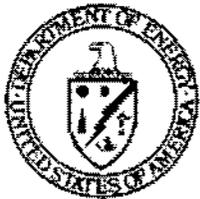


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The Secretary of Energy
Washington, DC 20585
June 15, 1995

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

Sent to Cabinet Affairs via
LotusNotes, 6/15, 6:30

KEY DEPARTMENT NEWS

Signing of American Clean Energy Projects

On June 8 in Costa Rica, I presided over the signing of agreements on four clean energy projects worth an estimated \$400 million. The projects involve both North and Latin American partners and have a strong emphasis on environmentally sustainable energy practices. They include geothermal energy in Nicaragua and Mexico and several types of renewable energy in Honduras, including biomass, wind, geothermal, and hydroelectric energy. The technologies used will preserve the environment while fueling economic growth in Latin America and creating high wage jobs in the United States.

Deputy Secretary Heads DOE Mission to Mexico

Energy, environmental, and regulatory interests in Mexico's expanding and emerging markets will advance another step next week (June 19-23) when Deputy Secretary Bill White leads a delegation of more than 100 U.S. business leaders and government experts to Mexico City and Monterrey. The four-day mission will feature several events that advance private sector energy projects as well as meetings with senior officials from the Mexican government.

Kickoff the 1995 SunRayce

I will travel to Indianapolis on June 19-20 to kickoff the 1995 SunRayce. This is a race of solar vehicles designed by university students and sponsored by the Department and several major corporations. The race will conclude in Denver, Colorado. I will also announce a \$200,000 grant to the State of Indiana for its development of energy efficient codes and standards.

Engineering Educations Conference

On Tuesday, June 20, I will be speaking at a reception in Minnesota to announce the 4th World Conference on Engineering Education, which will be held in Minneapolis/St. Paul. The theme for this year's conference is: "Restructuring Engineering Education for Meeting World Needs." I will address changing demands on engineers, support by the Federal Government of engineering programs, partnerships with industry and academia, and the importance of engineers in economic competitiveness and environmental quality.

U.S.-Ukrainian Team to Study Incidence of Childhood Thyroid Disease After Chernobyl Nuclear Accident

The United States and Ukraine have agreed on the scientific framework for the largest and most detailed radiation exposure effects study of childhood thyroid disease. The Department of Energy and Lawrence Livermore National Laboratory are part of the U.S.-Ukrainian team. The scientific protocol, signed by the U.S. Ambassador to Ukraine and the acting Ukrainian Minister of Health, lays out a plan for medically tracking approximately 70,000 children who lived in areas of Ukraine heavily contaminated by the accident. The study's primary objective is to determine the extent to which exposure to radioiodine, especially I-131, released during the accident, results in childhood thyroid disease.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Savings from Reinvention Delivered to U.S. Congress

The Department's reinvention initiative was recently translated into immediate savings with formal notification to Congress that the Department's pending fiscal year 1996 request for funding will be reduced by \$207 million to reflect the first year of our Strategic Alignment and Downsizing. The reduction in Department accounts reflect the first year estimates of Alignment savings from: personnel consolidation, reductions in support service contractor use, reductions in Federal and contractor travel costs, efficiencies in information management, and reforms in the handling of National Energy Policy Act requirements.

CONGRESS

Congressional Hearings

June 21, 1995 - Secretary O'Leary, Al Narath, Director - Sandia National Laboratories; before House Commerce Committee, Energy and Power Subcommittee regarding Department's Strategic Alignment Initiative.

June 22, 1995 - Economic Diversity and Human Resources Officials; before House Government Reform and Oversight Committee, Subcommittee on Civil Service regarding Administration's Federal Training Programs (AIDS Training in Particular).

June 27, 1995 - Tom Grumbly, Assistant Secretary, Environmental Management; before House Transportation and Infrastructure Committee, Water Resources and Environment Subcommittee regarding Superfund Reauthorization.

TBD - Tom Grumbly, Assistant Secretary, Environmental Management; before Senate Energy and Natural Resources Committee regarding Department's Strategic Alignment Initiative.

TBD - Tom Grumbly, Assistant Secretary, Environmental Management; before House Commerce, Commerce, Trade, and Hazardous Materials Subcommittee regarding Superfund Reauthorization.

OUTREACH

Meetings with Chief Minister of Bengal

I will meet with West Bengal Chief Minister Jyoti Basu on Thursday, June 22 at the Department of Energy's Forrestal Building. West Bengal is undertaking major initiatives to expand and develop its diversified industrial base in the areas of hydrocarbons, chemicals, pharmaceuticals, cement, high tech information, and resources. I will discuss the potential for energy cooperation in electric utility reform. Also, Chief Minister Basu will likely discuss outcomes from the June 16 conference on "Alternatives to Counter guarantees for Financing Power Projects in India" and the impact any measures discussed might have on specific initiatives in West Bengal.

MEDIA

House Republican Dismantlement Plan

The House Republican plan to dismantle the Department was covered in most major and regional papers. My preemptive action and immediate response by the Deputy Secretary resulted in our view being included in most stories. The *Washington Post* carried several quotes. Regional stories noted local congressional reaction, in many cases favorable, particularly in New Mexico and near Oak Ridge, Tennessee.

Report on Energy R&D

June 13 Yergin Task Force Report press conference gained *Washington Post* and *New York Times* coverage with DOE's message that congressional cuts of energy research are too deep and threaten U.S. scientific leadership and economic competitiveness. Also carried in regional papers -- *Los Angeles Times*, *Oakland Tribune*, *Knoxville Sentinel*, *Chicago Tribune*.

REGULATORY REFORM

No significant activity to report.

FOIA ACTIVITY

We have received Freedom of Information Act requests from the *Wall Street Journal* requesting all correspondence between the Department and Representatives Gingrich and Dornan, Senators Dole, Gramm, Spector, and Lugar, and Governor Wilson. The Newhouse News Service has requested all correspondence between the Department and Representatives Wes Cooley, Ron Wyden, Peter DeFazio, Jim Bunn, Linda Smith, Helen Chenoweth, and Elizabeth Furse and Senators Slade Gorton, Patty Murray, Mark Hatfield, and Bob Packwood.

SECRETARY AND SUB-CABINET SCHEDULES

Calendars will be sent via LotusNotes to the Office of Cabinet Affairs.



The Secretary of Energy
Washington, DC 20585
June 22, 1995

OLWHPANETTA-ES95-011454
OLWHPANETTA-ES95-011454
Sent to Cabinet Affairs via
Lotus Notes June 22, 1995
5:20pm

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

KEY DEPARTMENT NEWS

Initiatives with the Public and Private Sectors of India and Asia

The nation of India represents one of the world's largest emerging energy markets. In the last 12 months, I have witnessed \$10 billion in energy agreements between U.S. firms and India. Recently, there has been a controversy over a project being developed by ENRON Corporation. The state in which the project is slated to be located has stated it's intent to review ENRON's contract potentially affecting this \$1 billion investment and many of the gains India has made in international markets.

India's Minister of Power was in New York with a business delegation last week for a series of meetings and speeches. I held several meetings with the Minister and the Ambassador on the status of private sector projects and also met with the leaders of our companies to hear their concerns. I also gave two major speeches to the World Congress and the Asia Society on our Administration's strategy in Asia and attempts to open up these markets for U.S. firms. Finally, I participated in a press roundtable with India's Power Minister. Such publications as the *Journal of Commerce*, *New York Times*, *Wall Street Journal*, and *Financial Times* were in attendance.

Interagency Proposal on High-Level Waste

An interagency process co-chaired by OMB and DOE will forward a proposed approach on high-level waste that could constitute an Administration position. Legislation has been introduced in the House and Senate. The House is beginning a series of hearings on Wednesday, June 28. The most important issue is interim storage. There is widespread interest on the Hill, among State utility commissioners, utilities and interest groups in providing that authority to the Department. We should try to resolve this issue before next Wednesday so that we can testify on an Administration position.

011-01

Fiscal Year 1996 Budget Reductions

The Energy and Water and Interior Appropriations Subcommittees marked up their fiscal year 1996 spending bills this week. The Energy and Water Subcommittee funds 90% of the Department's activities including our National Security, Environmental Management and Scientific and Technology initiatives. The Committee reduced our technology transfer proposals by 90%, and nonproliferation programs by 28%. Of note, the Committee did not fund our North Korea initiatives that would allow us to secure the fuel that could potentially be reprocessed for military purposes. The bill also cuts our renewable energy initiatives by over 50%.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

The Fifth Meeting of the Gore-Chernomyrdin Commission in Moscow

I will travel with the Vice President next week for this Commission meeting. Given the delicate nature of several of the nuclear issues between our nations, this meeting will likely gain significant media attention. Specifically, the issues I will be addressing include safety and security of Russia's nuclear materials, the implementation of the contract to dismantle Russia's nuclear weapons, and development of the Caspian Sea's oil and gas resources.

CONGRESS

Congressional Hearings

Hearing on Dismantlement of the Department of Energy

The Energy and Power Subcommittee of the House Commerce Committee held a hearing on the dismantlement of the Department of Energy. My testimony focused on our Administration's plan to save \$14.1 billion over five years and the need to preserve our essential functions of weapons stockpile management, environmental cleanup, science and technology, and energy policy. I also strongly criticized the freshman Republican proposals to transfer our cleanup and weapons functions to the Department of Defense.

