



The Secretary of Energy  
Washington, DC 20585  
August 11, 1994

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

#### PRESIDENTIAL INITIATIVES

- Crime Bill

I have made several calls and held several meetings with members of Congress on the crime bill this week. I discussed the issue with Representatives Cleo Fields, Don Payne, Bobby Scott, and Jim Cooper. Results of these calls and meetings were communicated to Cabinet Affairs.

- Health Care

I also continued phone calls to House members to determine their position on Representative Gephardt's health care approach. I discussed the House health care bill with Representatives Schenk, Meek, McKinney, Sharp, Markey, Derrick, Frost, and Inslee. Results were phoned into Cabinet Affairs.

At the request of the President, I also met personally with Senator Johnston on the health care issue. Although not declaring a position publicly, Senator Johnston is leaning against the legislation. He is particularly concerned with the trigger. He also has been getting 800 phone calls a day on the issue -- with only 50 or 6 percent advocating universal coverage. Senator Johnston did say that he hopes that there will be a formula he could support.

#### KEY DEPARTMENT NEWS

- Negotiations to Recover Reprocessing Equipment that had been Mistakenly Sold by the Department's Idaho Field Operation

Last week, I wrote about the Department's mistake in selling a part of a reprocessing facility to an Idaho used car dealer and our attempt to secure this material. The facility had been declared surplus when the Department stopped reprocessing materials for defense production in 1992. The issue was publicized by the Wall Street Journal and local media in Idaho.

Earlier in the week, we had communicated to Cabinet Affairs the outlines of an agreement by which the Department would provide the purchaser with a cash payment sufficient to cover the purchase price and storage costs, and, in exchange, he would turn the facility into scrap. He could then keep the proceeds from selling the scrap material.

At this time, it appears that the purchaser may be attempting to get out of the deal. We will either conclude the deal in the very near future or requisition the equipment under our authorities included in the Atomic Energy Act.

The Eye-to-Eye news program will air a story on this situation in the near future. We will keep in close contact with Cabinet Affairs on this issue.

• Settlement of Texas' Claims Against the Federal Government Due to Termination of the Superconducting Super Collider (SSC)

I am pleased to report that all significant obstacles to settling Texas claims against the Federal Government due to termination of the SSC have been removed. The House has supported language to be included in the Conference Report to the fiscal year 1995 Energy and Water Appropriations Bill, which was critical to the settlement. This language would provide to Texas a grant of not more than \$65 million to finish a project at the SSC site. The site may be used as a cancer treatment facility in the future. The Senate will pass the conference report in the near future.

In exchange for dropping all claims against the Federal Government, the State will receive the grant, a \$45 million cost payment, and all property to which it contributed more than 50 percent.

The next steps are to develop the full settlement documents, to begin a peer review of the grant application, and to transfer the property to the State. We are pleased with the settlement because negotiations were contentious, and we arrived at an agreement that benefits all parties and was well received in the State.

• Termination of the Integral Fast Reactor and Experimental Breeder Reactor and Effort to Maintain the Capabilities of the Argonne National Laboratories

The Administration's request, in response to proliferation concerns, to terminate this program in the fiscal year 1995 Energy and Water Appropriations bill was granted. However, the Congress has not provided sufficient funds to ensure the safe and secure termination of the Experimental Breeder Reactor in Idaho or to pursue alternative missions to maintain the technical competencies of the Argonne National Laboratories in Illinois and Idaho minimizing job losses.

Yesterday, I met with the Senators from Illinois and Idaho to discuss this situation.

The Argonne East Laboratory in Illinois represented the intellectual know-how behind the project while the Argonne West Lab in Idaho operated the Experimental Reactor. Congressionally appropriated funding levels will cause 500 jobs to be lost at the Idaho facility and 400 jobs to be lost in Illinois. Additionally, at this funding level the Department would not be able to remove the fuel from the reactor that is necessary to stabilize the fuel. The Department would have to close the reactor and have a security force safeguard it. I agreed with the Senators to put our staffs together to develop a strategy to increase funding to ensure safe termination of the reactor while developing follow-on missions. Funds for safe reactor shutdown will protect jobs in Idaho and follow-on missions will protect jobs in Illinois.

A reprogramming will clearly be required to achieve the stated objectives. The most employment intensive of these alternative missions is strongly opposed by the environmental community. We will continue to keep the Legislative Affairs Office posted as we move forward.

## OUTREACH

- Speech to the Joint Center for Political and Economic Studies

Today, I addressed the Board of Directors of the Joint Center for Political and Economic Studies. My remarks focused on Department and Administration advances in achieving diversity at the Presidential and political appointee levels and in providing large increases in contracting to small and minority-owned businesses creating jobs and expand the economy. The speech will be communicated in their newsletter.

- Speech to the Texas Women's Political Caucus

My speech to the Annual Convention of the Women's Political Caucus was warmly received. The main emphasis of my remarks was on Governor Richards' record and our Administration's achievements in creating jobs and addressing issues of importance to women.

- Democratic Senate Campaign Committee

I attended the Senate Campaign Committees dinner for Democratic Senate challengers.

- Congress

- Meeting with Representative Blanche Lambert

I met with Congresswoman Blanche Lambert. We agreed on a plan to utilize the Department's laboratories to benefit the State's growing aqua-culture industry.

Meeting with Representative Jim Bilbray

Today, I met with Representative Jim Bilbray. The meeting focused on the Department's national security mission.

**MEDIA**

• MS. Magazine

I conducted an interview with a writer who is developing an article on President Clinton. I strongly emphasized many of the President's initiatives that benefit women. This writer has not been very supportive of the President.

• Potential Negative Articles by the New York Times on the Administration's Plutonium Disposition Activities

Two New York Times reporters (Matt Wald and Michael Gordon) spent several weeks in Russia investigating Russian actions to dispose of plutonium and shut down their reactors that produce weapons-grade material. The reporters came away from their trip believing our Administration's assistance efforts in Russia are not succeeding on controlling the potential proliferation of weapons-grade material. My staff and I spent significant time with the reporters discussing the Administration's significant accomplishments in this area including the purchase of highly enriched uranium from Russia's dismantled weapons for use in commercial power plants, shutting down their reactors capable of producing weapons grade material, and developing a regime capable of accounting for weapons-grade plutonium. Importantly, we coordinated our efforts with the Department of Defense and the National Security Council to communicate a consistent Administration message.

• Eye-to-Eye Feature on the Sale of Reprocessing Equipment

This CBS program is planning a feature on our sale of reprocessing equipment to a used car dealer in Idaho. The Department's remarks will focus on mistakes that were made, the corrective actions being developed to eliminate the possibility of this occurring again, and stressing that the technology had no proliferation potential.

• Interview with WMAL Radio

I will conduct an interview with WMAL host Dan Levey. The interview will focus on waste cleanup and the Administration's strategy for reducing dependence on foreign oil.

- Bloomberg Radio Service

The interview will focus on accomplishments of last month's delegation to India with a concentration on the private sector agreements signed by the members of the delegation and Indian industry and governmental officials.

- Voice of America

The interview will also focus on the successful mission to India and the private sector agreements signed during the trip.

# Foreign inspectors set to tour Y-12 uranium

by Paul Sloca  
Oak Ridger staff

An international inspection agency will in September become the first foreign agency ever invited to tour a nuclear weapons facility of any nation, and that tour will be at the Oak Ridge Y-12 Plant.

A team from the International Atomic Energy Agency, based in Vienna, Austria, is expected to spend between one and two weeks at Y-12 in mid-September to perform an inspection of the highly enriched uranium storage facilities at Y-12.

Y-12, which is managed by Martin Marietta Energy Systems, the Department of Energy's managing and operating contractor in Oak Ridge, has for more than 40 years

been the central storage point for highly enriched uranium.

Highly enriched uranium is a key component in nuclear weapons and recently Energy Secretary Hazel O'Leary released the total of weapons grade uranium at Y-12 for the first time ever.

The uranium is stored at the west end of Y-12 in vaults that were opened up earlier this year for public view. The amount of uranium currently stored at Y-12, more than 169 metric tons, surpassed historic totals for the facility this month due to increased weapons dismantlement activity.

"Yes, this the first time in the world that a nuclear weapons state

See TOUR, Page 4A

## TOUR: Marks first foreign agency to visit nuclear weapons facility

Continued from Page 1A

has invited the agency to come and inspect excess weapons material resulting from the dismantlement of nuclear weapons," said Garland Proco, who heads DOE's materials control.

DOE spokesman Frank Juan said there has been no confirmation as to what countries will be represented by the group, which will range in size from two to five inspectors.

However, approval of the inspection team members will be subject to a review by American officials.

Juan said the inspection team will examine some of the uranium stored in containers in non-classified shapes. The share of highly enriched uranium can be classified because its configuration is significant when it comes to use in a nuclear device.

The inspectors will also check the weight and purity of the uranium and will audit Y-12's uranium accounting records, Juan said. Security reviews will also be made to make sure the material is being stored according to established security criteria.

# Texas likely to recoup investment on collider, energy secretary says

43A  
O'Leary also speaks of women's political gains

By Karen Lincoln Michel  
Staff Writer of The Dallas Morning News

ADDISON — Texas has a good chance of recouping its investment in the defunct Superconducting Super Collider when Congress votes on an agreement Tuesday, U.S. Energy Secretary Hazel O'Leary said Saturday.

Mrs. O'Leary, in Addison for the Texas Women's Political Caucus convention, said Gov. Ann Richards played a key role in reaching a settlement that would give Texas \$210 million in cash and \$510 million in land, buildings and equipment.

"I have every confidence that the legislation will pass," Mrs. O'Leary said Saturday.

State officials say Texas had invested about \$539 million in the \$11 billion physics project, which Congress voted to abandon in October.

Mrs. O'Leary mentioned the Super Collider only once during her keynote address at a caucus luncheon, saying it was an issue that put her and Ms. Richards on opposite sides of the table.

Mrs. O'Leary, the first woman and the first African-American to head the Energy Department, focused her remarks on getting more women into the political pipeline. She cited as role models Ms. Richards, Health and Human Services Secretary Donna Shalala and Attorney General Janet Reno.

During her remarks, Mrs. O'Leary wore a wireless microphone and roamed among the dozens of tables in the luncheon hall. She touched her audience, literally and figuratively, offering encouragement to college students and sharing stories of her personal triumphs and struggles.

"Back then (in the early '70s), being politically active was about envelopes and stamps. I used to go out and carry people to the polls in my station wagon."

— Hazel O'Leary,  
energy secretary

One of the people she touched was Michelle Rufat-Latre, 30, of Plano. Mrs. O'Leary, placing a hand on Ms. Rufat-Latre's arm, told the crowd that the Southern Methodist University law school student reminded her of herself 23 years ago.

Mrs. O'Leary said she was a law student at Rutgers University in 1971 when the national women's caucus was born. Like Ms. Rufat-Latre, Mrs. O'Leary said, she worked hard to make a difference in her community.

"Back then, being politically active was about envelopes and stamps," she said. "I used to go out and carry people to the polls in my station wagon."

Mrs. O'Leary said the face of government has changed drastically since then.

Mrs. O'Leary said that in all levels of government, participation by women has increased 386 percent nationwide in the last 20 years.

"That's a powerful record for women," she said.

The number of women in Texas' House of Representatives increased from one in 1973 to 23 in 1993, said Ernestine Glossbrenner, president of the Texas Women's Political Caucus. There are four female state senators in Texas.

"For government to really work, you need to get people involved who represent different perspectives," said Ms. Glossbrenner. "If you don't, people and important issues get left out of the process."

PAGE 4A THE OAK RIDGER, OAK RIDGE, TN., WEDNESDAY, AUGUST 10, 1994

## New business formed to provide Molten Metal recycling to DOE

Martin Marietta Corp. and Molten Metal Technology Inc., a Massachusetts company, have formed a new business to provide Molten Metal Technology's recycling process to the Department of Energy and the Department of Defense.

Under the agreement signed Tuesday, Martin Marietta and Molten Metal Technology have created a jointly owned limited partnership, M4 Environmental L.P., which will have an exclusive license to deliver Molten Metal Technology's catalytic extraction processing technology for environmental remediation projects controlled by the two agencies. The agencies have a combined annual

budget for waste management and cleanup programs of about \$10 billion.

