major arms agreements. This represents the first time our experts have inspected each nation's facilities and also represent a significant national security accomplishment.

- **Energy Policy** -- In the energy policy area, we have worked with the Russian Federation to develop a legal infrastructure and tax policy that will encourage foreign investment in their oil and gas industry. The development of this infrastructure will have energy and economic benefits for both nations. It increases the diversity of energy supply, provides hard currency to the Russian economy, and creates opportunity for U.S. industry to invest overseas and create jobs. Without a predictable set of laws governing contracts and pricing, investment in the Russian energy industry will not occur. Also, Russian Fuels and Energy Minister Shafranik and I will sign a Memorandum of Understanding that will establish an oil and gas technology center. This center will serve as a focal point for commercial interactions between the Russian oil and gas industry and U.S. vendors. Finally, the Vice President and Prime Minister Chernomyrdin will sign and forward to the G-7 two interim reports of the Joint Energy Alternatives Study. The two reports contain cost estimates associated with safety upgrades for nuclear plants, improvements in energy efficiency, and opportunities for replacing the most dangerous nuclear reactors with other power sources such as natural gas and renewable energy. The final study will be completed in November.

CRITICAL BUDGET ISSUES

Defense Budget Amendment

As we have mentioned in recent reports, this Budget Amendment included provisions that provided funds for our defense production facilities in Oak Ridge, Tennessee; Kansas City, Missouri; Dayton, Ohio; and Tampa Bay, Florida. Funds were also included for a facility in Amarillo, Texas, to expand the Department's

study of the disposition of plutonium derived from dismantled nuclear warheads. The amendment was included in the fiscal year 1995 Energy and Water Appropriations bill without controversy on the House floor. Democratic House Members benefitted from the amendment. Over 1,600 jobs will be saved by this amendment.

Agreement with Key Senators on How to Proceed with Fusion

Included in the Department's fiscal year 1995 budget was a project to initiate construction of the Tokamak Physics Experiment (TPX) at Princeton University. This project is a complement to an international collaboration among the U.S., China, Japan, and Russia on the International Thermonuclear Experimental Reactor (ITER). The project represents the next step forward in pursuing the potential of fusion energy technology as a commercial energy source.

The project concerned a few members of Congress this year as we are requesting funding for a large new project before knowing the cost of the project and the scope of the international partnership agreement. I recognize how difficult it would have been for the Administration to secure support for this project given the need to fully support the Space Station. It is also not in our interests to lose a floor fight and face another SSC situation.

Based upon these facts, I believe we have developed an agreement with Bennett Johnston, Chairman of the Senate Energy and Water Development Appropriations Subcommittee, to continue existing fusion work at Princeton, maintain the design team at the site, and educate the American public on the need for this important scientific investment before submitting our fiscal year 1996 budget request. This agreement will avoid any job loss at the site. I am coordinating the announcement of this agreement with Senator Lautenberg (D-NJ) so that he receives credit for it. This effort has been coordinated with the Office of Science and Technology Policy, the Office of Management and Budget, and the Vice President's Office.

KEY DEPARTMENT NEWS

Building Relations in Washington State

Today, I cosponsored the Hanford Summit II with Governor Mike Lowry at the Hanford Site in Richland, Washington. Hanford was formerly our largest weapons production facility. With an estimated cost of cleanup at Hanford is \$50 billion, it is our largest remediation project and is the subject of continuing media scrutiny.

The meeting builds on the Summit held last fall at which the Department engaged in dialogue with the States of Oregon and Washington and local stakeholders including representatives of environmental groups, community economic development organizations, labor unions, whistleblowers, and Indian Nations. At the close of the first summit, the Department and the State of Washington made commitments to the local community and stakeholders to make progress on issues such as economic development, goals and time lines for the cleanup of the site, declassification of important health and safety issues necessary for local citizens, worker and community health and safety, Native American land rights, and collective bargaining practices.