I believe our message was well received.

June 27, 1995 - Tom Grumbly, Assistant Secretary, Environmental Management; before House Transportation and Infrastructure Committee, Water Resources and Environment Subcommittee regarding Superfund Reauthorization.

June 28, 1995 - Dan Dreyfus, Director, Radioactive Waste; before House Commerce Committee, Energy and Power Subcommittee regarding Interim Storage of Nuclear Waste.

June 29, 1995 - Pat Godley, Assistant Secretary, Fossil Energy; before Senate Energy and Natural Resources Committee regarding Energy and Environmental Implications of Komi Oil Spills in the Former Soviet Union.

July 11, 1995 - Secretary O'Leary; before Senate Energy and Natural Resources Committee regarding Department's Strategic Alignment Initiative.

TBD - Tom Grumbly, Assistant Secretary, Environmental Management; before Senate Energy and Natural Resources Committee regarding S.871--Legislation on Hanford.

TBD - Tom Grumbly, Assistant Secretary, Environmental Management; before House Commerce, Commerce, Trade, and Hazardous Materials Subcommittee regarding Superfund Reauthorization.

CONGRESSIONAL MEETINGS

Meeting with Senator Frist

I met with Senator Frist on proposals to dismantle the Department. He will support the Department as Oak Ridge is vital to the economic future of the State and region.

MEDIA

Interview with McNeil Lehrer

I appeared on McNeil Lehrer on Tuesday night to discuss proposals to dismantle the Department.

I held similar interviews with National Public Radio and television of Minnesota and WCBS Radio.

REGULATORY REFORM

The Office of Energy Efficiency and Renewable Energy has withdrawn a rulemaking regarding energy efficiency standards for television sets. The Energy Policy Act mandates that the Department establish rules for certain consumer products, but the rule regarding energy conservation standards for television sets was discretionary. In response to industry comments and the decision to focus the Department's resources on standards-related rulemakings that are mandatory, the Office of Energy Efficiency and Renewable Energy decided to terminate the rulemaking. A notice officially withdrawing the rulemaking will appear in the *Federal Register* on Friday, June 23, 1995.

FOIA ACTIVITY

No significant FOIA's.

SECRETARY'S SCHEDULE AND SUB-CABINET SCHEDULE

Sent to the Office of Cabinet Affairs via Lotus Notes.



The Secretary of Energy
Washington, DC 20585

OLIVIA PANETTA
65-95-012060
OLIVIA PANETTA - 65-012060

June 29, 1995

MEMORANDUM LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent to Cabinet Affairs via
Lotus Notes 5:12 pm

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Circuit Court Ruling Allows Acceptance of Foreign Nuclear Fuel Rods

DOE was informed June 23 that the Fourth Circuit Court of Appeals lifted the injunction against the shipment of 151 spent nuclear fuel rods from foreign research reactors to the Department's Savannah River Site in South Carolina. The Court's decision recognized the important nonproliferation objectives served by this action. The fuel rods contain weapon-grade uranium of U.S. origin. Taking back the spent fuel will decrease the risk that it could fall into the wrong hands and will encourage various European countries to switch their research reactors to non-weapon-grade fuel. We will work closely with South Carolina Governor Beasley in the coming days to develop an overall plan that meets the needs of the Nation and the Savannah River community.

DOE and SBA Agree on Support for Small Business

Small businesses looking to turn energy technologies into new business opportunities or simply seeking ways to reduce energy costs are expected to benefit under an agreement signed June 26 by Deputy Secretary William White and SBA Administrator Philip Lader. The two Federal agencies will use their national networks and information programs to help small businesses profit from new energy technologies.

Through this agreement, SBA will direct loans to small businesses that manufacture energy efficiency and pollution-control products, as well as those which provide energy and pollution-related information to the small business community.

This agreement will accelerate the expansion of the market for energy-saving technologies, save small businesses money on energy bills, and stimulate the development of new energy-saving technologies.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

The Fifth Meeting of the Gore-Chernomyrdin Commission in Moscow

I am in Russia this week to participate in the fifth meeting of the Gore-Chernomyrdin Commission. I will co-chair the Commission's Energy Policy Committee and meet with my counterparts, Russian Minister of Fuels and Energy Yuri Shafranik and Minister of Atomic Energy Viktor Mikhailov. Key issues include safety and security of Russia's nuclear materials, the implementation of the contract to dismantle Russia's nuclear weapons, and development of the Caspian Sea's oil and gas resources.

CONGRESS

June 30, 1995 - Daniel Dreyfus, Director, Office of Civilian Radioactive Waste Management, before House Commerce Committee, Energy and Power Subcommittee regarding Civilian Radioactive Waste Management Program.

July 11, 1995 - Secretary O'Leary, before Senate Energy and Natural Resources Committee regarding Department's Strategic Alignment Initiative.

TBD - Tom Grumbly, Assistant Secretary, Environmental Management, before Senate Energy and Natural Resources Committee regarding S. 871--legislation on Hanford.

TBD - TBD - before Senate Energy and Natural Resources Committee regarding oil production in Alaska.

MEDIA

Interview with McNeil-Lehrer

I appeared on the *MacNeil-Lehrer News Hour* to debate Congressman Todd Tiahrt about the future of DOE. The segment included a review of DOE's work, as well as commentary by outside experts from NRDC and Competitive Enterprise Institute.

Sunrayce

NBC Nightly News, Christian Science Monitor and USA Today have covered Sunrayce, a solar car race from Indianapolis to Denver.

DOE published a positive opinion editorial in the *Philadelphia Inquirer*, which had featured negative coverage of our technology transfer program and research partnerships. In addition, the *Los Angeles Times* wrote an article critical of my travel.

REGULATORY REFORM

No significant activity to report

FOIA ACTIVITY

No significant new requests to report.

SECRETARY'S SCHEDULE AND SUB-CABINET SCHEDULES

Schedules have been sent electronically through Lotus Notes.



The Secretary of Energy
Washington, DC 20585

July 6, 1995

OLUH PANETTA
ES95-012144
ES95-012144
FILE CODE: ES95-012144

MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent to Cabinet Affairs
via Lotus Notes 6:45 pm

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Gore-Chernomyrdin Commission

I participated in the fifth session of the Gore-Chernomyrdin Commission in Moscow June 28-30, 1995. As Chair of the Energy Policy Committee, I met with Minister of Atomic Energy Viktor Mikhailov and Minister of Fuel and Energy Yuri Shafranik. As a result of my meetings with Minister Mikhailov, I signed three agreements in the areas of nuclear materials control and accountability and nuclear power. The first was a joint statement on transparency measures under the U.S.-Russian agreement on purchase of highly enriched uranium. This agreement solidifies the implementing contract wherein the U.S. Enrichment Corporation purchases 500 metric tons of weapons-grade materials from Russia and sells it as fuel to commercial reactors. The transparency agreement ensures that the material was derived from weapons. Under this agreement, the U.S. Enrichment Corporation will advance the Russian Minister of Atomic Energy Russia \$100 million to ensure economic stabilization, and the Department will collateralize the deal with stocks of uranium. The \$100 million will pay for Russia to upgrade facilities necessary to turn Ukraine's weapons-grade material into fuel assemblies for commercial reactors. This agreement ensures that our Administration's major nonproliferation initiative is on a sound track for implementation.

The second was a joint statement on nuclear materials protection, control, and accounting. This initiative ensures that we will secure nuclear material at five more sites in Russia. The third was a statement of intent outlining a comprehensive approach to solving the problem of replacement power to allow the shutdown of Russia's plutonium production reactors.

I also signed two agreements with the Chairman of the Russian nuclear regulatory agency (Gosatomnadzor) on nuclear safety issues related to fuel cycle facilities and research reactors and on nuclear materials protection, control and accounting. These initiatives ensure that our nonproliferation objectives will be met and that the highly enriched uranium purchase contract will be implemented.



In the nonnuclear energy area, the Minister of Fuels and Energy and I announced a new initiative in the area of energy efficiency that will support the renovation and upgrading of district heating systems in 15 Russian cities. There will be significant opportunities for U.S. companies to provide technology to reduce energy use in Russia.

Invitation to Speak at Symposium on 50th Anniversary of the Trinity Test

The Department of Energy and the National Academy of Sciences are co-sponsoring a symposium July 16 on the 50th anniversary of the Trinity test. The one-day session will allow the Administration to highlight the scientific accomplishments spawned by Trinity and the Administration's arms control and nonproliferation agenda. In this way, the Administration can focus on scientific achievements and current nuclear successes and challenges instead of the controversial aspects of the Hiroshima and Nagasaki bombing whose 50th anniversaries will occur in August. The event will convene the surviving Manhattan Project scientists, as well as distinguished scientists, historians, and elected officials.

CONGRESS

Congressional Meetings

- Presentation to the Congressional Black Caucus

I will make a presentation to the Congressional Black Caucus next Wednesday. My presentation will focus on the Strategic Alignment of the Department.

- Presentation to the House Leadership

I will make a presentation to the House Leadership next week on our Strategic Alignment.

Congressional Hearings

July 11, 1995 - Secretary O'Leary; before the Senate Energy and Natural Resources Committee regarding Department's Strategic Alignment Initiative.

July 12, 1995 - Robert Nordhaus, General Counsel; before the Senate Energy and Natural Resources Committee regarding Power Marketing Administrations.