The technology converts waste to useful products by dissolving the material to its component elements in a molten metal bath and then recovering the elements as raw materials. Radioactive constituents are isolated in reduced volume.

Martin Marietta will make capital contributions to the partnership of up to \$50 million. Martin Marietta Energy Systems Inc., the Martin Marietta subsidiary responsible for operating Department of Energy plants in Oak Ridge, will not be directly involved in the venture, according to spokeswoman Carol Grametbauer.



Department of Energy  
Washington, DC 20585

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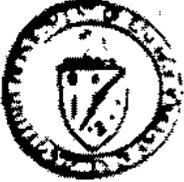
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Date: 8/11/94  
To: Christine Varney  
From: Sec. O'Leary

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Washington, DC 20585

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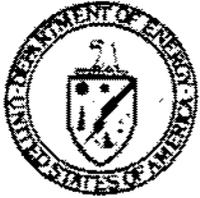
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To: William Burke  
From: Gen. C. Seary

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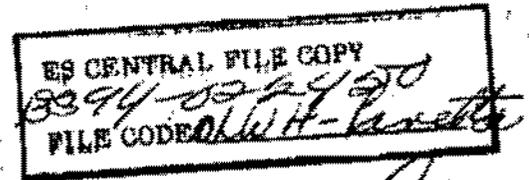
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The Secretary of Energy  
Washington, DC 20565



August 18, 1994

MEMORANDUM FOR LEON PANETTA  
FROM: HAZEL R. O'LEARY  
SUBJECT: Weekly Report

*Hazel R. O'Leary*

**PRESIDENTIAL INITIATIVES**

• Crime Bill

I continued to make selected calls and hold meetings with members of Congress on the crime bill this week. I discussed the issue with Representatives Stokes and Cleo Fields. Responses to the calls were phoned into Cabinet Affairs and Alexis Herman.

• Health Care

I participated in the Cabinet's Senate lobbying activities last Friday. I met with Senators Jeffords, Hatfield, Dorgan, and Levin. Results of these meetings were communicated in writing to Cabinet Affairs.

• Presidential Delegation at Belgium

I will lead a delegation to Belgium to celebrate the 50th Anniversary of the Liberation of Belgium. Events will be held September 2-4, 1994.

**KEY DEPARTMENT NEWS**

• Response to Media Reports on Diversion of Nuclear Materials from Russia

All major print and broadcast media ran stories this week on the discovery of nuclear materials in nations that many believe may have been diverted from Russia. If not addressed at the highest levels, with a consistent, coordinated Administration message, this story could fuel the perception that the Administration is not taking adequate steps to minimize the nuclear danger.

The Administration has a positive story to tell to the American people on this subject. We are in the process of purchasing 500 metric tons of Highly Enriched Uranium from dismantled Russian nuclear weapons to be blended down for use in commercial nuclear reactors; have entered into agreements to shut down Russian reactors capable of generating weapons-grade material, and have entered into reciprocal inspections of

each nation's nuclear facilities to ensure compliance with arms agreements. In the near future, ground will be broken to develop a storage facility for weapons-grade material. We are also planning to dramatically expand the efforts of the weapons labs to monitor Russian nuclear materials. I strongly believe that this story must be told straight to the American people and should be on the agenda for the upcoming summit between Presidents Clinton and Yeltsin and the Gore-Chernomyrdin Commission meeting.

## **OUTREACH**

- **Congress**

- **Travel to North Dakota**

At the request of Senators Dorgan and Conrad and Representative Pomeroy, I will travel to North Dakota August 26 and 27. I will attend the dedication of an expansion of the Environmental Research Laboratory. The Lab, which employs 260 people, specializes in research that minimizes air pollution and waste from the combustion of lignite coal, the State's most abundant resource.

I will also attend the tenth anniversary of the Great Plains Synfuels Plant. This plant, which converts lignite to synthetic natural gas for sale to four pipelines, is the State's largest employer. Over 3,000 people are scheduled to attend this event. I will also participate in several other meetings and events at the request of North Dakota officials.

- **Representative Johnson Fundraiser**

Sunday, August 28, I will participate in a fundraising event for Representative Don Johnson (D-Georgia).

- **Congressional Black Caucus Minority Business Summit**

Friday, September 16, I will deliver an address to the Congressional Black Caucus' Minority Business Summit at the invitation of Caucus Chair Kweisi Mfume (D-Maryland). The focus of my remarks will be the Administration's commitment to encouraging the growth of minority businesses and the Department's successful efforts to provide greater contracting opportunities to minority-owned businesses. Our results include awarding \$575 million in contracts to minority-owned businesses so far during calendar year 1994. This is a demonstration of my commitment to increasing minority business contracts by more than 90 percent. In addition the Department has increased grants to minority educational institutions from \$22 to \$53 million.

## **MEDIA**

- **Bloomberg Radio Service**

Tuesday, I conducted an interview that focused on the accomplishments of last month's Presidential mission to India with a focus on the agreements reached between members of the American delegation and Indian industry. The mission resulted in the completion of 11 private-sector deals valued at \$400 million creating 4,400 jobs.

- **Voice of America**

This interview also focused on the successful mission to India and the private sector agreements signed during the trip.

- **World Net**

Next Thursday, I will tape an interview to air in India on the successful private sector partnerships that were fostered in India during last month's Presidential mission, including the initiation of important government-to-government relationships and cooperation in the energy arena.

- **AARP Bulletin**

The *American Association of Retired Persons Bulletin* will interview me for a profile article for an upcoming issue. They are interested in discussing the Department's openness initiative. My remarks will focus on the Department's and Administration's attempt to create a more open government that is responsive to the American people.

- **Media Associated with Diversion of Nuclear Materials**

In response to media stories on the diversion of nuclear materials, I conducted interviews with NBC, CBS, CNN, British Broadcasting Company, the *New York Times*, *Washington Post*, and *Los Angeles Times*. My message focused on the Administration's accomplishments in reducing the potential of rogue nations gaining possession of nuclear materials and the need to continue to work cooperatively with the Russian Federation on these issues.

- **Wall Street Journal Television**

This interview will focus on world oil markets and the Administration's efforts to assist the domestic oil industry and reduce our Nation's dependence on foreign oil. *Wall Street Journal Television* reaches 750,000 households per week.

- Emerge Magazine

I will be interviewed by this magazine for African American professionals as part of an extensive article regarding the use of African Americans in medical experimentation. The key messages will be this Administration's commitment to openness and accountability in the area of human experimentation.

- Ebony Magazine

This interview will appear as part of a profile article that appears in October.

MONDAY, AUGUST 22, 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)

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

1:30 PM - 2:30 PM HOLD

2:30 PM - 3:00 PM Bill White

3:00 PM - 4:30 PM HOLD

4:30 PM - 5:00 PM Close Out

5:15 PM - 6:15 PM Appointment

6:30 PM - 6:45 PM HOLD

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

Notes:

CONGRESS OUT OF SESSION

TUESDAY, AUGUST 23, 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)
- 11:00 AM - 11:45 AM Interview with Wall Street Journal TV  
Winter Wright, Reporter  
(Barbara Semedo)
- 12:30 PM - 1:30 PM Lunch with Elaine Kamark, St. Policy Advisor  
to the Vice President  
(Rich Rosenzweig, Nancy Widenfeller,  
Dan Reicher, Jim Solit, Arch Durham)
- 2:00 PM - 3:30 PM Trip Meeting - Vienna/Pakistan  
(Sue Tierney, Jack Keliher, Dirk Forrister,  
Ken Luongo, Johannah Dottori,  
Chairman Ivan Selin)

Notes:

CONGRESS OUT OF SESSION

WEDNESDAY, AUGUST 24, 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)

11:00 AM - 11:30 AM Interview with AARP Bullentin  
Beth Baker, Reporter  
(Barbara Semedo)

11:45 AM - 1:30 PM Policy Process Meeting

3:00 PM - 3:30 PM Neal Blue, Chairman  
of General Atomics and Linden Blue, Vice  
Chairman  
(Rich Rosenzweig)

5:15 PM - 6:15 PM Appointment

7:00 PM Dinner with Steve Silverman and  
Phil Kaplan  
(Rich Rosenzweig)

Notes: CONGRESS OUT OF SESSION

THURSDAY, AUGUST 25, 1994

SCHEDULE FOR HAZEL R. O'LEARY

6:30 AM DEPART RESIDENCE FOR WORLDNET  
Met by Reggie Sellers

7:10 AM WorldNet  
601 D Street, N.W.  
(Need to arrive by 7:10 a.m.)  
(Barbara Semedo)

7:30 AM - 8:30 AM Interview at WorldNet

12:30 PM - 1:30 PM Lunch- Janet Anderson, Dan Reicher

4:30 PM - 5:00 PM Close Out

Notes: CONGRESS OUT OF SESSION

FRIDAY, AUGUST 26, 1994

SCHEDULE FOR HAZEL R. O'LEARY

9:10 AM Depart Washington, DC for Grand Forks,  
North Dakota

1:30 PM - 2:00 PM Tour Environmental Research Lab

2:30 PM - 3:45 PM Grand Opening of Environmental Research  
Lab and Presentation of Special Recognition  
Awards

3:45 PM - 4:00 PM Photo-op with Award Recipients

4:00 PM - 4:20 PM Media Availability

7:30 PM - 8:00 PM Meeting Dakota Resource Council

Notes:

CONGRESS OUT OF SESSION

CONTINUED

## DOE: Agency plans meeting with Russians on plutonium

From Page 1A

inactive metal as a nuclear reactor fuel.

More Russian lands were contaminated from plutonium production than U.S. lands, and numerous Russian workers were killed producing plutonium, said Smith, the department's chief operating officer who reports directly to Energy Secretary Hazel O'Leary.

"Now a lot of these people are having a very difficult time conceiving of an option for plutonium where you vitrify it or mix it with silicone and make it unusable," he said.

The Russian government wants to tell the country's nuclear workers that their sacrifice resulted in a product that will benefit the nation, Smith said.

"It may very well be an asset in many ways, but right now we don't feel comfortable throwing it into . . . a nuclear reactor in the United States because of all the issues involved," he said.

The Russians likely will use it as a nuclear reactor fuel, Smith said. The Japanese also have a program to use plutonium in nuclear reactors.

But Smith said the United States has less expensive forms of

fuel, including natural gas, to burn in power plants to produce electricity.

Recent reports of plutonium being smuggled into Germany has heightened concerns about plutonium disposition and the need for the United States, Russia and other nuclear powers to come together to organize international controls and enforcement procedures.

"We need some international authority to say here is the plutonium, here's where it came from, here's who's responsible for letting it out, investigating it and then the Russians and us and everybody else ought to sign an agreement about what happens to these people who sell plutonium illegally," Smith said. "There should be very, very stiff international penalties, and it ought to be carried out."

The United States must make the Russians feel comfortable about disclosing information on plutonium inventories and monitoring procedures by convincing Russia that the United States will abide by the same rules, he said.

"There are many people writing in the Russian newspapers that this is all a plot for us to get our hands on their plutonium," Smith said. "We have to let them know that that's not what we're up to."

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Twin Falls, ID  
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Section E  
Page 2

## INEL opens facilities to use by industries

**IDAHO FALLS (AP)** - After years of hoping technology can be moved from the government laboratory to private industry, contractors are opening up the Idaho National Engineering Laboratory to help entrepreneurs prove their own ideas.

Westinghouse Idaho Nuclear Co. and EG&G Idaho will provide access to 48 facilities or pieces of equipment in what they call the INEL User Resources Program. Industry, small businesses, universities or other government agencies can go to an INEL lab to test products or research when the equipment is not otherwise in use.

"The idea is to make our facilities more available and readily available," said Lida Clarksean, senior technology transfer specialist for Westinghouse.

Anyone using the facilities will pay only for any overhead costs above electricity. "We take the viewpoint that the lights are al-

ready on," Clarksean said.

Though inquiries so far are limited to larger businesses, fledgling companies may benefit most, she said.

An environmental company that wants to separate and analyze fluids could spend \$1.5 million building its own lab or pay a small fee to use INEL's Solvent Extraction Pilot Plant. Other open facilities include a waste examination plant, a scanning electron microscope, a battery laboratory, an electric vehicle laboratory, a robotics center, radiation hot cells and advanced irradiation facilities.