The purpose of this meeting is to review the earlier commitments and examine the progress that has been made on these issues. We believe the Department has done an excellent job meeting the many challenging commitments.

Among the commitments that were well received was a privatization agreement reached with the local operating unions. Under this agreement, provisions of the collective bargaining agreement will apply to all activities on site that are subcontracted. Another well-received initiative was the creation of a community board to actively participate in environmental restoration decisions at the site. The summits have been essential in building trust among the Department, the States, and the local communities making it possible for us to meet our cleanup objectives.

"Buy American" Clause of the Environmental Policy Act

As mentioned in previous reports, there has been significant interest in the Department's implementation of section 2306 of the Energy Policy Act of 1992. This provision establishes criteria by which firms can participate in the Department's research and development program. These criteria stipulate that firms that compete for DOE contracts must invest a requisite percentage of funds in the U.S, employ U.S. citizens, and that the country in which the firm is incorporated must offer similar opportunities in contracting to American companies.

Several Members of Congress have expressed concern that foreign firms may be eligible to participate in the Department's R&D programs. We have met with several Members of Congress to explain our application of the statute and to explain that we will also seek to protect the economic interests of the U.S. by mandating that eligible firms develop a commercialization plan so that we can

determine how the technology benefits the U.S. We are continuing our discussions with Chairman Dingell on this matter, and we will answer all of his questions provided in correspondence and in personal meetings before making a formal decision.

OUTREACH

Pacific Northwest Outreach

- Yesterday, I participated in a fund-raiser for Representative Jay Inslee (D-WA).
- I met with prominent Washington State Democrats to advocate the Administration's initiatives.
- Today, I met with Governor Mike Lowry of Washington to discuss how the State and the Department can work together to stimulate economic development in the Tri-Cities area.
- Tomorrow, I will meet with Governor Barbara Roberts of Oregon about the need for the Department to move more aggressively to meet its environmental remediation goals at Hanford and on the Columbia River.
- Also tomorrow, I will meet with the Confederated Tribes of the Umatilla Indian Reservation Board of Trustees and with the Yakima Indian Nation Tribal Council in Washington State. Our discussions will focus on issues such as the remediation of the Hanford site and Columbia River, options for the protection and future for arid lands, and cooperative agreements to fund and support tribal education programs.

Congress

- Tuesday, I conducted a number of meetings with Members of Congress.

I met with Senators Boxer and Feinstein and Representative Vic Fazio (D-CA) to discuss the results of the Department's draft study on the impacts of lifting the ban on the export of Alaskan oil. The study concludes that lifting the ban would create jobs, increase revenue in California and Alaska while increasing domestic energy production. Lifting the ban would have minimal impacts on the environment and gasoline prices due to the presence of integrated oil producers refining oil that would limit the ability of independent refiners to pass on higher costs of crude to consumers.

Senator Feinstein would likely support lifting the ban if she can be convinced that the change in policy would not have adverse environmental or consumer impacts. The Department will provide her with the information she requires to make an informed judgment. Congressman Fazio also supports lifting the ban.

Senator Boxer started our discussion by questioning whether the ban would increase production, create jobs, and adversely impact consumers. She stated that her negative views on this subject had been formed over the past 12 years. She did express her willingness to review the Department's analysis on the subject.

- Also on Tuesday, I met with Senator Paul Simon (D-IL) to attempt to gain his support for future missions that the Department has developed collaboratively with the affected scientific community to utilize the scientific and technological resources of the Argonne National Laboratory in Illinois. These missions were formulated after the Department proposed to terminate the Integral Fast Reactor program because it was contrary to the Administration's nonproliferation policy. Senator Simon is still publicly supporting the old project as this has been his position for many years. It is important to gain Senator Simon's support for these new missions if we are to build support for them. Senator Simon did hold out hope that perhaps we could compromise during this process.