July 18, 1995 - TBD; before Senate Energy and Natural Resources Committee regarding Oil Production in Alaska.

July 20, 1995 - Thomas Grumbly, Assistant Secretary, Environmental Management; before Senate Energy and Natural Resources Committee regarding S.871--Legislation on Hanford.

MEDIA

Interview with Tom Lippman of the *Washington Post*

I will conduct an interview with Tom Lippman of the *Post* on our initiative in Russia to ensure the workability of our Nation's contract to purchase weapons-grade material and sell it as reactor fuel.

Interview with Jessica Mathews

I will conduct an interview on the same subject with Jessica Mathews. My message will focus on the Administration's determination to make this agreement work.

REGULATORY REFORM

External Requests

Regulatory Reform Legislation (S.343). We are continuing to provide background information on departmental impacts from S.343, if it were to be enacted in its current form. This week we have provided information to Senators Glenn and Lautenberg on approximately 275 DOE cleanup sites that we believe would be subject to the prescriptive requirements of the bill.

Upcoming Rules

Elimination of outdated regulations under the Powerplant and Industrial Fuel Use Act of 1978. As the first step in implementing the Department's recent report to the President on eliminating and reinventing existing regulations, the Department of Energy has determined that its regulation governing the classification of certain electric powerplants under the Powerplant and Industrial Fuel Use Act of 1978 (FUA) are outdated and should be eliminated. FUA was enacted following international oil supply interruptions in order to increase coal consumption, while restraining the use of domestic natural gas, among other things, in order to increase coal consumption. A Federal Register notice eliminating this regulation is scheduled for publication tomorrow.

FOIA ACTIVITY

No significant new Freedom of Information Act requests.

SECRETARY AND SUBCABINET SCHEDULES

Calendars are sent via facsimile to the Office of Cabinet Affairs.



The Secretary of Energy
Washington, DC 20585



July 13, 1995

MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent to Cabinet Affairs
via LotusNotes, 7/13

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Upcoming Decision on Nuclear Waste

Several committees of the Congress will begin marking-up legislation requiring the Department of Energy to develop an interim storage site for spent nuclear fuel. Following the President's letter to Governor Miller regarding our Administration's position on such legislation, affected agencies have gotten together to develop several options for possible presentation to the President that could be communicated as Administration policy. We believe it is critical to take a position as the Congress is likely to move ahead without us. Without Administration participation, the Congress could pass an extreme bill inviting a veto. A veto, without having articulated a position, will invite criticism from 34 States that the Administration vetoed a bill and did not play in the process. From both a substantive and political perspective, we do not believe this would be a wise decision.

The Department supports a position that would allow us to take waste in approximately 2005, while living up to the commitments articulated in the President's letter. Our Under Secretary, Charlie Curtis, is briefing appropriate White House staff on these issues. I will likely request a meeting with you in the near future.

Upcoming Decision on a Tritium Production Source

The Department is committed to making a decision, through an Environmental Impact Statement process, on a facility to produce tritium -- a gas necessary to maintain nuclear weapons. We need to have a new supply by 2011. As many believe that either a new nuclear reactor or accelerator will be necessary to produce tritium, there is great competition between States that would like to host a site. These States are South Carolina and Nevada.

We are close to completing an analysis on which to base this decision. A decision could be made much earlier than November. We will brief appropriate White House staff on

these issues, which have been fully discussed with members of the National Security Council and Department of Defense.

Upcoming Trips to South Africa

I will be leading a delegation to South Africa in August. We will be accompanied by leaders from the energy sector seeking to do business in South Africa. This visit will precede the first meeting of the Gore-Mbecki Commission scheduled for October.

In the near future, I will be briefed by several leading experts on the current state of the nation in order to be appropriately prepared. This provides an extensive opportunity for outreach with a very important constituency.

Impact of House Energy and Water Bill on the Department of Energy

This bill will have a significant impact on the Department's ability to carry out its missions in a number of critical areas. This subcommittee funds 90 percent of the Department's activities including defense, basic and applied science, and environmental cleanup.

The bill reduces funding for defense environmental restoration by over \$700 million, thereby jeopardizing our ability to support legal and other regulatory requirements. It reduces funding for environment, safety, and health, which may result in higher risks to workers and communities.

The bill also reduces by over \$100 million defense-related funding particularly related to nonproliferation and treaty verification of nuclear weapons and materials. It also eliminates construction funding for the National Ignition Facility, a key element necessary to ensure the future safety of nuclear weapons without underground testing.

In the civilian arena, the bill cuts approximately \$200 million for solar and renewable energy activities which will adversely impact the introduction of promising new technologies into the marketplace, thereby costing the citizens millions of dollars in energy savings. It eliminates completely the Solar Buildings program, Solar International program, and Energy Storage programs. The bill would also impact basic research, would strike a major blow to the Fusion Energy program which holds the promise of boundless clean energy for future generations, and devastate the Department's education program which helps assure a future work force in the science and technical fields.

CONGRESS

Congressional Hearings

July 20, 1995 - Thomas Grumbly, Assistant Secretary, Environmental Management; before Senate Energy and Natural Resources Committee regarding S.871--Legislation on Hanford.

July 21, 1995 - George Dails, Carlsbad Area Office, before House Committee on Commerce, Subcommittee on Energy and Power.

MEDIA

Interview with Matt Wald of the *New York Times*

I conducted an interview with Matt Wald of the *New York Times* on the subject of security of Russia's nuclear materials. I communicated the successes the Administration has had in controlling Russia materials at various Russia facilities and our recent agreement, achieved at the Gore-Chernomyrdin Commission meeting, to install equipment to control nuclear facilities at several facilities in Russia.

Interview with CNN on Science

I conducted an interview with had an interview with *CNN Science News* on the anniversary of the Trinity test. The covered legacies of the nuclear age, the remote monitoring of weapons stockpiles between the U.S. and Russia, and issues around Yucca Mountain. The segment will air on Sunday, July 16.

While primarily focusing on history, other Trinity news coverage has included mention of the Department, as well. The *Christian Science Monitor* is interviewing Assistant Secretary Tom Grumbly on the environmental legacy of nuclear weapons development.

Other News Coverage

I was included in coverage on the Russian Highly Enriched Uranium agreement that affected the U.S. Enrichment Corporation. An interview on the subject appeared in the *New York Times* on July 9.

The Department received very positive coverage on energy efficiency programs in the *Los Angeles Times*, *Christian Science Monitor* and *Popular Science*.

REGULATORY REFORM

External Requests

Regulatory Reform Legislation (S.343). We are continuing to support the Administration's efforts in connection with S.343, and among other things, have provided the Department's views on the bill to Senator Johnston, as he had requested.

Upcoming Rules

Proposed Energy Efficiency Standards for Refrigerators, Refrigerator-Freezers and Freezers. The Department issued, on July 12, 1995, a notice of proposed rulemaking to establish energy efficiency standards for these products. The proposed standards, which have been developed through an informal consensual rulemaking effort, could save over seven quads of primary energy and have positive effects on the environment by reducing the emissions of SO₂ by approximately 1,000 tons and emissions of CO₂ by approximately 540 million tons by the year 2030. The proposal reflects the joint recommendations of an independent group of refrigerator manufacturers, electric utilities, and energy efficiency advocates who have been supported and assisted by the Department in the development of their negotiated conclusions.

Proposed Voluntary Residential Energy Efficiency Rating Guidelines. The Department issued on July 11, 1995, proposed statutorily required, voluntary guidelines designed to encourage uniformity for rating the annual energy efficiency of new and existing residential buildings. The voluntary guidelines are intended for use by State and local governments, utilities, builders, real estate agents, lenders, and agencies in mortgage markets to enable and encourage the assignment of energy efficiency ratings to residential buildings and the development of criteria for attractive financial instruments for energy efficient homes. The proposal reflects the recommendations of an independent group of organizations who have supported providing a mechanism by which energy efficiency mortgages and loans can be offered to consumers. These guidelines will provide a uniform basis which lenders can use to evaluate these loans

FOIA ACTIVITY

Writers from *The New Republic* have requested all applications for Federal funding submitted by or on behalf of Phil Gramm or his consulting business between 1974-1984. The requester alludes to a misuse of Federal funds and the Energy Research and Development Administration's (a DOE predecessor) failure to properly account for these funds.

SECRETARY AND SUB-CABINET SCHEDULES

Calendars are sent via facsimile to the Office of Cabinet Affairs.



The Secretary of Energy

Washington, DC 20585

July 27, 1995

OLWHPANETTA
ES95-013247



MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY Sent to Cabinet Affairs via Lotus Notes

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

\$6 Billion Contract for Savannah River

On July 26, in South Carolina, I announced that the Savannah River Site is seeking proposals for a new contractor team to manage defense and environmental activities. The contract is worth approximately \$6 billion over five years. The solicitation requires contractors to show that they are best-in-class in several areas including, nuclear operations, nuclear stabilization, waste management, and environmental restoration. Our goal is to improve performance of our vital defense and environmental missions while saving taxpayer dollars and ensuring safety and environmental protection at Savannah River. We streamlined the competitive process so it is less costly to potential bidders, and we emphasize performance, encourage innovation, and reward best practices--all vital components of our contract reform initiatives.

Implementation of Strategic Alignment Initiative

On August 3, I will announce the details of our plans to downsize and reorganize the Department. I will present details about how we plan to reduce our headquarters and field workforce, close offices, reduce the cost of contractors, improve our response to emergencies, and sell off surplus assets. The Strategic Alignment is an element of the \$14.1 billion savings package we announced last December.