And the Energy Department may authorize opening more facilities as industry interest arises.

An INEL spokeswoman said people using site facilities for short periods probably will require security escorts. The government will perform background checks on anyone coming to the INEL for months at a time.

# Technology transfer made easy

ARCO (AP) — Technology transfer will receive a significant boost from the Idaho National Engineering Laboratory User Resources program just instituted at the site.

The program makes Idaho National Engineering Laboratory resources — ranging from equipment and instruments to entire facilities — available to individuals, private industry, small businesses, academia and other government agencies.

Approval for access can be quick and the cost to users minimal compared to purchasing or constructing the resource, said

Lidia Clarksean, User Resources Coordinator and technology transfer specialist with WINCO, a subcontractor at Idaho National Engineering Laboratory.

The program's goal is to accelerate technology transfer, and to develop and strengthen the relationship between private industry and Idaho National Engineering Laboratory.

The user application is three pages and can be reviewed and an agreement issued within two weeks. The user pays a fee in advance based on the costs they will incur to the resource.

The fee covers the training or

support they may need to use equipment or a facility and the specific activity they perform.

User resources available in the program include facilities and equipment at the Stored Waste Examination Pilot Plant at the Radioactive Waste Management Complex, the Idaho Chemical Processing Plant, Test Reactor Area, Test Area North and the Idaho National Engineering Laboratory Research Center.



Department of Energy  
Washington, DC 20585

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Date: 8/18/94  
To: Christine Varney  
From: Sam O'Leary

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Washington, DC 20585

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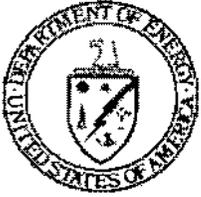
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To: Brian Burdick  
From: Sean D. Leary

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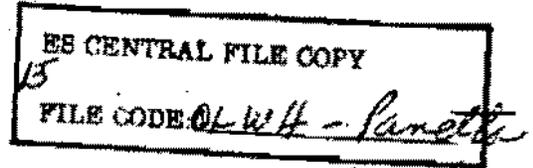
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The Secretary of Energy  
Washington, DC 20585

September 8, 1994



MEMORANDUM FOR LEON PANETTA  
FROM: HAZEL R. O'LEARY  
SUBJECT: Weekly Report

*Hazel R. O'Leary*

**PRESIDENTIAL INITIATIVES**

**Presidential Delegation to Belgium**

I led a delegation to Belgium September 1-4 to celebrate the 50th anniversary of the liberation of Belgium. The U.S. delegation was warmly received by our Belgian hosts. In addition to the ceremonial activity, we attended to several substantial matters. While there, I met with the American Ambassador to the European Community and discussed the continued negotiations with the European Atomic Energy Community (EURATOM). We are in the process of negotiating a new agreement with EURATOM that governs U.S. nuclear trade with EURATOM. Our objectives are to limit the use of plutonium in civilian energy programs, while living up to our existing agreements with our European allies. Negotiations are ongoing.

**Delegation to the International Atomic Energy Agency**

I will lead the U.S. delegation to the annual General Conference of the International Atomic Energy Agency (IAEA) September 18-20, 1994. At this meeting, I will sign a nuclear safety convention on behalf of the U.S. that establishes international goals and guidelines for the safety of commercial nuclear powerplants. During the three days of meetings, I will hold bilateral meetings with senior representatives from Japan, France, South Korea, China, Germany and Russia. The meetings will consider critical issues such as North Korea's nuclear program, nonproliferation initiatives to reduce the use of plutonium in civilian energy programs, the status of the Comprehensive Test Ban and Nuclear Nonproliferation Treaties, and nuclear materials smuggling. The Chairman of the Nuclear Regulatory, Dr. Ivan Selin, will be a member of the delegation and participate in the bilateral meetings.

**Upcoming Trip to Pakistan**

I will lead a Presidential Delegation to Pakistan September 20-25, 1994. I will be accompanied by 50 leaders from the electric power, oil and gas, renewable energy, energy efficiency, financial and regulatory communities.

The Pakistani government is in the process of radically restructuring their laws governing the construction of new powerplants and investment in the oil, gas and coal sector, which have as a goal attracting foreign investment. The Pakistanis have asked that experts from the U.S. regulatory and business communities review their proposals and provide guidance as to whether Pakistan's objectives will be achieved by implementing such reforms. We will also seek to provide the Pakistanis with policy advice which encourages investment in their oil and gas sectors while increasing reliance on energy efficiency and renewable energy. We will hold a conference that focuses on these issues and develop action plans that the Pakistanis can implement to achieve the stated goals. During the visit, I will meet with the Prime Minister and other senior government officials.

Many of the private sector representatives on the trip are already doing business in Pakistan. During this trip, I hope to sign \$2 billion in agreements between the American private sector and the Pakistani government that will move private power projects forward. Due to my recent trip to India, I believe that this trip will generate significant media attention.

#### **Preparation for Presidential Summit with President Yeltsin**

The Department is an active participant in the interagency process to prepare for President Clinton's upcoming summit meeting with President Yeltsin. Most pressing is the need to focus high-level attention on the need to develop a regime that safeguards excess nuclear materials. I believe a process must be developed and communicated to the public that directs senior-level representatives from both governments to develop a program that safeguards such material. We continue to work on these matters with the National Security Council, the Department of State, and the Department of Defense.

### **KEY DEPARTMENT NEWS**

#### **Nuclear Material Security**

In response to the recent seizures of nuclear materials in Germany, the Department is participating in a State Department-led delegation to Bonn to facilitate cooperation between the German and U.S. governments.

The Department has been focusing on deterring nuclear threats as well as responding to thefts that have occurred. Deterrence of nuclear material thefts requires assessment of the high risk areas for diversion. We are also assessing the adequacy and assisting in improving international materials control and accountability and physical security. The Department has developed and maintains a data base on nuclear and black market incidents. This data base is used regularly by the CIA, FBI, U.S. Customs Service and INTERPOL.

### National Ignition Facility

The Department hosted a workshop today for affected interests to discuss issues related to the development of the National Ignition Facility (NIF). This facility is a \$1 billion project designed to enhance our ability to conduct research on our existing nuclear stockpile to ensure safety and reliability without nuclear testing. Some of those opposed to the project argue that moving forward on a research project of this magnitude provides the U.S. with an advantage over other nuclear weapons states and calls into question our commitment to our nonproliferation objectives.

The purpose of this workshop was to determine the views of all affected parties and establish a process to ensure that the project is consistent with our nonproliferation objectives. This project has and will continue to generate significant media attention in Northern California. Many believe that the future of the Lawrence Livermore National Laboratory is dependent upon the development of this facility at the laboratory.

### Greenpeace Study

Greenpeace today accused the U.S. Government of illegally transferring sensitive information and technology regarding plutonium reprocessing to Japan. The allegedly illegal transfers were the result of decisions made during the Reagan Administration. In its study Greenpeace alleges the technology will be used in a plant that would extract plutonium from Japan's Monju Breeder Reactor.

The Department will thoroughly review the Greenpeace study and prepare a comprehensive response. As part of this review, the Department will analyze the guidelines it uses in determining whether nuclear technology transferred to other countries is "sensitive nuclear technology," which would be subject to export controls under the Nuclear Nonproliferation Act. The Department will make public the results of the comprehensive review within 60 days.

The Department of Energy is phasing out collaborative research efforts with Japan on plutonium reprocessing and development of breeder reactor technology in a manner consistent with its international agreements and contractual obligations. The particular collaboration agreement with Japan for liquid metal reactor reprocessing technology expires on September 30, 1994. The Department put out a response to the media in advance of the release of the Greenpeace Study.

**OUTREACH**

**Congress**

-- **Travel to North Dakota**

I traveled to North Dakota with Senators Dorgan and Conrad and Representative Pomeroy at the end of August to dedicate an expansion of the Environmental Research Laboratory. The laboratory performs critical research that allows the State's lignite coal to be utilized in an efficient and environmentally sound fashion. The laboratory has been a model in achieving the Administration's goal of working with the private sector to develop commercially available technology while performing basic research.

I also attended the Tenth Anniversary of the Great Plains Synfuels Plant. This plant, which converts lignite to synthetic natural gas for sale to four pipelines, is the State's largest employer. This was an extremely successful trip and generated positive media attention.

-- **Representative Johnson Fundraiser**

Sunday, August 28, I participated in a fundraising event for Representative Don Johnson (D-Georgia).

-- **Congressional Black Caucus Weekend and Minority Business Summit**

I will participate in several events during the Congressional Black Caucus Weekend.

Friday, September 16, I will deliver an address to the Congressional Black Caucus' Minority Business Summit at the invitation of Caucus Chair Kweisi Mfume (D-Maryland). The focus of my remarks will be the Administration's commitment to encouraging the growth of minority businesses and the Department's successful efforts to provide greater contracting opportunities to minority-owned businesses. Our results include awarding \$575-million in contracts to minority-owned businesses so far during calendar year 1994. This is a demonstration of my commitment to increasing minority business contracts by more than 90 percent. In addition, the Department has increased grants to minority educational institutions from \$22 to \$53 million from 1993-1994.

**MEDIA**

**Emerge Magazine**

I will be interviewed by this magazine for African-American professionals as part of an extensive article regarding the use of African Americans in medical

experimentation. The key messages will be this Administration's commitment to openness and accountability in the area of human experimentation.

- **Ebony Magazine**

This interview will appear as part of a profile article that appears in October.

- **CNN Editorial Board Meeting in Atlanta, GA**

I met with the CNN Editorial Board in Atlanta, Georgia, August 29, 1994. The substantive issues discussed included: the Department's Openness Initiative and human radiation experiments, nuclear materials accounting and control, and the Administration's initiatives to address these issues.

The Rismarck Tribune

August 20, 1994

**QUICK TAKES**

**Power plants' 10th anniversary Saturday**

U.S. Energy Secretary Hazel O'Leary will be a special guest Saturday when Basin Electric holds its 10th anniversary celebration at the Great Plains Synfuels Plant and Antelope Valley Station Power Plant near Beulah.

The celebration begins at 9 a.m. MDT with tours of the gasification and power plant facilities and Coteau's Freedom Mine, the coal provider for both operations.

At 11 a.m. there will be a ceremony at the scenic overlook south of the plants. Joining O'Leary as guest speakers will be Sens. Kent Conrad and Byron Dorgan, and former Gov. George Sinner.

Art Soder, former chairman of American Natural Resources, the company that put the gasification plan into place, will be on the program as will former Basin Electric General Manager Jim Grahl.

A free picnic lunch will follow. The tours, ceremony and picnic are all open to the public.

# Energy: Local workers glad to find jobs

FROM PAGE 1C

which are shared by Beulah and Hazen parents and youngsters, Benz said he doubts either would have started if outside interests

hadn't sparked enthusiasm.

While some traveled great distances to get the good paying jobs with strong benefit packages, the work was welcomed by local people.



**Unterscher:**  
Local worker.

After college, Brain Unterscher, a 1974 graduate of Hazen High School, found work at

various jobs in the printing field. In the early 1980s he returned to Hazen, driving truck for a local concrete company.

In 1983 he was offered work at the gasification plant.

"I didn't know what to expect," he said of gasification plant work.

Like other employees who have

been employed during all 10 years of production, Unterscher has seen good and bad days.

Talking about the frequent rumors of plant closures, he said, "After a while you kind of got dumb to it. You'd hear things, but wouldn't let it bother you."

Unterscher said his worst scare came in 1988. "The time the five pipeline companies announced they were pulling out was possibly the worst. We were on vacation, and I heard about it on the news. We got pretty shook-up before getting a chance to call back and find out what was going on."

Even the good news isn't overwhelming anymore. This spring's announcement of a long-term contract agreement was calmly accepted.

"I don't mean to sound negative, but it was just another decision. I didn't run out and buy a car or build on to my house."

The father of three said the most important thing to him is that the gasification plant has given him a chance to raise his family where he knows the quality of life is good

and the cost of living is reasonable.

Harvey Huber is the president of Union State Bank in Hazen and the chairman of the Mercer Oliver Economic Development. He said coal has been an economic equalizer for western North Dakota.