The Integral Fast Reactor will be included in the relevant subcommittee appropriations bill, and the amendment to terminate the project will be offered by Senator Kerry (D-MA). If the amendment to terminate the Integral Fast Reactor succeeds on the floor, the new missions will have to be adopted on the floor or in conference. The House has already adopted the Administration's position on this issue. Our goal in developing new missions was to maintain the unique capabilities of the lab in pursuit of higher priority missions.

- Tuesday, I met with Representative Butler Derrick (D-SC) to discuss the budget for the Savannah River Site.

MEDIA

Interviews on Minnesota Waste Storage

This week, I conducted interviews with Minnesota Public Radio and the Minnesota News Network on the status of the debate over the storage of spent nuclear fuel at power plants in the State.

Extra funds may save jobs at Largo plant

■ The move may preserve some jobs for up to six years, officials say.

By JENNIFER S. THOMAS
Times Staff Writer

WASHINGTON — The House of Representatives approved additional funds Tuesday for the Department of Energy plant in Largo, which means a temporary reprieve from unemployment for more workers there.

While the plant is still scheduled to cease production of components for nuclear weapons later this year, the additional money will help keep as many as 900 workers on the job after a round of layoffs planned for September 1995.

Those employees will carry out tasks associated with closing the plant in a safe and environmentally sound manner, a job that could take as long as six years.

About 1,200 workers are now employed at the plant, but 100 of them have accepted early retirement packages offered by Martin Marietta Corp., which operates the facility for the government.

Gene Pressoir, a local spokesman for the Energy Department, said that a work-force restructuring plan for the plant awaits Energy Secretary Hazel O'Leary's approval. The plan calls

Please see PLANT 2E

for the elimination of between 200 and 600 jobs by September 1995.

"We can now look at reducing at the lower end of that," Pressoir said. The money for the plant is included in the House's energy and water spending bill, an annual measure that funds the activities of the Energy Department as well as water projects across the country. It still must be considered by the Senate.

By next year, the remaining work force at the Largo plant will be engaged in three main activities: packing and transferring DOE records and materials, preparing the facility for commercial use and restoring the site to acceptable

environmental standards.

Pressoir said it is uncertain when those tasks might be completed. He anticipates "a healthy level of functioning for at least the next two to three years," he said. He also indicated that the environmental restoration of the facility could extend for six years.

Also, Martin Marietta and the government have a tentative plan to convert the Largo site to a "technology mall" where purveyors of high-tech wares could develop commercial markets for their products.

The House added the \$12-million during consideration of the \$20-billion energy and water spending bill for fiscal 1995.

President Clinton, in his fiscal 1995 budget submitted February, originally proposed spending \$25-million for the local nuclear weapons components plant, significantly less than the \$84-million provided in 1994.

However, Pentagon officials voiced concerns about the administration's plan to pare nuclear weapons funding. In response, Clinton on June 8 sent a revised request to Congress, adding \$37-million to the nuclear weapons account. The \$12-million for the Largo plant was included in that request.

The \$37-million does not change the bottom line of the energy and water measure, since the funds were originally proposed to fund operations at the DOE's Savannah River Nuclear Test Site in South Carolina.

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Amarillo Daily News

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House approves funds for Pantex research lab

From staff and wire reports

WASHINGTON — The House has approved \$9 million for a new national research laboratory at the Pantex Plant.

The funding for the National Resource Center for Plutonium is part of the energy and water appropriations package approved Tuesday by the House on a 393-29 vote. The \$20.4 billion bill now must be approved by the Senate, which likely is to take up consideration within the next two weeks.

"I am ecstatic," said Rep. Bill Serpulis, D-Amarillo, who fought for the lab's creation and the funding.

"Without a doubt, our laboratory will be at the forefront of the research and management involving the world's plutonium stockpile," he said.

The lab, which will come under the jurisdiction of the Energy Department, will serve as the

clearinghouse for information relating to the stockpiling, disposition, potential utilization and transportation of plutonium and other hazardous materials generated from weapons assembly and disassembly.