CONGRESS

Meeting with Congressman Victor Frazer

I will meet with Representative Frazer of the International Relations Committee regarding South Africa and other issues.

Meeting with Senator Slade Gorton

I will meet with Senator Gorton regarding efforts to dismantle the Department.



Meeting with Congressman Bud Livingston

I will meet with Representative Livingston, Chairman of the House Appropriations Committee, on the status of efforts to dismantle the Department.

Congressional Hearings

September 6, 1995 or September 7, 1995 - Charles Curtis, Under Secretary; before House Science Committee, Basic Research Subcommittee regarding legislation to improve efficiency of DOE labs: Schiff, (Draft Bill) Bartlett (H.R. 87), Roemer (H.R. 1510).

MEDIA

50th Anniversary of the Atomic Explosion

Coverage of Trinity has included DOE laboratory involvement in development of the bomb, as well as the environmental legacy of weapons production. *U.S. News and World Report* featured mainly a historical and scientific achievement story. *Engineering News Record* included an interview with Assistant Secretary for Environmental Management Tom Grumbly.

Budget Coverage

Primarily regional and focused on the impact of environmental management cuts.

Reactors

A *New York Times* article detailed a Department report about potentially unsafe reactors, mostly in Russia and Eastern Europe. The story noted battle in Congress to cut funding that would assist Russia in fixing the reactors.

Affirmative Action

Corlis Moody, Director of the Office of Economic Impact and Diversity, conducted regional press interviews related to affirmative action. The interviews were in response to the University of California Regents decision. Media included *Associated Press, Valley Times, Medill News Service, Tri-Valley Herald* and *Oakland Tribune*.

REGULATORY REFORM

External Issues

The Parker Amendment, H.R. 1977, passed the House by a vote of 244-181. This amendment would bar the use of funds for the Department to plan, propose, issue or prescribe any new or amended energy efficiency standard under the Department's Codes and Standards program and makes a reduction of \$12.8 million to DOE's energy conservation account.

Recent Rulemakings

On July 20, the Department published a proposed rule on standards for refrigerators which evolved from extensive consultation with the public and industry during the past two years. It is estimated that these standards will result in refrigerators using 22 to 30 percent less electricity than today's new models, saving consumers \$13 billion and reducing greenhouse gas emissions of carbon by 5 million metric tons by 2010.

The Department also published on July 25 an Advanced Notice of Proposed Rulemaking requesting public input on its guidelines regarding sensitive nuclear technology. These guidelines have been in use for several years to assist the Department's staff in determining whether information proposed for export is "sensitive nuclear technology". The Department has initiated this rulemaking to codify the guidelines in order to make them easily available to interested members of the public.

FOIA ACTIVITY

- *The Asahi Shimbun* (Japanese news) has requested the information regarding the transportation of plutonium from France to Japan by ship in 1992.
- *The Los Angeles Times* has requested the following documents:
 - List of all foreign trips taken by all Secretaries of Energy under the Carter, Reagan, and Bush Administrations.
 - Memoranda of Understanding for business agreements signed in connection with the my foreign trade missions since January 1993.
 - List of all individuals who did advance work in foreign countries for my foreign trips since January 1993.

- Bids for a private charter aircraft to Pakistan in September 1994.
- Inspector General Report on my foreign travel (CRL-9501), released November 1994.
- Names of all private parties who accompanied me on foreign trade missions from 1993 to 1995.

SECRETARY'S SCHEDULE

Calendars will be sent via facsimile to the Office of Cabinet Affairs.

SUB-CABINET SCHEDULE

Calendars will be sent via facsimile to the Office of Cabinet Affairs.



Department of Energy
Washington, DC 20585

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Date: 7/27/95

To: Mr. T. J. Glauthier, OMB (fax# 395-4639)

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From: Hazel R. O'Leary
Secretary of Energy

Transmittal consists of 4 pages, excluding this form.

X

Notes:



The Secretary of Energy

Washington, DC 20585

July 27, 1995

MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent to Cabinet Affairs via Lotus Notes

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

\$6 Billion Contract for Savannah River

On July 26, in South Carolina, I announced that the Savannah River Site is seeking proposals for a new contractor team to manage defense and environmental activities. The contract is worth approximately \$6 billion over five years. The solicitation requires contractors to show that they are best-in-class in several areas including, nuclear operations, nuclear stabilization, waste management, and environmental restoration. Our goal is to improve performance of our vital defense and environmental missions while saving taxpayer dollars and ensuring safety and environmental protection at Savannah River. We streamlined the competitive process so it is less costly to potential bidders, and we emphasize performance, encourage innovation, and reward best practices--all vital components of our contract reform initiatives.

Implementation of Strategic Alignment Initiative

On August 3, I will announce the details of our plans to downsize and reorganize the Department. I will present details about how we plan to reduce our headquarters and field workforce, close offices, reduce the cost of contractors, improve our response to emergencies, and sell off surplus assets. The Strategic Alignment is an element of the \$14.1 billion savings package we announced last December.

CONGRESS

Meeting with Congressman Victor Frazer

I will meet with Representative Frazer of the International Relations Committee regarding South Africa and other issues.

Meeting with Senator Slade Gorton

I will meet with Senator Gorton regarding efforts to dismantle the Department.



Meeting with Congressman Bud Livingston

I will meet with Representative Livingston, Chairman of the House Appropriations Committee, on the status of efforts to dismantle the Department.

Congressional Hearings

September 6, 1995 or September 7, 1995 - Charles Curtis, Under Secretary, before House Science Committee, Basic Research Subcommittee regarding legislation to improve efficiency of DOE labs: Schiff, (Draft Bill) Bartlett (H.R. 87), Roemer (H.R. 1510).

MEDIA

50th Anniversary of the Atomic Explosion

Coverage of Trinity has included DOE laboratory involvement in development of the bomb, as well as the environmental legacy of weapons production. *U.S. News and World Report* featured mainly a historical and scientific achievement story. *Engineering News Record* included an interview with Assistant Secretary for Environmental Management Tom Grumbly.

Budget Coverage

Primarily regional and focused on the impact of environmental management cuts.

Reactors

A *New York Times* article detailed a Department report about potentially unsafe reactors, mostly in Russia and Eastern Europe. The story noted battle in Congress to cut funding that would assist Russia in fixing the reactors.

Affirmative Action

Corlis Moody, Director of the Office of Economic Impact and Diversity, conducted regional press interviews related to affirmative action. The interviews were in response to the University of California Regents decision. Media included *Associated Press*, *Valley Times*, *Medill News Service*, *Tri-Valley Herald* and *Oakland Tribune*.

REGULATORY REFORM

External Issues

The Parker Amendment, H.R. 1977, passed the House by a vote of 244-181. This amendment would bar the use of funds for the Department to plan, propose, issue or prescribe any new or amended energy efficiency standard under the Department's Codes and Standards program and makes a reduction of \$12.8 million to DOE's energy conservation account.

Recent Rulemakings

On July 20, the Department published a proposed rule on standards for refrigerators which evolved from extensive consultation with the public and industry during the past two years. It is estimated that these standards will result in refrigerators using 22 to 30 percent less electricity than today's new models, saving consumers \$13 billion and reducing greenhouse gas emissions of carbon by 5 million metric tons by 2010.

The Department also published on July 25 an Advanced Notice of Proposed Rulemaking requesting public input on its guidelines regarding sensitive nuclear technology. These guidelines have been in use for several years to assist the Department's staff in determining whether information proposed for export is "sensitive nuclear technology". The Department has initiated this rulemaking to codify the guidelines in order to make them easily available to interested members of the public.

FOIA ACTIVITY

- *The Asahi Shimbun* (Japanese news) has requested the information regarding the transportation of plutonium from France to Japan by ship in 1992.
- *The Los Angeles Times* has requested the following documents:
 - List of all foreign trips taken by all Secretaries of Energy under the Carter, Reagan, and Bush Administrations.
 - Memoranda of Understanding for business agreements signed in connection with the my foreign trade missions since January 1993.
 - List of all individuals who did advance work in foreign countries for my foreign trips since January 1993.

- Bids for a private charter aircraft to Pakistan in September 1994.
- Inspector General Report on my foreign travel (CRL-9501), released November 1994.
- Names of all private parties who accompanied me on foreign trade missions from 1993 to 1995.

SECRETARY'S SCHEDULE

Calendars will be sent via facsimile to the Office of Cabinet Affairs.

SUB-CABINET SCHEDULE

Calendars will be sent via facsimile to the Office of Cabinet Affairs.



OLWH Panetta

ES95-013624
OLWH PANETTA ES95-013624

The Secretary of Energy
Washington, DC 20585

August 3, 1995

MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent via Lotus Notes to
Cabinet Affairs, 8/3/95 5:10 p.m.

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

Implementation of the Department's Strategic Alignment

Today, I announced the plan to implement the Department's Strategic Alignment Initiative, which was announced on May 3. This plan is an integral element of the Department's efforts to save \$14.1 billion over the next five years. This plan eliminates 3,788 positions and saves \$1.7 billion over five years. To achieve the goals of this plan, we will close six energy efficiency support offices and some small fossil energy offices. All congressional notifications were made. Media attention is expected.