"I can best relate it by saying that when I grew up here and went

to college in the eastern part of the state I was always amazed that the kids from the east drove these nice new cars. Today the kids who leave here and go to college also drive new cars," he said.

Huber said coal has given Mercer County the highest per-capita income in the state.

## Energy secretary, senators to attend anniversary picnic

U.S. Energy Secretary Hazel O'Leary will be a special guest Saturday when Basin Electric holds its 10th anniversary celebration at the Great Plains Synfuels Plant and Antelope Valley Station power plant north of Beulah.

The celebration begins at 9 a.m. MDT with tours of the gasification and power plants and Coteau's Freedom Mine,

the coal provider for both operations.

At 11 a.m. there will be a ceremony at the scenic overlook south of the plants. Joining O'Leary as guest speakers will be Sens. Kent Conrad and Byron Dorgan, and former Gov. George Sinner.

A free picnic lunch will follow. The tours, ceremony and picnic are all open to the public.

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# Energy bash attracts 3,000

By BOB LINK  
Tribune Staff Writer

**BEULAH**— The "10 Years of Energy" celebration went under the big tent top Saturday, protecting guests from a strong wind blowing across an overlook at the Great Plains Synfuels Plant and Antelope Valley Station power plant.

Following the theme of a carnival atmosphere, U.S. Secretary of Energy Hazel O'Leary said the roller coaster ride is over for the two lignite-fired energy plants.

"You have the best there is (in lignite utilization) for moving into the 21st century. There will

soon open a marketplace for what you have right here," she said.

An estimated 3,000 people attended the celebration, which featured tours and a picnic lunch. More than 1,200 people sat comfortably in the tent as 11 speakers representing plant owners and county, state and congressional offices commented on the plant's history and current status.

O'Leary said the Beulah plants are world-class operations that soon will be used as examples for countries interested in utilizing low grade coal and developing synthetic fuel plants.

She said her husband, former Secretary of Energy Jack O'Leary, often stressed the importance of coal as an energy source. He served

during the Jimmy Carter administration. She said both the gasification and electrical plant have found their place in the country's energy supply.

"People come from abroad and wonder how can they do it. I have recently returned from India, where 50 percent of the reserves are low-ranking coal, and they're asking how you do it," O'Leary said.

Pointing to Eastern Europe, Pakistan and South Africa as countries interested in utilizing the gasification process, O'Leary said "there's another ride you people with the vision that made this plant can take and it's not a carnival.

(More on ENERGY, Page 12A)

## ON PAGE 1A

"I'm certain plants like this exist in the world."

Crediting the people who designed, built and now operate the mt, O'Leary said the effort took thousands of people with a vision and their belief and hard work is the reason the plants succeed lay.

"The better ride is yet to come," she said. "The next 10 years will not be boring. I have a firm belief the fact that if I hop out here in 10 years, we'll be celebrating big victories."

Sen. Kent Conrad, D-N.D., called it spring's \$500 million out-of-court settlement on long-term gas fees one of North Dakota's three

major victories this year. "The Canadian grain concerns, keeping the Minot Air Force Base open and securing the out-of-court settlement all went our way. I'd say we had a pretty good year."

Referring to an economic study he worked on in 1982 when the plant faced one of its first hurdles, Conrad said North Dakota would have lost \$50 million a year had the plant been forced to close. "Can you imagine what would have happened to this area and the state if we had lost this plant? We didn't lose," he said.

Retired Basin Electric General Manager Jim Grahl talked about Basin's initial efforts in building the Antelope Valley Station plant and current general manager Bob

McPhail talked about battles to keep the two power plants operational.

Former American Natural Resources Chairman Art Seder recalled the early battles to establish the plant. He said his partnership with Basin Electric was a win-win situation in the gasification plant's early stages and that as an owner Basin and Dakota Gasification are to be commended for exceeding the design potential of the facility.

Other guest speakers included Sen. Byron Dorgan, D-N.D.; Rep. Earl Pomeroy, D-N.D.; former Gov. George Sinner; Dakota Gasification Co. Vice President Kent Janssen; Mercer County Commissioner Gerald Bauman and Basin Electric President Bill Wagner.

Energy Secretary Hazel O'Leary was a hit in Beulah's parade. Details, back page.



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Sunday, August 28, 1994 □ The Bismarck Tribune

## Energy secretary rides in parade

By BOB LINK, Tribune Staff Writer

BEULAH — The last time Hazel O'Leary was in a parade she played french horn in her high school marching band in New Jersey.

Saturday morning the U.S. Secretary of Energy was in the third car of the 135-unit Mercer County Fair Parade rolling through the heart of Coal Country.

"I've walked in a lot of parades before, but I've never ridden in one," she said with a smile, moments before security guards helped her into her ride.

O'Leary's black and white outfit was a perfect match to car she rode in, a 1956 Chevy convertible driven by Jeff Walker of Beulah.

"Hi, have a good day," repeated O'Leary as she waved to the crowd lining the parade route.

Ahead of President Clinton's cabinet member was North Dakota Secretary of State Al Jaeger, a Beulah native selected as this year's grand marshal for the parade, and the Beulah High school marching band. Behind O'Leary followed several politicians (all riding in convertibles), local floats, cars, horses and marchers.

"That was fun, I had a great time," said O'Leary as she stepped out of Walker's car.

The Department of Energy head was in North Dakota two days this week. Friday she participated in the dedication ceremony of an addition at the Energy and Environmental Research Center at the University of North Dakota in Grand Forks.

Shortly after completing her speech, O'Leary returned to Bismarck where she caught a flight to Washington D.C.



Department of Energy  
Washington, DC 20585

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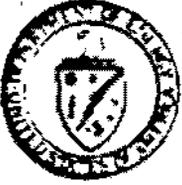
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From: Sec. D. Seary

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The Secretary of Energy  
Washington, DC 20585

September 15, 1994

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

**PRESIDENTIAL INITIATIVES**

Delegation to the International Atomic Energy Agency

I will lead the U.S. delegation to the annual General Conference of the International Atomic Energy Agency September 18-20 in Vienna. I will deliver remarks addressing nuclear safety, security, and technology development after the Cold War. I will also sign a nuclear safety convention on behalf of the U.S. that establishes international goals and guidelines for the safety of commercial nuclear powerplants. During the three days of meetings, I will hold bilateral meetings with senior representatives from Japan, France, South Korea, China, Germany, and Russia. Apart from the International Atomic Energy Agency meeting, I will also sign an agreement with the Austrian Government for cooperation on climate change and energy efficiency.

Pakistan

From September 21-25, I will lead a delegation to Pakistan, comprised of over 70 leaders from the environmental, renewable energy, energy efficiency, electricity, gas, oil, coal and financial communities. The Pakistanis are in the midst of implementing significant macro-economic reforms designed to deregulate and liberalize their economy. They are also in the process of enacting significant reforms designed to encourage foreign investment in their energy sector.

The Pakistani Government has requested that a team of American business and government officials provide advice on the impact of the reforms and assist in the development of an action plan that would advance the reform process. To facilitate the development of this plan, we will hold an energy conference with our delegation and with senior officials from the Pakistani Government. I will meet with the Prime Minister and President to present the results of our efforts.

Along with President Leghari and Prime Minister Bhutto, we will witness the signing of approximately \$2.5 billion of deals between the U.S. private sector and Pakistan. The primary deals are to construct new state-of-the-art powerplants necessary to meet Pakistan's energy shortfall. There will also be renewable energy and energy efficiency deals signed. I anticipate the creation of thousands of jobs in the United States, and

we will work to publicize our Department's and Administration's efforts designed to open markets and create private sector jobs. The trip should generate significant media attention. I will publicize the business agreements with the Wall Street Journal, New York Times, Journal of Commerce, and the Financial Times before the trip. We will also hold a press conference in Pakistan.

• **Department Participation in the Rural Summit**

The Department is engaged in the planning of the Rural Summit to be held December 1. We believe that this event will allow us to advocate and partner with rural communities to deploy renewable energy and energy efficiency projects in rural America. We are also launching an initiative to begin utilizing crops as renewable energy resources. This summit will advance Administration energy and environmental policies while creating jobs.

**KEY DEPARTMENT NEWS**

• **The Acceptance of Foreign Research Reactor Fuel in South Carolina**

Several months ago, I made the decision in conjunction with the National Security Council and the Department of State to accept spent fuel from European research reactors that is of U.S.-origin and contains Highly Enriched Uranium (HEU) that can be used in weapons. We made the decision to take the fuel back in order to take this weapons-grade material out of international commerce. This decision is consistent with U.S. nonproliferation policy and signals our intent to be vigilant on these matters.

After ships left Europe with the fuel, the State of South Carolina sued the Department arguing that we had violated the National Environmental Policy Act. A Federal judge in South Carolina ruled in favor of the State. In conjunction with the Department of Justice, we will attempt to overturn this ruling in the Fourth Circuit Court of Appeals early next week. We will be extremely proactive on this issue communicating the importance of removing weapons-grade material from international commerce as well as the benefits of the European research reactors, whose operation is jeopardized by the current injunction. Our Under Secretary conducted interviews with Newsweek, the New York Times, the Washington Post, and national publications on this subject.

We will keep appropriate elements of the White House apprised of this situation.

• **Redirection of Argonne National Laboratory**

At the Administration's request, the Congress terminated the Integral Fast Reactor due to concerns that it advanced the use of plutonium as an energy source, contrary to U.S. nonproliferation policy. Integral Fast Reactor research took place at the Argonne National Laboratory in Illinois and Idaho. The loss of this research places the jobs of many talented scientists and engineers in jeopardy.

In the very near future, we will request that the Congress reprogram funds for higher priority missions for the facilities. One of the elements of this package is likely to be controversial as some of the opponents of the original technology believe that one of the new missions could be used to revitalize the Integral Fast Reactor technology. We have asked the National Academy of Sciences to review this claim. The Department has asked for this advice to determine if this mission should be supported in our fiscal year 1996 budget. In the long-term, I have directed senior leadership from the Laboratory and the contractor, the University of Chicago, to develop longer-term missions in order to use the exceptional capabilities of the Lab.

## OUTREACH

### Congress

- **Senator Domenici**

Senator Pete Domenici (R-New Mexico) and I will meet to discuss issues of his choice.

- **Congressional Black Caucus Minority Business Summit**

Friday, September 16, I will deliver an address to the Congressional Black Caucus Minority Business Summit at the invitation of Caucus Chair Kweisi Mfume (D-Maryland). The focus of my remarks will be the Administration's commitment to encouraging the growth of minority businesses and the Department's successful efforts to provide greater contracting opportunities to minority-owned businesses. Our results include awarding \$575 million in contracts to minority-owned businesses so far during calendar year 1994. This is a demonstration of my commitment to increasing minority business contracts by more than 90 percent. In addition, the Department has increased grants to minority educational institutions from \$22 to \$53 million.

- **Reception for Congressman Rangel**

I participated in a fundraising event for Congressman Charles Rangel (D-New York).

- **Kick-off of Congressional Black Caucus Events**

I participated in the kickoff event for the Congressional Black Caucus Wednesday evening.

- **Ambassador Tuerk of Austria**

I met with Ambassador Tuerk of Austria Thursday afternoon, as a precursor to my participation in the Annual Conference of the International Atomic Energy Agency in Vienna. At this conference, I will sign a memorandum of understanding between the United States and the Republic of Austria on cooperation in environmental aspects of energy policy and global climate protection.

Thursday - September 15, 1994  
Page 1B  
Page 1 of 2

# Court to hear DOE appeal on SRS

*Agency to question S.C. inconsistencies in taking radioactive fuel as dispute over rod shipments heard.*

By CHARLES POPE  
Staff Writer

South Carolina is off limits to spent nuclear fuel from Europe, but the state's borders remain wide open to radioactive fuel from dozens of domestic research reactors, as they have for 31 years.

That inconsistency will be one issue raised by the Department of Energy today when it asks a federal appeals court in Richmond to allow foreign spent fuel to be sent to the Savannah River Site.

U.S. District Judge Matthew Perry on Tuesday blocked the shipment of 153 spent fuel rods from several European countries. The rods remain aboard two ships at sea.