The 16,000-acre Pantex complex located northeast of Amarillo does most of the nation's dismantlement of nuclear weapons. Since 1991, more than 6,000 nuclear weapons have been dismantled there.

The measure approved by the House specifies that the center would respond to queries for information and interpretation of technical and scientific data raised by interested citizens and federal, state and local governments and oversight groups.

The appropriations bill makes \$9 million available to the state of Texas, which will serve as the contracting agency and determine who will operate the laboratory facility.

Vote may save some Ridge jobs

House OKs funding to the Y-12 Plant

By Frank Munger
News-Sentinel Oak Ridge bureau

OAK RIDGE — A Tuesday vote by the U.S. House of Representatives may help save some Oak Ridge jobs in the near term and also increase the chances of a major project for Oak Ridge in the future, U.S. Rep. Marilyn Lloyd, D-Chattanooga, said.

The House approved an amendment to the Energy and Water Appropriations Bill that will transfer an additional \$30 million in funding to the Oak Ridge Y-12 Plant — a nuclear weapons facility.

Lloyd said the amendment could potentially save 700 Oak Ridge jobs previously targeted for cuts, the same figure released recently by the White House. Oak Ridge officials have said the \$30 million will help ease the impact of federal budget cuts, although they have questioned whether it will save 700 positions.

The Department of Energy earlier said about 1,100 to 1,400 jobs will have to be pared from the payroll at Martin Marietta Energy Systems, DOE's chief contractor in Oak Ridge.

"With passage of this bill, the House signaled its support for the workers who have ensured the security of our nation for so many years," Lloyd said.

The congresswoman said the

appropriations bill also includes \$21 million in construction and operating funds for the Advanced Neutron Source — a proposed multibillion-dollar research complex. Supporters of the ANS said gaining a construction line item in fiscal 1995 is critical for the Oak Ridge project's long-term success. If built as planned, the reactor-based research complex would begin operations in 2003.

After Tuesday's 393-20 vote on the appropriations bill, Lloyd said, "The House reaffirmed its commitment to the (ANS) project."

The \$21 million, however, is only half of the funding sought by DOE for the Oak Ridge project in fiscal 1995.

New funds would help jobs in KC

House OKs \$31 million more for AlliedSignal plant.

By RANDOLPH HEASTER
Staff Writer

P.B.

The U.S. House of Representatives on Tuesday approved \$31 million in additional operating funds for the Kansas City plant of AlliedSignal Aerospace Co., which would ensure a smaller lay-off this year than plant officials anticipated.

Nevertheless, 300 to 400 AlliedSignal employees are expected to be let go this summer.

The House's vote concludes several months of lobbying by Missouri political and civic leaders for an increase in funds to the plant, which makes components for nuclear weapons.

The spending measure must now go to the Senate.

The Department of Energy, which owns the plant, had proposed in February that the plant's operating budget be slashed by \$66 million for the 1995 fiscal year, which AlliedSignal estimated

See HOUSE, D-8, Col. 6,

would eliminate 1,200 to 1,500 jobs.

With the \$31 million infusion, the expected job loss drops to 800 to 900. More than 500 of those workers already have accepted a voluntary severance or retirement package.

Officials estimated that 650 jobs were saved by the additional funding.

The House decision today points once again to the vital role that the workers at the Kansas City AlliedSignal plant play in keeping our country strong and secure," said U.S. Rep. Alan Wheat, whose district covers the plant.

Deputy Energy Secretary William H. White said he and Wheat

had lobbied for the funding intensely for the last three weeks. White visited the facility, at 3000 E. Bannister Road, in early May.

"I think we were able to highlight to a number of House members just what the Kansas City plant does," he said.

White said although the plant had taken cuts in the last several years, other Department of Energy facilities have faced more severe reductions.

The AlliedSignal plant has lost several thousand jobs since the mid-1980s. It currently has more than 3,600 workers. Continued attempts to bring in more projects from the private sector could help prevent big job cuts in the future, White said.

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