Disposal of Spent Nuclear Fuel

Last week, Office of Management and Budget Director Rivlin and I sent a memorandum to the President recommending an Administration policy on nuclear waste disposal issues. A decision is necessary if we are to impact the ongoing legislative debate and not recommend a veto, should one be necessary without having played in the legislative process. The Administration has been silent on these issues with the exception of a letter to Nevada officials saying we could not support any legislation (designating an interim storage site) at this time.

It is essential that we make a decision in the near future. The House Commerce Committee reported a bill this week that would designate Nevada as an interim storage site for spent nuclear fuel by a 30-4 margin.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Presidential Mission on Sustainable Development to the Republic of South Africa

As a follow up to President Clinton's meetings with President Mandela, and prior to the first meeting of the Gore-Mbecki Commission, I will lead a presidential delegation to South Africa. I will be accompanied by approximately 50 private sector leaders and representatives from non-government organizations. The trip will focus on initiating

assistance to South Africa in support of President Mandela's goal to electrify 2.5 million schools, clinics, and houses by 2000. We will also address such critical issues as renewable energy, oil and gas development, and energy efficiency including the financing of such transactions. We are also working with the private sector firms with programs to train and educate South Africans in these critical areas. All of our work will be designed to determine what policies are required to attract capital to increase South African's access to power. We are also donating surplus computers and have initiated a book drive to assist South Africa.

During the week, I may travel to Mozambique to provide support to a U.S. gas firm seeking to complete a \$800 million gas project.

OUTREACH

Next week I will meet with the National Petroleum Council to discuss the future research and development needs of the industry.

CONGRESS

Congressional Meetings

Meeting with Senator Thompson

I will meet the Senator on issues of importance to the Oak Ridge site, one of the largest employers in the State.

Meeting with Senator Brown

I will meet with Senator Brown next week.

Meeting with Senator Hollings

I will meet with Senator Hollings on issues affecting the Savannah River facility in South Carolina.

Congressional Hearings

September 6, 1995 - Charles Curtis, Under Secretary, before House Science Committee, Basic Research Subcommittee regarding legislation to improve efficiency of DOE labs: Schiff (H.R. 2142), Bartlett (H.R. 87), Roemer (H.R. 1510), and Tiahrt (H.R. 1993).

MEDIA

Interview with the *New York Times*

I will conduct an interview with the *New York Times* on our trip to South Africa.

Strategic Alignment Coverage

My Strategic Alignment Initiative announcement today was covered by the *Federal Times*, trade media, and C-Span.

The Budget Battle

The Department has received coverage surrounding the budget battle including an August 1 Mary McGrory column decrying congressional shortsightedness in adding unwanted money to the defense budget while shorting the account to help Russia dismantle its nuclear inventory. On July 26 the *Christian Science Monitor* noted that States may contest the proposed cuts in the environmental cleanup budget. The story also supported the continued need for a Department of Energy.

National Press Club Newsmaker Breakfast

I will participate in a Newsmaker Breakfast at the Press Club on the day we depart to South Africa.

Interview with the *Kansas City Star*

I will be interviewed by the *Kansas City Star* on the 50th Anniversary of the first test of a nuclear weapon. I will articulate the Administration's views on nuclear testing and our initiatives to negotiate a comprehensive test ban treaty.

REGULATORY REFORM

External Issues

Roll Out of Department's Regulatory Reinvention Initiative. Yesterday, in coordination with the National Performance Review, the Department rolled out its initiative to eliminate or reinvent 75 percent of its existing regulations. DOE has already eliminated or reinvented 20 percent of its regulations and will eliminate a number of outdated regulations in a final rulemaking notice by the end of August. Copies of the Department's June 15 report to the President are being made available to the public.

Upcoming Rulemakings

Streamlining Financial Assistance Procedures. The Department of Energy expects to publish this week a proposed rule to streamline, simplify, and improve the Department's financial assistance process. The proposed changes primarily affect internal Department procedures and will give greater authority to headquarters and field contracting offices in soliciting, reviewing, and processing applications and making awards.

FOIA ACTIVITY

The *Los Angeles Times* has submitted eight Freedom of Information Act requests for travel-related documents during the last few weeks. The requests focus on trade missions led by me or Deputy Secretary Bill White.

SECRETARY AND SUB-CABINET SCHEDULES

Calendars are available via Lotus Notes.

O'Leary: SRS Must Adjust To New Role

DOE Secretary Begins Round Of Conferences

By RODDIE BURRIS

NORTH AUGUSTA — In her usual style, Secretary of Energy Hazel O'Leary hit the floor running on her first stop of her visit to the Central Savannah River Area this morning.

The secretary took a crowd of approximately 300 people at the North Augusta Chamber of Commerce breakfast through the advent of the Cold War to the current face of the country's nuclear defense policy.

Beginning her remarks, she recalled the sense of urgency and patriotism with which the area took up the task of preparing to fight the Cold War.

However, the secretary made note that the Cold War Era is over and said that the Savannah River Site needed to get on with the future.

"It would be marvelous if we could continue on as we've gone, but there is no need for that" she said speaking of the need for weapons production.

She made note that the Department of Energy has been unfairly criticized for work force reduction at SRS versus other nuclear weapons facilities.

She noted that SRS had incurred

only at 22 percent work force reduction, which she said compares favorably with a similar 39 percent reduction at the Rocky Flats plant near Denver.

In looking to the future, Mrs. O'Leary said that there is still work to do at SRS. "It is not building bombs, but we are not in that business any more."

She listed materials stabilization, processing of waste, decontamination and decommissioning of facilities as well as tritium production as future activities for the site.

"Let's get comfortable about doing this kind of work. It is decent, honest work and it must be done."

The secretary said that if she had been a better historian when she came into office she would have better understood the angst people felt at the idea of getting a reactor then having that decision reversed.

"Let me tell you where I am, I am decisive. I have decided where we are is that we shouldn't start a project and wake up one day and realize that Congress will not support it. Our mission is to build a tritium production facility that will take us into the 21st century. But

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... O'Leary

(Continued From Page 1A)

our mission is not to simply build something, it is to produce tritium. I have a strong suspicion I am standing in the community where that is going to happen."

The secretary said she did not come here to make an announcement on this, but said she would likely make an announcement in two weeks.

The secretary covered as possible SRS options for the future new long-term storage and support, which would cover a 50-year period and cost \$50 million-\$70 million a year.

She also mentioned a mixed oxide fuel replication plant that would function for up to 15 years at a cost of \$40 million-\$60 million. Such a facility would support processing after tritium production.

The secretary did not mention a multi-purpose reactor as a possibility for the site, but did mention a

linear accelerator. She said an accelerator would function approximately 40 years at the site and cost \$3 billion-\$8 billion to construct over five years.

She also mentioned vitrification at the Defense Waste Processing Facility, which she said is on schedule and would begin operating this winter.

The secretary said the CSRA must get beyond the production phase and frame of thinking to the next phase.

She also mentioned the contract renegotiation for the site, noting that she prefers one contractor with several subcontractors. The secretary also put in a plug for diversity.

"Suck it up, get used to it, we want a contractor that celebrates and encourages diversity."

"There is life at this site, there is work to be done at this site, but it will never be the same. I can't imagine us wanting it to be the same."

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SRS senses victory in tritium race

DOE hints S.C. will get facility

By MIKE LIVINGSTON
Staff Writer

AIKEN — Energy Secretary Hazel O'Leary, all but conceded Wednesday that putting a major tritium facility at the Savannah River Site is a done deal.

She told civic leaders and workers at SRS that she will announce in two weeks whether the facility will be built in South Carolina.

"There are two possible sites for the large facility," she told employees, "and clearly, SRS has the technology and community support. If we build such a large and controversial project, we certainly need that support."

HOUSE ACTION DIVERTS WASTE TO IDAHO, A7

Her decision was supposed to come in November. Pressed by reporters to say whether her two-day visit to SRS could be a signal that the decision for SRS has been made, she replied: "Yes, I think you might read a signal in that."

Tritium, a neutron-rich form of hydrogen, is necessary for strong nuclear explosions.

It decays relatively rapidly, however, with a 12-year half-life.

That means the Department of Energy must create a new source by 2011 to maintain its national-security mission. SRS is currently recycling tritium out of older atomic warheads.

The new source will likely be either a traditional-type reactor or new technology involving a larger



SENSE ITTER-WOMAN/IN THE STATE

Hazel O'Leary, Energy secretary, and Mario Flori, head of DOE at SRS, answer questions during a visit Wednesday to the tritium process room at SRS.

version of neutron accelerators used in research.

A third idea, a multipurpose reactor that would burn surplus and extremely toxic plutonium, produce tritium and also generate electricity, is not one of O'Leary's options.

Discussing the accelerator, O'Leary said: "We're talking about 3.8 billion bucks — that's a lot of bucks. And we're talking about \$140 million a year for operational costs over a 40-year lifetime. . . . And the technology is so exquisite for its absence of generating waste streams."

DOE spokesman Jim Glusti said early estimates for either tritium source are \$5 billion to \$10 billion, and could mean as many as 2,000 new employees.

PLEASE SEE SRS PAGE A7

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SRS

FROM PAGE A1

That would not include an additional 4,000 to 5,000 for construction over about 10 years.

O'Leary said it is important to remember that the United States no longer has the "reliable" enemy that was the Soviet Union.

She said the end of the Cold War "violently wrenched" away the main purpose of SRS.