"We do intend to file for a stay in the Fourth Circuit (Court of Appeals) of the judge's order and we are confident that the court will sustain our position," DOE Under Secretary Charles B. Curtis said in a statement Wednesday.

DOE officials, nuclear nonproliferation advocates and some environmentalists Wednesday questioned why Gov. Carroll Campbell and other state officials are fighting the shipments of foreign fuel but not opposing the receipt of domestic waste.

"It's all the same thing and it has been shipped to Savannah River almost on a monthly basis for all these years," said Jacob Scheer, a senior attorney for the Natural Resources Defense Council, an national environmental group that supports DOE's efforts to reclaim spent fuel.

Campbell aides said state officials are fighting to ensure the federal government conducts a detailed environmental study, which they say is required by law. The government must conduct such a study whenever it starts a new program affecting the environment or restarts an existing program.

Domestic fuel has flowed uninterrupted to the Savannah River Site since 1963, but no foreign fuel has been accepted since 1988. That time lag requires the government to declare publicly how it will handle the waste and minimize risk, said Carlisle Roberts, Campbell's chief environmental aide.

About 150 fuel assemblies have been

sent to the Savannah River Site for disposal each year from universities and national laboratories. The highly enriched uranium spent fuel from those reactors is identical — in size, shape, and risk — to the foreign fuel.

Yet that domestic waste — about 4,550 fuel assemblies — has flowed to Savannah River with little notice and no official resistance from state officials.

Energy Department officials said Wednesday they foresee no slowdown in the flow of spent fuel from such places as Georgia Tech, Massachusetts Institute of Technology, the University of Virginia and dozens more nationwide.

Receipt of the fuel "has been a continuous mission that has not stopped," DOE spokesman Jim Giusti said.

While the legality of the ban remains uncertain and under appeal, the state's challenge won broad support.

Lt. Gov. Nick Theodore, Democratic gubernatorial nominee, applauded Judge Perry's order. He also praised Gov. Carroll Campbell and Attorney General Travis Medlock for their willingness to fight.

"The time has come to just say no to accepting nuclear waste," Theodore said at a news conference at his campaign

PLEASE SEE DOE PAGE B7

CONTINUED

Thursday - September 15, 1994  
Page B7  
Page 2 of 2

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## DOE

FROM PAGE B1

headquarters.

In its appeal, DOE is expected to argue that blocking the shipment of the 153 fuel rods could damage U.S. credibility and irreparably harm efforts to retrieve bomb-grade material supplied to foreign countries by the U.S.

"It's in the national security to get this stuff out of circulation and the governor of South Carolina is screwing it up," DOE's Scheer said.

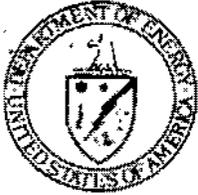
Campbell has said delaying shipments until after the environmental study will not harm U.S. interests. In a sharply worded response to DOE, he charged that the

department had not negotiated in good faith.

"The Department of Energy allowed a waste ship to depart for the United States while we were waiting, at DOE's request, for you to send us a proposal to resolve our dispute," Campbell said in a Sept. 13 letter to Thomas Grumbly, DOE's assistant secretary for environmental management.

"We were indeed surprised to learn that the ship had left for the United States while we were waiting on you to make us a settlement offer."

Staff Writers Mike Livingston and Lee Bandy contributed to this report.



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The Secretary of Energy  
Washington, DC 20585  
September 22, 1994

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MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

SUBJECT: Weekly Report

**PRESIDENTIAL INITIATIVES**

**Delegation to the International Atomic Energy Agency**

This week I led the U.S. delegation to the annual General Conference of the International Atomic Energy Agency September 18-20 in Vienna. The conference was quite successful in advancing the international nuclear nonproliferation and safety agenda. It included bilateral meetings with senior representatives from Japan, Germany, South Korea, South Africa, China, Ukraine, France, and Russia. I delivered remarks addressing nuclear safety, security, and technology development. I also signed a nuclear safety convention on behalf of the U.S. that establishes international goals and guidelines for the safety of commercial nuclear powerplants, as well as an agreement with the Austrian Government for cooperation on climate change and energy efficiency.

**Pakistan**

I am currently leading a U.S. delegation to Pakistan. The delegation is comprised of over 70 leaders from the electricity, gas, oil, coal, financial, and energy efficiency communities. We expect the mission to result in 14 commercial agreements valued at over \$3 billion. Agreements will focus on electric power generation, energy efficiency, and the development of renewable energy resources. The potential business agreements were highlighted in the Wall Street Journal and other newspapers before the trip. We will also hold a press conference in Pakistan and do follow-up press when we return.

**KEY DEPARTMENT NEWS**

**Acceptance of Foreign Research Reactor Fuel in South Carolina**

Several months ago, I made the decision, in conjunction with the National Security Council and the Department of State, to accept spent fuel from European research reactors. This fuel is of U.S.-origin and contains Highly Enriched Uranium (HEU) that could possibly be used in weapons. We made the decision to take the fuel back

in order to take this weapons-grade material out of international commerce. This decision is consistent with U.S. nonproliferation policy and signals our intent to be vigilant on these matters.

After ships left Europe with the fuel, the State of South Carolina sued the Department arguing that we had violated the National Environmental Policy Act. A Federal judge in South Carolina issued an injunction against receipt of the fuel. We are seeking a stay of the injunction in the U.S. Fourth Circuit Court of Appeal. The Justice Department argued the case yesterday, and we expect a decision as early as tomorrow. We are mildly optimistic about our chances.

We will continue to be extremely proactive on this issue, communicating the importance of removing weapons-grade material from international commerce, as well as the benefits of the European research reactors, whose operation is jeopardized by the current injunction. Our Under Secretary conducted interviews with Newsweek, the New York Times, the Washington Post, and other national publications on this subject.

We will keep appropriate elements of the White House informed of this situation.

#### Redirection of Argonne National Laboratory

At the Administration's request, the Congress terminated the Integral Fast Reactor due to concerns that it advanced the use of plutonium as an energy source, contrary to U.S. nonproliferation policy. Integral Fast Reactor research took place at the Argonne National Laboratory in Illinois and Idaho. The loss of this research places the jobs of many talented scientists and engineers in jeopardy.

This week, we will submit a reprogramming request to OMB focused on higher priority missions for the facilities. This package is likely to be controversial as some opponents of the original technology believe that one of the new missions could be used to revitalize the Integral Fast Reactor technology. We have asked the National Academy of Sciences to review this claim to determine if this mission should be supported in our fiscal year 1996 budget. In the long term, I have directed senior leadership from the Laboratory and the contractor, the University of Chicago, to develop longer-term missions to use the exceptional capabilities of the lab.

#### National Energy Policy Plan

Thursday, September 29, I will speak about the National Energy Policy Plan in Colorado.

## OUTREACH

### Congress

- **Congressman Phil Sharp**

I will meet next week with Congressman Phil Sharp (D-Indiana) to discuss redirection and reprogramming efforts for the Argonne National Laboratory.

### State Officials

- **Governor Bruce King (NM)**

Saturday, October 1, I will participate in a fund-raiser for New Mexico Governor Bruce King.

BOSTON GLOBE SEP 21 1994

# World body signs pact to enhance nuclear plant safety

94

NEWS

VIENNA - Member states of the International Atomic Energy Agency, led by the United States and Russia, signed a nuclear document yesterday that is designed to improve security at reactors around the world.

The Convention on Nuclear Safety, drawn up by 84 IAEA members

in June, applies to land-based civil nuclear power plants and seeks to avert accidents such as the 1986 explosion at Chernobyl, the world's worst civil nuclear disaster.

Energy Secretary Hazel O'Leary described the convention as a further example of international cooperation after the Cold War.

"This is an historic day... we are clearly recognizing our international

obligations with many separate nations with the same goal of nuclear safety in mind," O'Leary said before signing the convention on behalf of the United States.

"I believe we are actualizing a new era in multinational and multi-lateral collaboration," she said.

A total of 485 nuclear power plants were operating or being built around the world in 1993, according

to IAEA statistics.

The IAEA director general, Hans Blix, speaking before the signing ceremony at the agency's headquarters in Vienna, said the convention will require signatories to establish laws and regulations to govern safety at nuclear power plants.

"It is the first legal instrument to address directly the issue of safety of nuclear installations worldwide,"

Blix said.

Work on the convention began in 1991, after the fall of the Soviet Union made the former communist bloc's technically backward nuclear power plants more accessible to scrutiny by the West, already shaken by Chernobyl.

Signatories of the convention are required to submit a report on atomic installations and, if necessary, ur-

gently carry out improvements to upgrade the safety of sites.

"If such upgrading cannot be achieved, plans should be implemented to shut down the nuclear installation as soon as practically possible," the convention says.

Such an obligation may mean states like Ukraine having to close its Chernobyl-style reactors if considered to be faulty.

Critics said the convention lacked tough measures to force a country to comply with the regulations.

It was still unclear whether Ukraine, which has owned the Chernobyl plant since the Soviet collapse, would sign the document.

In addition to the United States and Russia, signatories included Britain, France, Japan, Germany, Canada, South Africa, India, Pakistan, and South Korea. China said it also intended to sign.

**BURRELLE'S**

NEWS EXPRESS

PAGE 7 OF 9

# Atomic agency members sign document to upgrade security at reactors

VIENNA (Reuters) - Member states of the International Atomic Energy Agency, led by the United States and Russia, signed a new nuclear safety document yesterday designed to improve security at atomic reactors worldwide.

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ation following the end of the Cold War.

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# CLOSE-UP

## S. Carolina suit leaves radioactive cargo in limbo

BY H. JOSEF HERBERT  
Associated Press

A-3pt

WASHINGTON — Somewhere on the high seas, two European freighters are creeping toward the United States not knowing whether their cargo of highly radioactive uranium fuel will be unloaded.

The dispute over what to do about the two civilian ships is unfolding in federal court and pits the environmental concerns of South Carolina's governor against President Clinton's nuclear nonproliferation policy.

The cargo of 153 fuel rods from research reactors in Europe is supposed to go to the Energy Department's Savannah River complex near Aiken, S.C., for safekeeping.

The department has agreed to take the shipment from the Europeans so the weapons-grade material is not sent to a reprocessing plant in Scotland where plutonium — the material needed for making a nuclear weapon — would be extracted.

But that strategy was thrown into doubt last week when a federal judge in South Carolina barred the uranium

from U.S. waters until an environmental-impact study on storing the fuel rods at the site can be completed.

Justice Department lawyers told the U.S. Court of Appeals in Richmond, Va., yesterday that the injunction "would gravely jeopardize" the government's program "to prevent nuclear proliferation and deter nuclear terrorism."

The two freighters in the Atlantic have been ordered to reduce speed, hoping that the appellate court will overturn the injunction. Energy Department officials said the ships were outside the 12-mile territorial limit, but due to security they declined to be more specific on their location.

The earlier ruling in U.S. District Court in Columbia, S.C., last Thursday was in response to a lawsuit filed by South Carolina Gov. Carroll Campbell, who said the Energy Department was violating federal law by not completing a full environmental-impact review.

The state said the federal government eventually might keep as many as 15,000 spent fuel rods at the



Carroll Campbell

facility.

But Justice Department lawyers argued it was "sheer speculation" to suggest the spent fuel rods would pose an undue hazard because they would account for only 2 percent of the fuel

already stored at the site.

The uranium aboard the two ships is part of a shipment of 409 used nuclear fuel rods the Energy Department has agreed to take for storage from operators of small research reactors in Belgium, Austria, Scandinavia and other European countries.

These reactors for years have used highly enriched uranium that can be processed for weapons use. The Clinton administration has agreed to replace the uranium with a less dangerous uranium fuel used in commercial nuclear power plants in hopes of persuading the European sites to stop using weapons-grade material for fuel.

But as part of the agreement, the highly enriched fuel has to be returned to the United States.

"There is a lot of material here to make a lot of bombs, and we want to get that out of world commerce," Energy Undersecretary Charles Curtis told reporters recently.

Thomas Grumbly, assistant energy secretary for environmental management, said the fuel rods are only about 2 feet long, weigh only a few pounds and can be relatively easily handled. "They're easily transportable, easily chemically separated," said Grumbly.

But South Carolina officials said the department has other options, including reprocessing the material.