The site has sized down from about 25,000 workers at its busiest to about 16,000 now and stands to lose as many as 4,000 more in the federal budget.

The new neutron source may be one bright spot, O'Leary said, but the future mission is largely still being invented.

That means waste processing, including a new waste-into-glass system, retrofitting existing weapons stockpiles, a huge environmental cleanup, the development and sharing of emerging technologies, wetlands protection and so on.

She also bristled at local newspaper reports that SRS was targeted for the budget ax more vigorously than other facilities.

"The layoff pain has been spread," she said. "SRS has suffered 22 percent in cuts — all other DOE facilities suffered an average of 25 percent. Denver (Rocky Flats) was hit the hardest.

"SRS is on a new mission. If the word 'safe' means the same job, the same place, the same duties, then that's not going to be the case.

"If being 'safe' means to leap to new opportunities and to deal with the future, then you may not feel safe, but you can feel exhilarated and challenged. Budget cuts are not going to go away."

O'Leary was also very clear on two other points involving SRS' future:

- Her opposition to suggestions that spent reactor fuel from domestic commercial reactors be transported to SRS for interim storage until a permanent repository can be built.
- And her desire to stop the fight between her agency and South Carolina officials concerning spent research reactor fuel rods from Europe.

The foreign reactor fuel was supplied by DOE under a policy that it be returned after use so as not to fall into the clandestine nuclear-weapons market.

After a first batch of the spent assemblies was shipped to SRS last year, the state sued to keep out the next shipment and perhaps as many as 24,000 more later.

The case has been tied up in federal appeals courts, but with a new governor and attorney general, the effort has been to work through the impasse by other routes.

"Nothing distresses me more than contentious lawsuits," O'Leary said. "Gov. Beasley and I have been in conversation about this, and there is a decision to work this through. He wants SRS to be a site for economic growth. We have been talking and we will continue to talk."

DOE also Wednesday sent out its invitations to bid on a new management contract — an offer to 900 companies to manage \$1.2 billion a year in nuclear operations and all the rest that will go with SRS' complex new mission.

Westinghouse, which has managed the site since 1989, will see its contract run out at the end of September 1996. Westinghouse said it would be a bidder.

SRS top pick for tritium project, energy secretary hints during visit

By Karin Schill
Staff Writer

Energy Secretary Hazel O'Leary hinted Wednesday that Savannah River Site is the front-runner for a new tritium project that would bring several thousand jobs to the Augusta area.

A decision on whether the tritium mission will go to South Carolina or Nevada will be made within the next couple of weeks, she said.

"I have a very strong suspicion that I'm standing in the community where that's going to happen," Mrs. O'Leary told the North Augusta Chamber of Commerce on Wednesday. "The experience is here and the community support is here."

The nation's supply of tritium, a gas used to boost power in nuclear warheads, is estimated to run out by 2011 because of natural decay. SRS was

the country's only tritium producer until 1988, when its last reactor closed down for safety reasons. Today the site recycles decaying gas.

During a tour of SRS later Wednesday, Mrs. O'Leary told reporters her trip to the South Carolina defense facility and surrounding communities this week is a promising sign for the area, but stopped short of making any promises.

"I didn't come here to make an announcement," she said.

Mrs. O'Leary acknowledged she may favor a "low-cost" tritium project, possibly in an existing reactor, while continuing to research other production technologies for two years. That way, the Energy Department can meet its commitment to the Department of Defense to begin producing new tritium.

Please see TRITIUM on 6A



RON COCKERILLE/STAFF

Energy Secretary Hazel O'Leary checks out the tritium gas mixing room at SRS on Wednesday. She says a decision on where a new tritium project will go will be made within the next couple of weeks.

Savannah River likely to get tritium project

Associated Press

AIKEN, S.C. — Energy Secretary Hazel O'Leary strongly hinted Wednesday that the Savannah River Site will land the new federal tritium project, boosting spirits and promising new jobs for the beleaguered site.

"The experience is here," she told SRS employees. "The community support is here."

The department expects to announce within two weeks where — and how — it intends to produce tritium, the radioactive gas needed to boost the power in nuclear warheads.

The nation's tritium supply is expected to run out in 15 years because of natural decay. SRS currently reprocesses and recycles tritium for the military.

SRS and the Nevada Test Site are the main contenders for the tritium project, which would produce the gas for 40 years.

"I'm bound and determined ... that we get the cost right," said O'Leary, who is waiting for results of a financial analysis. "And we better be certain about the technology. I want to make sure it works."

The options are a linear accelerator, a new yet untested technology that reportedly offers a

cleaner nuclear processing system, or a new production reactor. O'Leary refused to say whether she had decided on a particular option.

The project could mean as many as 2,000 new jobs for SRS, a sprawling nuclear weapons complex where hundreds of employees have been laid off this year as the Energy Department adjusts to the post-Cold War era.

O'Leary assured SRS workers that they would continue to have a role in the future of the department, which is now focusing on handling nuclear waste, and cleaning up contamination from previous years.

"Don't let anyone confuse you about the mission... and your value to the American public," she said.

Different jobs will be available for the current workers in the future, O'Leary said. Employees should feel exhilarated by the prospects.

"These are good jobs we have," she said. "What's more important than global security and environmental cleanup?"

THIS ARTICLE DOES NOT REFERENCE YUCCA MOUNTAIN
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Wednesday - July 26, 1995

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Linear Likely At SRS

► Secretary O'Leary expresses confidence site will be chosen for new accelerator for tritium production.

By RODDIE BURRIS

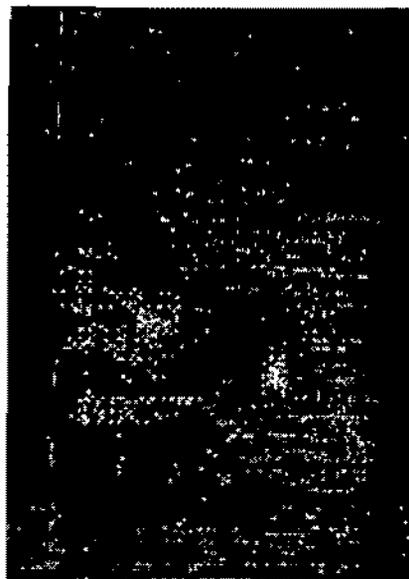
A linear accelerator at the Savannah River Site is likely to be the nation's source of tritium in the future, according to an internal Department of Energy memorandum and statements made by the Secretary of Energy this morning.

The accelerator is being chosen over a multi-purpose reactor as the technology for tritium production for the nation's nuclear weapons stockpile. That message was confirmed by Secretary of Energy Hazel O'Leary this morning.

The site of the accelerator will be either Savannah River Site or the Nevada Test Site, according to the memo. No final decision has yet been reached on that aspect of tritium production.

However the secretary said this morning that she feels confident SRS will be the home of the tritium production facility.

The official announcement on the technology for future tritium production will probably not be made



DOE's O'Leary on tour in Aiken-Augusta area.

during Secretary O'Leary's visit to the Aiken area which began this morning. Ms. O'Leary opened her stay here this morning with a breakfast meeting with the North Augusta Chamber of Commerce.

An interoffice memorandum dated July 17 in the Department of Energy's Albuquerque Field Office in New Mexico said Ms. O'Leary had reached the preferred alternative decision on technology that many in her department have "unofficially" favored for some time — the linear accelerator. In her comments in North Augusta this morning, Ms. O'Leary confirmed that the accelerator will be constructed to produce the nation's

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SOUTH CAROLINA EDITION

Tritium: Bidding opens on SRS

Continued from 1A

ium by 2011 while "having the luxury of testing out new technologies," she said.

A linear accelerator - a new method of producing tritium that generates less nuclear waste - would be one technology studied, she said. An accelerator would cost between \$3 billion and \$8 billion to build, and more than \$100 million a year to operate.

The energy secretary said she is not leaning toward a so-called multipurpose reactor - at SRS or anywhere else. Such a reactor would produce tritium and electric power using excess plutonium and has been touted by Georgia and South Carolina congressmen as the most economically attractive option.

Rep. Charlie Norwood, R-Ga., welcomed news that SRS appar-

ently is leading the race for the tritium project, but reiterated that he would prefer a multipurpose reactor at the site.

"A reactor would produce a safe supply of tritium well into the next century, whereas the accelerator approach is still unproven," Dr. Norwood said in a press release.

SRS has lost more than 7,000 jobs since the Energy Department began cutting back its defense industry in 1993, and there is widespread concern more people will have to go unless the site gets a new mission.

In other news Wednesday, the energy secretary officially opened the bidding on the \$1.2 billion contract to run SRS. Westinghouse Savannah River Co.'s contract runs out next year, and a number of new companies have expressed interest in bidding along with the

incumbent.

Unlike in the past, the department is asking bidders to form partnerships with numerous subcontractors to operate the site with the stated goal of "making contracting work better and cost less."

"We're looking at combining the skills of the companies, since nobody can do everything best," said Tom Reynolds, an Energy official who helped develop the request for proposals.

Bidders will also be allowed to conduct part of the bidding process orally to cut down on cost and paperwork, and will be expected to carry larger liability costs than is the case today.

"We're looking to transfer more performance risk and finan-

cial risk to the contractor," Mr. Reynolds said. "It's more like in the private industry."

Today, Mrs. O'Leary will attend a community forum at the University of South Carolina-Aiken to discuss the future of SRS and her department. More than 200 community leaders and public officials are expected to attend the meeting, which is invitation-only.

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... Linear

(Continued From Page 1A)

supply of tritium.

As a backup production source to the accelerator, the Secretary has decided to acquire an existing commercial light water reactor.

The multi-purpose reactor has been proposed as a means of producing tritium, using plutonium as a fuel source and creating electrical energy. Tritium had been produced at SRS over the last 40 years through heavy water reactors. The Clinton Administration is steering away from construction of a new reactor through use of the untried accelerator.

Later today, Ms. O'Leary has scheduled meetings with SRS employees, before a tour of the ecology laboratory and tritium facilities at the site.

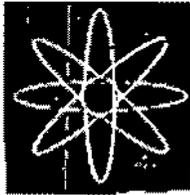
Tonight Ms. O'Leary will stop in Augusta for a diversity forum at the Augusta Radisson Riverfront Hotel. On Thursday she will participate in a public forum in Aiken that will include a question and answer session.

The internal DOE memo also discloses the secretary's decision on siting and funding for the new tritium project. As for siting, DOE would proceed on a dual site approach.

The memo said the department would place equal emphasis on both technology and siting, but not necessarily equal funding.

The U.S. House authorized \$50 million in its fiscal 1996 budget for tritium supply. Senate appropriations are still being hammered out. Actual funding would be a compromise of the two versions.

But the Albuquerque memo states that if the final level of funding for fiscal '96 remains at the



... equal emphasis on technology and siting, but not necessarily equal funding.

— Memo

House-authorized level, the department would likely devote 90 percent of funds to developing the unproven accelerator technology.

If the accelerator decision is correct, it appears to defy the results of an independent study on tritium production commissioned by the department.

Inside Energy, a Washington, D.C.-based weekly newsletter that reports on DOE, said in its July 24 edition that the study, performed by the D.C.-based consulting firm Putnam, Hayes, and Bartlett, concluded that the cheapest way to produce new tritium was by purchase of an existing commercial light water reactor.

The study has not been made public, but was presented to the secretary July 13 by Victor Reiss, assistant secretary for Defense Programs, after which discussion and analysis led the secretary to her conclusion, according to the Albuquerque memo.

The *Inside Energy* story said sources that have read the report said it identified 10 or more commercial reactors that are candidates for purchase by DOE.

The list included the reactors at Plant Vogtle in Waynesboro, Ga., which sits in viewing distance of SRS on opposite banks of the Savannah River.

Todd Terrell, a spokesman for the Georgia Power Co., which

owns Plant Vogtle said the plant is not for sale and that the suggestion is one that re-occurs periodically.

"We built that plant to serve the state of Georgia by producing electricity, and that's what we intend to continue doing successfully," he said.

Money may not be chief among considerations for the new tritium source, though.

U.S. Sen. Strom Thurmond's office said the cost analysis of the accelerator vs. reactor option found that a small advanced light water reactor would cost between \$1.5 billion and \$6.1 billion to build, while an accelerator would cost up to \$16.4 billion and take two additional years to finish.

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SOUTH CAROLINA EDITION

This article
has been
reduced by 75%

Westinghouse Electric Corporation Salutes The Innovative Minds Of Westinghouse Savannah River Company.

For more than 100 years, Westinghouse Electric Corporation, parent company of Westinghouse Savannah River Company has been home to some of the most innovative technical minds in the world. Today, we have the evidence of how successfully the scientists, engineers and technicians of WSEC are carrying on the proud tradition.

Westinghouse Savannah River Company Wins Two R&D 100 Awards

The R&D 100 Awards are presented each year by Research & Development Magazine to recognize the 100 most technologically significant new processes and products of the year. Considered the top international award in applied research and development, the awards are covered by companies around the world.

*"Both products show that the Savannah River Site is producing technologies that not only solve their own problems, but should have applications in the larger commercial marketplace."
- Robert Carrady, Editor-in-Chief,
R&D Magazine*

The R&D 100 Award is reserved for those technological developments that make life better in some way, whether it's by cleaning up the environment, increasing worker safety, improving public health or making life simpler for consumers. Previous winners have included the ATM machine, the fish cube and the Nicodemus anti-moking patch.



R&D 100 AWARD WINNER:

A process for using microbes to clean up contaminated groundwater

This process removes chlorinated solvent contamination from the subsurface water and soil. This type of contamination, known to exist in this kind of area in the United States and other industrialized countries, damages the ecosystem and poses serious potential health problems if local groundwater is used for drinking water. In SAR Bioremediation development team: from left, Carl Thornton, Ken Lombard, Brian Leoney, Terry Hazen and Carol Eddy-Dilek.

R&D 100 AWARD WINNER:

Fiber optic temperature sensor

The sensor monitors the temperature of chemical processes like those found in the manufacturing industry, even in extremely hazardous high electromagnetic field environments. Since it is not affected by corrosion or electrical interference, it does not need to be recalibrated. This enhances the operator's safety, because it eliminates the need for the employee to enter a hazardous area to reach the equipment.

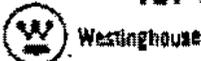
Fiber Optic Temperature Sensor development team: from left, Patrick O'Bourke, Ronald Livingston and William Prather.



These technologies are just two examples of the innovative work being carried out by the employees of Westinghouse Savannah River Company, the management and operating contractor for the U.S. Department of Energy's Savannah River Site. Every day these men and women look for practical solutions to the challenges of managing a hot nuclear facility. They find new ways to improve safety, clean up the environment and manage nuclear materials.

As they do, they are discovering that many of the technologies developed for use at the Savannah River Site have uses in a wide range of other industries. Working through the Department of Energy, they are making these technologies available for other industries. We think these developments are making it possible for American industry to manage safety, waste management, environmental cleanup and competitiveness in the world marketplace.

**We salute these men and women
for their contributions to the future.**



O'Leary Brings Good News On SRS Mission For 2000s

Energy Secretary Hazel O'Leary in her third visit to the Savannah River Site displayed all the poise, intelligence and warmth that have taken her to one of the top posts in government and made her one of President Bill Clinton's best goodwill ambassadors.

Her hint that the Savannah River Site will be the location for the proposed new linear accelerator provided a cheering note at a time when Aiken County is reeling from cut-backs at the site. If it materializes — a few years down the road — the accelerator will provide thousands of jobs during the construction phase and hundreds of jobs during many projected years of operation.

More than that, winning the accelerator project will be a boost for the South Carolina facility as the nation's only source of tritium, the ingredient that is essential to the production of nuclear weapons. In addition, the accelerator would no doubt bring related enterprises to the Aiken-North Augusta-Barnwell area.

But Secretary O'Leary had no good news for advocates of a multi-purpose reactor. That proposal, backed by the Citizens for Nuclear Technology Awareness and by a number of major industrial companies and utilities, would call for the building of a

reactor at SRS to burn plutonium, while producing tritium for defense and heat for electrical generation. DOE has given the cold shoulder to the proposal, even though it would be financed largely by private enterprise, would be a permanent solution to disposing of the world's huge plutonium stockpile and would help meet a growing demand for electrical energy.

Mrs. O'Leary, in dismissing the multi-purpose reactor concept, cites long-standing — and often ignored — policies against mixing nuclear defenses with private enterprise. That principle is almost as old as the atomic age, but many experts in the field believe it is time to re-examine the prohibition and explore ways it can be done.

We support that theory and hope that the Department of Energy will give it further consideration. Economic factors alone — not to mention the huge problem of plutonium accumulation — would seem to point in that direction.

Nevertheless, we welcome Mrs. O'Leary to our area and are encouraged by her assurances that the Savannah River Site will have important missions well into the 21st Century.

Circulation 17,500 Daily
18,000 Sunday

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Aiken, South Carolina

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O'Leary: SRS To Continue Research

Energy Secretary Hazel O'Leary said dwindling funds won't stop studies of community radiation exposure near Savannah River Site.

O'Leary assured residents that despite Congressional cutting the Energy Department's budget, such research would continue at SRS and other nuclear weapons facilities.

"I intend to see that those studies are continued," she said during

her visit to SRS on Thursday. "We may have to take longer to get them done, but I'm committed to see it (happen) at Savannah River Site."

Staff from the Centers for Disease Control who are leading the

research were alarmed earlier this month because they felt Washington money would not be forthcoming.

Due to congressional cuts in the 1995 budget, a study of radiation in communities near SRS was among

CDC projects put on hold.

Officials from the Energy Department went to Atlanta this week to discuss the beleaguered studies with the CDC, said Mary Jo Zac-

(See O'LEARY, Page 3A)

... O'Leary

(Continued From Page 1A)

caro with the department's Office of Environment, Safety and Health.

"They're going over project after project to figure out what the funding needs are," Ms. Zaccaro said. "They are funded for fiscal year 1996, so the worst thing that can happen (to the radiation studies) is that they get delayed."

CDC took control of the studies from the Energy Department in 1990 after critics said the agency's research was not credible. Public health officials contend the dose

reconstruction projects are needed to determine how the department's nuclear weapons plants have affected residents' health in nearby communities.

During a short news conference Friday evening at Bush Field Airport before returning to Washington, Mrs. O'Leary reiterated that things looked good for the Augusta-Aiken area when it comes to future tritium production as well.