It was not known when the appeals court would rule.

**BURRELLE'S**

NewsExpress

PAGE 7 OF 9

7

## Hearing set in nuclear fuel case

■ Request to overturn  
order blocking spent  
fuel shipments to be  
heard by three-judge  
panel today

Associated Press

COLUMBIA — The U.S. Energy Department's request to overturn an order blocking shipment of European spent nuclear fuel to Savannah River Site weapons complex goes before a federal appeals court panel today.

The three-judge panel has scheduled a hearing in Charlotte, N.C.

South Carolina officials sued to block the shipment earlier this month, claiming the federal government failed to conduct the proper environmental review.

Last week, U.S. District Judge Matthew Perry blocked the shipment until a trial could be held on the environmental review question. The department then asked the 4th U.S. Circuit Court of Appeals to overturn Judge Perry's order.

The department says taking back the highly enriched uranium, which can be processed into weapons, is a part of the nation's nuclear nonproliferation policy. European research reactor operators say they have run out of room to store the U.S.-made fuel, which had been kept in storage pools at the reactors in Austria, Denmark, the Netherlands and Sweden.

The United States had taken the spent fuel and reprocessed it at SRS for 20 years, but stopped the program in 1980.

Two ships loaded with 153 spent fuel assemblies are headed toward a North Carolina port. From there, the fuel is to be shipped by train to SRS.

The ships have been ordered to reduce speed.



Department of Energy  
Washington, DC 20585

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To: Christine Varney  
From: Sec. O'Leary

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From: Gene D. Terry

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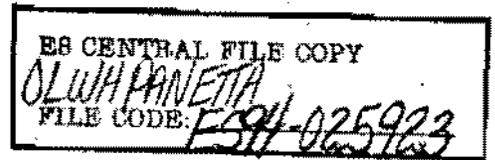
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The Secretary of Energy  
Washington, DC 20585



September 29, 1994

MEMORANDUM FOR LEON PANETTA  
FROM: HAZEL R. O'LEARY  
SUBJECT: Weekly Report

**PRESIDENTIAL INITIATIVES**

Presidential Mission to Pakistan

We concluded our visit to Pakistan Sunday. I believe, both from a diplomatic and commercial perspective, the trip was a major success.

I held several meetings with Prime Minister Bhutto and one meeting with President Legher. Our discussions were friendly, but frank. Both leaders voiced concern with the impact that the Pressler Amendment (an Amendment not allowing any Government assistance to Pakistan if the President cannot certify that the nation does not possess a nuclear capability) has on Pakistan. They have argued that the amendment unfairly punishes Pakistan, but provides little incentive for any of its neighbors not to engage in nuclear activity. The amendment also imposed major restrictions on the types of economic assistance we can provide. For example, the Overseas Private Investment Corporation (OPIC) is not allowed to provide support to U.S. firms attempting to do business in Pakistan, putting them at a significant disadvantage. I committed to attempting to resolve the OPIC issues, as the Export-Import Bank is allowed to do business there. Clearly, the Pakistani leadership is seeking to broaden our nations' historic ties from those based on security to a broad based economic partnership. Prime Minister Bhutto hopes to visit the U.S. in the near future, and this would be the basis of her message.

From a commercial perspective, the trip can be judged a tremendous success. Sixteen commercial ventures were entered into between the U.S. private sector and Pakistan representing nearly \$4 billion. The deals are in the traditional areas of electricity generation, oil and gas production, renewable energy, and energy efficiency. These deals will all produce jobs for U.S. firms while benefitting Pakistan's economy and the global environment. In an attempt to further improve the investment potential of Pakistan's energy sector, our American delegation worked with its Pakistani counterparts to develop policy initiatives to improve the investment climate for power

development, energy efficiency, renewable energy, oil, gas, and coal production. These recommendations were presented to the President and Prime Minister and will form the basis of our continued work with Pakistan.

**Participation in Russia Summit Events**

I participated in events with President Yeltsin and several colleagues from the Russia Federation. Of great importance is the directive in the Summit statement encouraging cooperation among the affected agencies of both governments to develop mechanisms to control and account for weapons-grade material. This was very important as it brings all affected agencies of our respective governments to the table and insures cooperation among all entities.

**KEY DEPARTMENT NEWS**

**Acceptance of Foreign Research Reactor Fuel**

We wrote last week that the U.S. Court of Appeals had ruled in the Department's favor allowing the U.S. to bring foreign research reactor fuel of U.S. origin to our Savannah River site. This initiative allows the transition of those reactors from highly enriched to low enriched fuel and takes weapons-grade material out of international commerce. The State has appealed the Court's decision allowing the Department to move forward.

The ship containing the spent fuel elements has unloaded at a North Carolina port, and the fuel will arrive by train at the Savannah River site later this evening. We voluntarily delayed unloading the ship to allow the Court time to decide on the State's latest appeal. However, pressing missions at the intended port, in support of U.S. personnel in Haiti, required that we unload the fuel before the Court ruled in our favor. Throughout this process, I was in constant communication with the leaders of both States. Successful completion of this mission is a major nonproliferation success for the Administration.

**CAMPAIGN ACTIVITY**

**Reception for Idaho Gubernatorial Candidate Larry Echohawk**

I will participate in a reception for Mr. Echohawk Thursday, October 6, 1994.

**Fundraiser for Representative Jim Cooper**

I will participate in a fundraising event for the Senate campaign of Representative Jim Cooper Wednesday, October 5, 1994.

Fundraiser for Earl Pomeroy

I will participate in a fundraising event for Representative Pomeroy Tuesday, October 4, 1994.

Trip to New Mexico

Saturday and Sunday, October 1 and 2, I will travel to New Mexico to participate in several campaign events for Governor King.

**MEDIA**

New York Times

I conducted an interview with a New York Times business reporter on the ongoing changes in the electric power industry.

Christian Science Monitor and USA Today

I conducted interviews today with these publications to discuss the success of my Pakistan trip.

**CONGRESSIONAL OUTREACH**

Meeting with Representative Phil Sharp

Today, I met with Representative Phil Sharp to discuss the Department's proposed reprogramming that will redirect the research conducted at the Argonne National Laboratory. This became necessary when Congress terminated the laboratory's Integral Fast Reactor research program at the Administration's request. I am meeting with Representative Sharp, a major opponent on the past research, to secure his support of the reprogramming.

I am meeting with Senator Kerry and Representative Coppersmith on the same issue.

Meeting with Representative Ron Dellums

Tuesday, October 4, I will meet with Representative Dellums to discuss the status of the Department's decision on the National Ignition Facility. This facility will assist the Department in maintaining the nuclear stockpile without nuclear testing. The facility is controversial in some quarters because some believe that the facility's physical capabilities would give the U.S. an advantage over other nuclear powers in

understanding the dynamics of nuclear weapons. Thus, there is concern that the decision to move ahead will adversely impact the Administration's attempt to extend indefinitely the Nuclear Nonproliferation Treaty.

Representative Dellums wrote to me proposing a process that includes continuing review of nonproliferation issues at key decision points as we move ahead with this facility. We are adopting his suggestion.

# Pakistan's energy sector attracts \$4bn

By Farhan Bokhari  
in Islamabad

pg

Pakistan's efforts to attract investments in power generation and in oil and gas exploration have borne fruit in the form of contracts with US companies worth about \$4bn. Ms Benazir Bhutto, the prime minister, described the contracts as "a landmark in the history of private sector investment" in Pakistan.

The bulk of the new contracts involve power generation projects backed by US businesses, including AES Corporation, Enron, GE Capital and Tenaska. Occidental and Union Texas are involved in oil exploration contracts worth \$275m and many officials hope that new oil finds will help the country's power generation efforts by providing lower cost fuel.

Domestic businesses have suffered production losses due to disrupted power supplies. The rains that followed a long dry spell restored the country's hydro-generation capacity and narrowed the gap between demand and supply. However, the relief may be only temporary.

Many transmission lines are in a state of disrepair and the government estimates that up to 33 per cent of the power generated in Karachi, Pakistan's largest city, is lost in breakdowns, leakages and power thefts. In the rest of the country, up to 23 per cent of generated power is lost in similar ways.

An energy policy announced

this summer has set the tone for fresh investments. The government has eliminated much red tape by replacing a series of official procedures with a one window set-up in Islamabad. Moreover, investors have been assured of a bulk tariff rate of 6.5 cents per kilowatt hour, considered to be one of the more attractive rates among developing countries.

The government's private power board estimates that up to \$5bn worth of investments could come in power generation, in addition to the American commitments, during the next three years.

However, for some investors, the signing of the deals may just be the beginning of a difficult process involving financing. The financial package requires them to put up a 20-30 per cent equity, while raising the rest in loans or other financing. Senior Pakistani officials concede privately that some of the sponsors may not be able to put together their financial packages, especially as international demands for financing remain high.

Concerns have also been raised over the delay on Pakistan's plans to float its first sovereign Eurobond offer worth \$200m. It was originally scheduled to take place this month but was postponed due to recent turbulence on international bond markets.

Pakistani officials hope that the US commitments have opened the most important window to attract fresh investments, and that other foreign investors may follow.

# Big US Contracts Won in Pakistan Help Mend Fences

By Farhan Bokhari

Special to The Christian Science Monitor

ISLAMABAD, PAKISTAN

P. 4

**A**MERICAN investment prospects in Pakistan appear to have been livened up after the recent return to Washington of Hazel O'Leary, the United States Energy secretary, following a five-day presidential mission to the Asian nation. Business executives accompanying Ms. O'Leary used the opportunity to sign 16 contracts worth roughly \$4 billion, mainly in power-generation and oil-exploration sectors.

That investment commitment is one of the largest in the history of Pakistan. In the past 47 years, American businesses have invested only about \$450 million in equity in Pakistan. O'Leary's visit also marks a turning point in the two countries' bilateral relations, which were at their lowest point until recently.

Less than two years ago, Washington considered declaring Pakistan a terrorist state. The US cut military and economic aid to the country for almost four years under a US congressional provision, dubbed the Pressler Amendment. It restricts assistance unless Islamabad accepts international safeguards on its nuclear facilities.

However, the two sides appear to be trying to expand contacts through areas such as private business investment. These are not barred under the Pressler law. "[O'Leary's] visit here signifies the broadening of the US-Pakistan relationship; this is a multidimensional relationship," declared Benazir Bhutto, the Pakistani prime minister, as she presided over a ceremony celebrating the signing of the contracts.

**The visit of US Energy Secretary Hazel O'Leary to Pakistan marks a turning point in the countries' bilateral relations.**

Other officials from the US and Pakistan acknowledge that the two countries are trying to contain the difficulties over the nuclear issue so that the issue does not harm a broad range of potential contacts, especially business opportunities.

This month, the Clinton administration announced a \$10 million grant for nongovernmental groups working to improve Pakistan's social sector. And Pakistani officials are examining prospects for purchase of up to \$20 million in US soybean oil.

These amounts may seem small compared with the more than \$7 billion committed by the US in military and economic aid to Pakistan during the height of the 1980s cold war when Islamabad played a key role in supporting the Western alliance against the Soviet occupation of Afghanistan. But they have added to the enthusiasm of Pakistani officials, who say the two countries are now out of the crisis mold.

"We have brought in the US delegation of businesspeople, the best experts that we have to offer," O'Leary said at the end of her visit. She repeatedly commended Pakistan's energy policy during her stay. That policy, which has now opened the doors for American businesses, has been welcomed by a wide range of businesspeople since its announcement this year.

Under the policy, a complicated procedure to seek official permission for setting up an electricity-generating plant has been replaced by a "one window" government office in Islamabad. There prospective investors can get the official paperwork processed at a fast pace.

Also, the government's decision to assure investors a bulk tariff rate of 6.5 cents per kilowatt hour for electricity generated in such new plants marks one of the most attractive incentives the Pakistan government has ever offered.

Pakistan officials hope progress over the energy projects will help attract US investments in other sectors, too. Many officials here are heartened about the \$10 million grant and the possible soybean-oil sale.

These initiatives represent an important shift at a time when, despite little movement over the nuclear issue, Pakistan wants to mend fences with the US.

## 500 Argonne jobs may be saved

By Peter Banik  
TRIBUNE STAFF WRITER

2/5

A plan that could save nuclear research programs and nearly 500 jobs at Argonne National Laboratory near Lemont took a key step forward Thursday, winning approval from the White House Office of Management and Budget.

The proposal, which would shift \$33.2 million to Argonne from existing programs in the Department of Energy, will be submitted Friday for congressional committee approval.

"This was the key in the process," said David Carle, a spokesman for Sen. Paul Simon (D-Ill.), who helped push the plan forward. "It does have remaining steps to go through. But we're not aware of any major difficulties that it will face in Congress."

If the proposal wins support from Congress, it would allow research to continue at Argonne for at least a year while the controversial Integral Fast Reactor project is being shut down.

Last month, Congress terminated the reactor program, providing \$84 million to shut down the decade-long experiment in burning plutonium and radioactive wastes. At stake were nearly 500 jobs at Argonne's lab in southeast DuPage County and 900 jobs at its lab in Idaho.

The new proposal seeks to avoid layoffs at the two facilities by continuing Argonne projects on improving safety in U.S. and Russian nuclear reactors, developing ways to decontaminate and decommission power reactors, supporting the Clinton administration's nuclear weapons non-proliferation policy and developing technologies to manage radioactive waste, Carle said.

"This is a substantive plan that capitalizes on the core competencies of Argonne and preserves the technical resources and special skills of Argonne's scientists," Sen. Carol Moseley-Braun (D-Ill.) said in a statement Thursday.

Carle added that the Department of Energy is taking steps to ensure that no layoffs occur before the plan can be examined by Congress.

Since the plan only seeks to shift funds within the Energy Department's budget, it will not require a full congressional vote, Carle said. But the proposal will need the consent of several House and Senate appropriations subcommittees. Carle said proponents hope to get that approval by the end of the congressional term in three weeks.

**BURRELLE'S**

NEWS EXPRESS

PAGE 1 OF 7

Morning News  
Blackfoot, ID  
Circulation 5,000  
September 23, 1994  
Front Page

# DOE will assist Argonne employees

By The Associated Press

The administration and Energy Department have agreed to support alternative missions for the Idaho and Illinois employees working on the departing Integral Fast Reactor program, Sens. Larry Craig and Dirk Kempthorne say.

A total of \$33.2 million will be reprogrammed for Argonne National Laboratory to fund research on proliferation, spent reactor fuel characterization, reactor and fuel cycle safety, and decontamination and decommissioning technology.

"Now we have the administration's support for the alternative missions and we are very hopeful the Congress will approve the reprogramming request," said Craig, R-Idaho.

The layoffs would affect 1,400 scientists and researchers, including 900 in Idaho, and were slated to begin Oct. 1. The Integral Fast Reactor project started in 1984 and has cost nearly \$1 billion.

Part of the Argonne work goes on in Chicago and some at the Idaho National Engineering Laboratory. The Idaho Republicans said Thursday night the administration and Energy have agreed to back it.

Those missions will now substitute for the Fast Reactor project which the House killed earlier this year. The \$33.2 million and the \$83.8 million provided by Congress for decommissioning will allow Argonne West to shut down the EBR-II reactor and begin its new work.

"I have said all along the workers and facilities at Argonne West are a national asset," Kempthorne said. "The IFR team will now refocus their talents on national proliferation and the treatment of spent reactor fuel."

"It just makes sense to keep these highly skilled and motivated people working on the sort of high-tech projects this nation needs," Craig said.

OLWH-PANETTA ES94-02753



The Secretary of Energy  
Washington, DC 20585

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October 13, 1994

MEMORANDUM FOR LEON PANETTA  
FROM: HAZEL R. O'LEARY  
SUBJECT: Weekly Report

**KEY DEPARTMENT NEWS**

• Address to Society of Environmental Journalists

My address to 500 members of the Society of Environmental Journalists was well received. The address generated significant media attention, particularly regarding new Department initiatives including sustainable development, openness, nonproliferation, and land use.

• Address to the Virginia Coal Council

My address to the Virginia Coal Council generated significant broadcast and print media. The speech focused on the Administration's goal to develop flexible environmental policies in which the government sets standards and the private sector uses cost-effective compliance strategies.

• Upcoming Travel

From Wednesday, October 19 until Friday, October 28, I will be traveling in Idaho, Southern and Northern California, Colorado, Indiana, and Ohio. I will address many key constituencies, in addition to supporting many of the Party's candidates for the House, Senate and State legislatures. Highlights of the travel follow.

• Idaho

I will visit the Department's Idaho National Engineering Laboratory. This laboratory develops much of the technology used to clean up our former weapons production facilities.

During my visit, I will highlight several examples of technology that have been developed at the facility and transferred to the private sector to create jobs. With several Democratic office holders in attendance including Attorney General

EchoHawk, I will announce that Lockheed, the site's contractor, will clean up PIT-9, a facility in which the Department has buried radioactive materials used in several programs. This announcement will generate significant media attention.

### California

#### 100 Black Men

In Los Angeles, I will address *100 Black Men*, an organization that mentors African-American youth from junior high school to college to ensure they are prepared for the finest universities in the country. At this event, the Department will provide funds for job training and scholarship programs. This speech also provides the opportunity to highlight the Administration's education achievements and passage of National Service legislation. Local office holders and candidates will attend.

#### Clean Cities

I will designate the cities of Oakland, San Francisco, Sacramento, San Jose, and Fresno as Clean Cities in a ceremony to be held in Sacramento. These cities will commit to deploying a specified number of alternative-fueled vehicles and developing a refueling infrastructure. These five cities bring our number of participating cities in the program to twenty-five, meeting the participation goal we established in January. The announcement will highlight the Department's and Administration's commitment to deploying clean vehicles that enhance environmental quality while reducing oil imports. The five mayors and other local office holders will participate.

#### Environmental Technology Workshop

I will host a workshop on environmental technology at the Presidio. This workshop is an outgrowth of the Administration's environmental technology strategy and highlights our commitment to developing and deploying environmental technologies in the domestic and international marketplace. Participants will include several hundred local corporate research and development managers.

#### Announcement of a Plan to Construct the National Ignition Facility

I will announce that the Department has made the first of several key decisions to construct a facility to ensure the safety and reliability of the nuclear stockpile without testing.

Continued support of the facility will be contingent on ensuring that the development of the facility does not undercut the U.S. position to extend the Nuclear Nonproliferation Treaty. Many local officials will attend.

- Address to the Interstate National Gas Association

I will address 250 executives of the natural gas pipeline industry. This speech will focus on several Department and Administration initiatives that will have the effect of increasing natural gas use. These initiatives include the Climate Change Action Plan, programs to stimulate markets for alternative fuel vehicles, and enhanced research and development funding for gas.

## OUTREACH

- Event with Representative Fazio

Representative Fazio will host a reception in honor of the five cities being designated Clean Cities.

- Fundraiser for Senator Feinstein

I will participate in a fundraiser for Senator Feinstein in San Francisco.

- Fundraiser for Ellen Schwartz

I will participate in a fundraiser for Congressional candidate Ellen Schwartz Saturday. She is running against Bill Baker.

- Fundraiser for Steve Klute

I will participate in a fundraiser for Congressional candidate Steve Klute Sunday. His opponent is Sonny Bono.

## MEDIA

- National Journal

I conducted an interview with National Journal. They are doing a profile on the changes that have taken place at the Department of Energy during the Clinton Administration.

- Newsday

I conducted an interview with Newsday. The interview focused on the contributions that Brookhaven National Laboratory makes to the local economy.

# CURRENT-ARGUS CARLSBAD, N.M.

OCTOBER 4, 1994

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attached to  
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of the weekly report  
10/13/94  
Rpt Am.

## Safety efforts pay off

CARLSBAD — Westinghouse Electric Corp.'s Waste Isolation Division Monday received recognition from Energy Secretary Hazel O'Leary for compiling one of the best safety records in the nation as contractor at the Waste Isolation Pilot Plant.

O'Leary, in Carlsbad to receive an update on the Waste Isolation Pilot Plant, said Westinghouse's Waste Isolation Division is the first government contractor to receive "Star" status under the agency's Voluntary Protection Program.

THE VPP IS a national program established by the DOE in 1993 to recognize superior performance in the field of safety and health by contractor management and their employees. "Star" status is the highest level that can be achieved under VPP guidelines.

Westinghouse has an impres-



WAY TO GO: Energy Department Secretary Hazel O'Leary congratulates WIPP employees Monday on their Voluntary Protection Program "Star" status award.

sive safety and health program at the WIPP, O'Leary said. This is a work force that pulls together, a force of neighbors that rely on one another, with clear plans to work safely while completing their goals. Safety awareness is more important than anything.

The VPP is voluntary and performed after a similar program sponsored by the Occupational Safety and Health Administration. Each company that wishes to be considered submits an extensive application to the DOE for evaluation.

U.S. DEPARTMENT OF ENERGY  
OFFICE OF THE EXECUTIVE SECRETARIAT  
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ENERGY INFORMATION ADMINISTRATION (EI)			CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)
ENERGY RESEARCH (ER)			SCIENCE, EDUCATION AND TECHNICAL INFORMATION (ET)
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ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)			
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APPROVAL			1
INFORMATION			2
CONCURRENCE			3
COMMENTS AND/OR REMARKS			4
<input checked="" type="checkbox"/> OTHER (SEE REMARKS)			5
REMARKS: The attached memo was signed by the Secretary on October 13, 1994, and dispatched in the Office of the Executive Secretariat.			6
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			REMARKS:
ES CONTACT: ARLENE MITCHELL 6X8924 LE			

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

CONTROL NO. ES- 94-027532		ACCRYS NO.		DATE SENT 10/17/94		DATE DUE				
TYPE OF DOCUMENT/ADDRESSEE Memo to Leon Panetta signed by the Secretary				SUBJECT Weekly Report						
FROM EXECUTIVE SECRETARIAT										
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO			
THE SECRETARY				HEARINGS AND APPEALS (HG)						
DEPUTY SECRETARY				HUMAN RESOURCES AND ADMINISTRATION (HR)						
UNDER SECRETARY				INTELLIGENCE AND NATIONAL SECURITY (IS)						
BONNEVILLE POWER ADMINISTRATION (BPA)				INSPECTOR GENERAL (IG)						
CONGRESSIONAL 1, 19, 29, 39, 49 AND 59				LABORATORY MANAGEMENT (LM)						
CHIEF FINANCIAL OFFICER (CR)				NUCLEAR ENERGY (NE)						
DEFENSE PROGRAMS (DP)				PUBLIC AND CONSUMER AFFAIRS (PA)						
ECONOMIC IMPACT AND DIVERSITY (ED)				POWER MARKETING LIAISON OFFICE (PMA)						
ENERGY EFFICIENCY AND RENEWABLE ENERGY (EE)				POLICY, PLANNING AND PROGRAM EVALUATION (PO)						
ENERGY INFORMATION ADMINISTRATION (EI)				CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)						
ENERGY RESEARCH (ER)				SCIENCE, EDUCATION AND TECHNICAL INFORMATION (ET)						
ENVIRONMENT, SAFETY AND HEALTH (EH)				NIS DIVISION						
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (EM)										
FIELD MANAGEMENT (FM)										
FOSSIL ENERGY (FE)										
GENERAL COUNSEL (GC)										
OS/O'Leary			X							
<b>ACTION REQUIRED (ES USE ONLY)</b>				<b>STAFF ACTION SUMMARY</b>						
SIGNATURE				OFFICE	NAME/INITIALS		DATE			
APPROVAL				1						
INFORMATION				2						
CONCURRENCE				3						
COMMENTS AND/OR REMARKS				4						
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**The Secretary of Energy**

Washington, DC 20585

October 13, 1994

**MEMORANDUM FOR**      **LEON PANETTA**  
**FROM:**                      **HAZEL R. O'LEARY**  
**SUBJECT:**                      **Weekly Report**

A handwritten signature in cursive script, reading "Hazel R. O'Leary".

**KEY DEPARTMENT NEWS**

•      **Address to Society of Environmental Journalists**

My address to 500 members of the Society of Environmental Journalists was well received. The address generated significant media attention, particularly regarding new Department initiatives including sustainable development, openness, nonproliferation, and land use.

•      **Address to the Virginia Coal Council**

My address to the Virginia Coal Council generated significant broadcast and print media. The speech focused on the Administration's goal to develop flexible environmental policies in which the government sets standards and the private sector uses cost-effective compliance strategies.

•      **Upcoming Travel**

From Wednesday, October 19 until Friday, October 28, I will be traveling in Idaho, Southern and Northern California, Colorado, Indiana, and Ohio. I will address many key constituencies, in addition to supporting many of the Party's candidates for the House, Senate and State legislatures. Highlights of the travel follow.

•      **Idaho**

I will visit the Department's Idaho National Engineering Laboratory. This laboratory develops much of the technology used to clean up our former weapons production facilities.

28 10 35

During my visit, I will highlight several examples of technology that have been developed at the facility and transferred to the private sector to create jobs. With several Democratic office holders in attendance including Attorney General

EchoHawk, I will announce that Lockheed, the site's contractor, will clean up PIT-9, a facility in which the Department has buried radioactive materials used in several programs. This announcement will generate significant media attention.

### California

#### 100 Black Men

In Los Angeles, I will address *100 Black Men*, an organization that mentors African-American youth from junior high school to college to ensure they are prepared for the finest universities in the country. At this event, the Department will provide funds for job training and scholarship programs. This speech also provides the opportunity to highlight the Administration's education achievements and passage of National Service legislation. Local office holders and candidates will attend.

#### Clean Cities

I will designate the cities of Oakland, San Francisco, Sacramento, San Jose, and Fresno as Clean Cities in a ceremony to be held in Sacramento. These cities will commit to deploying a specified number of alternative-fueled vehicles and developing a refueling infrastructure. These five cities bring our number of participating cities in the program to twenty-five, meeting the participation goal we established in January. The announcement will highlight the Department's and Administration's commitment to deploying clean vehicles that enhance environmental quality while reducing oil imports. The five mayors and other local office holders will participate.

#### Environmental Technology Workshop

I will host a workshop on environmental technology at the Presidio. This workshop is an outgrowth of the Administration's environmental technology strategy and highlights our commitment to developing and deploying environmental technologies in the domestic and international marketplace. Participants will include several hundred local corporate research and development managers.

#### Announcement of a Plan to Construct the National Ignition Facility

I will announce that the Department has made the first of several key decisions to construct a facility to ensure the safety and reliability of the nuclear stockpile without testing.

Continued support of the facility will be contingent on ensuring that the development of the facility does not undercut the U.S. position to extend the Nuclear Nonproliferation Treaty. Many local officials will attend.

- **Address to the Interstate National Gas Association**

I will address 250 executives of the natural gas pipeline industry. This speech will focus on several Department and Administration initiatives that will have the effect of increasing natural gas use. These initiatives include the Climate Change Action Plan, programs to stimulate markets for alternative fuel vehicles, and enhanced research and development funding for gas.

## OUTREACH

- **Event with Representative Fazio**

Representative Fazio will host a reception in honor of the five cities being designated Clean Cities.

- **Fundraiser for Senator Feinstein**

I will participate in a fundraiser for Senator Feinstein in San Francisco.

- **Fundraiser for Ellen Schwartz**

I will participate in a fundraiser for Congressional candidate Ellen Schwartz Saturday. She is running against Bill Baker.

- **Fundraiser for Steve Klute**

I will participate in a fundraiser for Congressional candidate Steve Klute Sunday. His opponent is Sonny Bono.

## MEDIA

- **National Journal**

I conducted an interview with National Journal. They are doing a profile on the changes that have taken place at the Department of Energy during the Clinton Administration.

- **Newsday**

I conducted an interview with Newsday. The interview focused on the contributions that Brookhaven National Laboratory makes to the local economy.



The Secretary of Energy  
Washington, DC 20585

OLWH Panetta  
ES94-028706  
NO CENTRAL FILE COPY  
OLWH PANETTA  
FILE CODE: ES94-028706

October 20, 1994

MEMORANDUM FOR LEON PANETTA  
FROM: HAZEL R. O'LEARY  
SUBJECT: Weekly Report

**PRESIDENTIAL INITIATIVES**

• Clean Car Ceremony

I participated in the celebration of the clean car initiative Tuesday.

**KEY DEPARTMENT NEWS**

• Travel to Idaho

I was in Idaho Wednesday. The Department's Idaho National Engineering Laboratory is the largest employer in the State. I made an announcement committing the Department to clean up a buried waste site. The people of Idaho had been seeking cleanup of this facility for 20 years. Attorney General Larry EchoHawk participated in the announcement. Several other events were held including meetings with six labor unions and the leadership of Lockheed, the site's new contractor. Given the Department's presence in the State, there will be extensive media coverage.

• California

100 Black Men

Thursday I will participate in several events with 100 Black Men, an organization that was formed to prepare Black youth for college. At their annual fundraising dinner, I will deliver the keynote address, and my remarks will focus on the value of community-based organizations and the shared values between the Administration and the organization. I will also focus on the Administration's initiatives such as national service and programs making it easier for young people to go to college. We will also contribute \$100,000 to their Young Scholars Program.

### Job Training Event

The Department will also contribute \$200,000 to create a training program to prepare disadvantaged youth in Los Angeles for environmental management professions. The grant will link community colleges, environmental organizations, and environmental service companies to provide scholarships. The program will be unveiled at a press conference that Congresswoman Waters and community leaders will attend.

### Meeting our Clean Cities Goals

I will designate San Francisco, Oakland, Sacramento, Fresno and San Jose as Clean Cities. This brings the number of Clean Cities to 26, exceeding the commitment to the President of 25. The program leverages local, State, Federal and private sector efforts to deploy alternate fuel vehicles into the marketplace and develop a refueling infrastructure. The five mayors and Congressman Fazio will attend.

The commitments mean that 26,000 alternative fueled vehicles will be on the road in 1994, reducing emission of nitrogen oxides and volatile organic compounds by 5,000 tons while displacing 600,000 barrels of oil. This announcement will generate significant media attention.

### National Ignition Facility at Lawrence Livermore National Laboratory

I will announce the Department's decision to initiate engineering and design of the National Ignition Facility. The facility would be the preeminent facility in the Department's stockpile stewardship program allowing the Department to maintain a safe and reliable nuclear stockpile without underground testing.

The President called for the development of such facilities when he decided to maintain the moratorium on underground testing. The facility will also become the largest industrial user facility in the world with 250 companies using the facility. This decision will initiate the National Environmental Policy Act activities and beginning the engineering design process. This is but one of several decisions that must be made before initiating construction. The decision commits the Administration to spending \$55 million for design in fiscal year 1996.

I will also announce that the Lawrence Livermore National Laboratory is the preferred site for this facility because it appears to be more cost effective and it has constructed six similar laser facilities. I will make this announcement with members of the scientific community. Several elected officials should be in attendance.

- **Environmental Technology Conference**

I will host this event at the Presidio with more than 100 leaders in the environmental and industrial communities. They will make recommendations to the Administration on applying technologies in the marketplace. I will focus on the Administration's economic and technology messages.

- **Interstate Natural Gas Association of America**

I will make the keynote address to the Interstate Natural Gas Association of America's 50th annual dinner. This will allow me to focus on transportation, climate change, and electricity initiatives that have expanded markets for natural gas.

- **Colorado**

- **Wind Technology Center**

I will dedicate a wind technology center in Colorado. The facility is being constructed at Rocky Flats, once one of the Nation's largest weapons production facilities and now one of our largest cleanup projects. This will highlight the transformation that the Department has made within the last two years.

- **Indiana**

- **Fort Wayne Chamber of Commerce**

I will provide the keynote speech before 1,000 members of the Fort Wayne Chamber of Commerce.

- **Ohio**

- **Events at the Department's Mound Facility**

I will participate in several events at our Mound, Ohio facility. The site is also one of our former weapon production facilities now being cleaned up. The events will focus on community economic initiatives in support of defense conversion. Congressman Tony Hall will participate.

- **United Negro College Fund**

I will provide the keynote address at the 50th anniversary celebration of the United Negro College Fund in Columbus. This speech allows me to focus on the Administration's education accomplishments and commitment to educating African American youth.

**CAMPAIGN ACTIVITY**

- **Lunch with Vic Fazio**

At Representative Fazio's request, I will participate in a campaign event with him at McClellan Air Force Base Friday.

- **Reception for Senator Feinstein**

I will attend a fundraiser for Senator Feinstein Friday.

- **Reception for Steve Klute**

I will participate in a fundraiser for Steve Klute Saturday.

**MEDIA**

- **National Ignition Facility**

Friday, the Los Angeles Times, the New York Times and San Francisco Chronicle will publish stories regarding the Administration's decision to move ahead with the National Ignition Facility.



Department of Energy  
Washington, DC 20585

OFFICE OF THE EXECUTIVE SECRETARIAT  
FACSIMILE TRANSMITTAL FORM

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

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Date: October 20, 1994

To: Phil Caplan

From: Hazel R. O'Leary  
Secretary of Energy

Transmitted on 10/20/94

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ACTIVITY REPORT

TRANSMISSION OK

TRANSACTION #	4833
CONNECTION TEL	94566704
CONNECTION ID	Canon ECM
START TIME	10/20 20:26
USAGE TIME	03'45
PAGES	5



The Secretary of Energy  
Washington, DC 20585

October 20, 1994

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

*M.L.*  
*10/24/94*

CONTROL NO. <b>ES- 94-028706</b>		ACCRYS NO.		DATE SENT <b>10/24/94</b>		DATE DUE					
TYPE OF DOCUMENT/ADDRESSEE <b>MEMORANDUM FOR LEON PANETTA SIGNED BY THE SECRETARY</b>				SUBJECT <b>WEEKLY REPORT</b>							
FROM EXECUTIVE SECRETARIAT											
TO		ACTION COPY TO	INFO COPY TO	TO		ACTION COPY TO	INFO COPY TO				
THE SECRETARY				HEARINGS AND APPEALS (HG)							
DEPUTY SECRETARY				HUMAN RESOURCES AND ADMINISTRATION (HR)							
UNDER SECRETARY				INTELLIGENCE AND NATIONAL SECURITY (IS)							
BONNEVILLE POWER ADMINISTRATION (BPA)				INSPECTOR GENERAL (IG)							
CONGRESSIONAL 1, 10, 20, 30, 40 AND 50				LABORATORY MANAGEMENT (LM)							
CHIEF FINANCIAL OFFICER (CF)				NUCLEAR ENERGY (NE)							
DEFENSE PROGRAMS (DP)				PUBLIC AND CONSUMER AFFAIRS (PA)							
ECONOMIC IMPACT AND DIVERSITY (ED)				POWER MARKETING LIAISON OFFICE (PMA)							
ENERGY EFFICIENCY AND RENEWABLE ENERGY (EE)				POLICY, PLANNING AND PROGRAM EVALUATION (PP)							
ENERGY INFORMATION ADMINISTRATION (EI)				CIVILIAN RADIOACTIVE WASTE MANAGEMENT (RW)							
ENERGY RESEARCH (ER)				SCIENCE, EDUCATION AND TECHNICAL INFORMATION (SET)							
ENVIRONMENT, SAFETY AND HEALTH (ESH)				MIS DIVISION							
ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT (ERW)											
FIELD MANAGEMENT (FM)											
FOSSIL ENERGY (FE)											
GENERAL COUNSEL (GC)											
<b>OS O'LEARY (ES CENTRAL FILES)</b>			<b>X</b>								
<b>ACTION REQUIRED (ES USE ONLY)</b>				<b>STAFF ACTION SUMMARY</b>							
SIGNATURE				OFFICE	NAME/INITIALS	DATE					
APPROVAL				1							
INFORMATION				2							
CONCURRENCE				3							
COMMENTS AND/OR REMARKS				4							
<b>X</b>	OTHER (SEE REMARKS)			5							
REMARKS: THE ATTACHED MEMO WAS SIGNED BY THE SECRETARY ON OCTOBER 20, 1994, AND FAXED BY THE OFFICE OF THE EXECUTIVE SECRETARIAT. THIS COPY IS BEING FORWARDED TO YOUR OFFICE FOR APPROPRIATE HANDLING.				6							
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				REMARKS:							
ES CONTACT: <b>ARLENE MITCHELL 6X8924 ML</b>											