"I'll be making the decision very shortly, and I'm bold enough to say that everything I've seen in the two-state area gives me good confidence about the ability of the community to take on that challenge," she said.

Circulation 137,200 Daily
171,200 Sunday

THE STATE
Columbia, South Carolina

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O'Leary says radiation test will continue

The Associated Press

ANKEN - Energy Secretary Hazel O'Leary says dwindling funds won't stop studies of community radiation exposure near Savannah River Site.

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Officials from the Energy Department went to Atlanta last week to discuss the beleaguered studies with the CDC, said Mary Jo Zaccaro with the department's Office of Environment, Safety and Health.

"They're going over project after project to figure out what the funding needs are," Zaccaro said. "They are funded for fiscal year 1995, so the worst thing that can happen (to the radiation studies) is that they get delayed."



I-77 project to shut down lanes Tuesday

Southbound traffic on I-77 will be completely blocked for two 15-minute periods early Tuesday so overhead signs can be installed.

Southbound traffic between Sunset Road and I-85 will be funneled into one lane from 11 p.m. Monday to 2 a.m. Tuesday. All southbound traffic will be halted for about 15 minutes at about 12:30 a.m. Tuesday so crews can install signs.

Then crews will install signs between LaSalle Street and the Brookshire Freeway, blocking all but one lane from 2 to 5 a.m. All southbound traffic also will stop for 15 minutes at about 3:30 a.m.

■ NORTH CAROLINA

Alliance is proposed for health insurance

WINSTON-SALEM — Small-business owners in 19 N.C.

counties who have had trouble buying health insurance may find a proposed health care purchasing alliance profitable.

The Wilkes Chamber of Commerce has agreed to sponsor a purchasing cooperative that should let small-business owners get the lower premiums available to bigger companies, officials said.

The alliance would be open to the self-employed and businesses with fewer than 50 employees. It would cover 19 counties, from Alamance and Caswell in the east to Watauga and Caldwell in the west. It also will include Statesville and the northern half of Iredell County.

Also in N.C. . . .

Kings Mountain: A motorist drove into a sinkhole caused by a break in a 20-inch water line on Crocker Road early Saturday. Police said the driver wasn't seriously injured. The break interrupted water service to some city residences for about two hours.

Greensboro: Patricia Brown was convicted Friday of first-degree murder, conspiracy to commit murder and solicitation to commit murder in the death of her husband. Prosecutors said Brown hired her brother-in-law for \$30,000 to shoot

Frederic Brown, a Guilford Technical Community College instructor.

■ SOUTH CAROLINA

Boy falls to death through hotel window

MYRTLE BEACH — A 13-year-old who was running backward while playing in a hotel hallway crashed through a window and fell seven stories to his death, authorities said.

Paris J. Taylor of New York was staying at the Sandcastle hotel on a family vacation.

He was running backward Friday night while playing with another child when he ran into an air conditioner in a hallway. The impact tipped him backward and through the glass, said Horry County Coroner Robert Edge Jr. The boy landed on a concrete walkway.

Also in S.C. . . .

Charleston: Spoleto Festival USA officials have called back Ex-Spoleto general manager Nigel Redden to help sort out the event's finances and other operations.

Aiken: Energy Secretary Hazel O'Leary assured residents Thursday that budget cuts won't stop studies of community radiation exposure near the Savannah River Site.



2 of 2

O'Leary: Study to be funded

Energy secretary says she will find money for research even if Congress cuts agency's budget

By Karin Schill
Staff Writer

Whether or not Congress keeps cutting the Department of Energy's budget, Secretary Hazel O'Leary says she will find money to study community radiation exposure near Savannah River Site and other nuclear weapons facilities.

"I intend to see that those studies are continued," she said during her visit to Aiken on Thursday. "We may have to take longer to get them done, but I'm committed to see it (happen) at Savannah River Site."



Energy Secretary Hazel O'Leary says the area's prospects look good.

Centers for Disease Control staff leading the radiation studies sounded the alarm earlier this month when it became clear money from Washington was not forthcoming. Because of congressional cuts in the 1995 budget, a study of radiation in communities near SRS was among CDC projects put on hold.

Officials from the Energy Department headquarters traveled to Atlanta this week to discuss the beleaguered studies with the CDC, said

Mary Jo Zaccaro with the department's Office of Environment, Safety and Health.

"They're going over project after project to figure out what the funding needs are," Ms. Zaccaro said. "They are funded for fiscal year 1996, so the worst thing that can happen (to the radiation studies) is that they get delayed."

CDC took over the studies from agency in 1990 after critics said the agency's research lacked credibility. Public health officials contend the dose reconstruction projects are needed to determine how the department's nuclear weapons plants have affected residents' health in nearby communities.

CDC officials were not in their offices Friday and didn't return phone messages.

During a short news conference Friday evening at Bush Field Airport before returning to Washington, Mrs. O'Leary reiterated that things looked good for the Augusta-Aiken area when it comes to future tritium production as well.

"I'll be making the decision very shortly, and I'm bold enough to say that everything I've seen in the two-state area gives me good confidence about the ability of the community to take on that challenge," Mrs. O'Leary said.

Community leaders are urging the secretary to resume tritium production at SRS, a project they say would bring several thousand new jobs to the area.

Rep. Cynthia McKinney, D-Ga., joined in that call Friday.

"I want to lend my voice to the preservation of jobs at Savannah River Site," Ms. McKinney said before seeing Mrs. O'Leary off.

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SOUTH CAROLINA EDITION

Sen. Hollings helps program

■ *Project that informs area residents about cancer and birth defects wins a reprieve*

By **Chandra L. McLean**
South Carolina Bureau

AIKEN - A financially endangered federal program that informs Alken and Augusta residents about cancer and birth defects has been salvaged.

The U.S. House of Representatives voted earlier this year not to fund the Savannah River Region Health Information System. The program, run by the Medical University of South Carolina and Emory University, annually receives \$1.3 million from the Energy Department.

However, at the urging of Sen. Fritz Hollings, D-S.C., the Senate Appropriations Committee voted Thursday to shift the program from the Energy Department's environmental fund to the agency's defense fund.

"For years we fought to create a registry of information on cancer cases and birth defects because people from Alken to Hilton Head wanted and needed to know about how their health and safety were affected by the Savannah River Site," Mr. Hollings said in a news release.

"This registry is important so we can make sure that we know the health and safety effects associated with the area."

Officials from the program collect cancer and birth defect cases from hospitals, clinics and labs to compile the registry.

The program, started in April 1991, incorporates counties within 50 miles of SRS and those downstream to Beaufort and Savannah. Its coverage area includes Edgewood, Alken, McDuffie, Columbia and Richmond counties.

Please see PROGRAM on 3C

Program:

Continued from 1C

John Dunbar, principal investigator on the program's 18-member staff, said he was happy the information system was saved.

"It restores programs aimed at citizen information," he said. "Citizens are happy to know that they can find out what data we have."

Program officials are expected to have information this fall on their findings, Dr. Dunbar said.

Andrew Rae, a member of the program's steering committee, said about \$3 million would

have been lost had the program been terminated.

"We would have been left with a lot of numbers (of cancer and birth defects cases), but not a useful set of numbers that could draw useful solutions had we cut the program short," he said. "We need at least five years to draw that kind of data."

"The larger your set of numbers, the more power they have statistically. If you do testing one or two years, because of the small number of cases you're dealing with, you won't be able to draw any conclusions."

Friday - July 28, 1995
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O'Leary Hears Concerns Of Area Leaders

► Agreement signed
that would provide
landfill space on SRS
property.

By RODDIE BURRIS

The reception Secretary of Energy Hazel O'Leary got at a public forum Thursday in Aiken could be called, one for the road.

Community and state leaders, elected officials and lay citizens alike reminded the secretary that they are serious about tritium production, economic diversity, and retention of the base of expertise harbored at the Savannah River Site.

Ms. O'Leary seemed to notice.

"Know this, never in my years on this job have I been met by such common courtesy and decency, and genuineness as I have been here," she said after the community made its case. "I'm on it."

Ms. O'Leary winded down two days of a visit to the Aiken-Augusta area much like she started it — in a room of people, ultimately making her case, but also listening.

Prior to the forum, Ms. O'Leary co-signed an unprecedented memorandum of understanding between SRS and the Three Rivers Solid Waste Authority that provides two square miles of SRS property for landfill space for the nine-county consortium.

During the forum, South Carolina Secretary of Commerce, Robert Royall, representing Gov. David

M. Beasley, made the state's official pitch for greater attention and focus on balancing the effects of SRS job losses with new incentives for growth.

To that end, Royall announced that he would open a commerce department office in Aiken and named Ed Burgess as its full time director. Burgess is currently the community development director for the Department of Commerce.

Local officials have expected such an office would be located at the Savannah River Research Campus. Burgess is expected to bring leadership and state resources to the area in business recruitment and economic expansion.

"I have asked him (Burgess) to accept this critical assignment because of his knowledge of the Savannah River Site and his extensive background on the surrounding communities," Royall said.

Speaker after speaker acknowledged that Ms. O'Leary holds the decision-making keys to the future of SRS, and therefore, to it's interaction with local economies.

Fred Humes, director of the Economic Development Partnership, whose mission it is to identify and recruit new business and industry to Aiken and Edgefield counties,

(Please See O'LEARY, Page 3A)

CONTINUED

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... O'Leary

(Continued From Page 1A)

called for partnership with the Department of Energy.

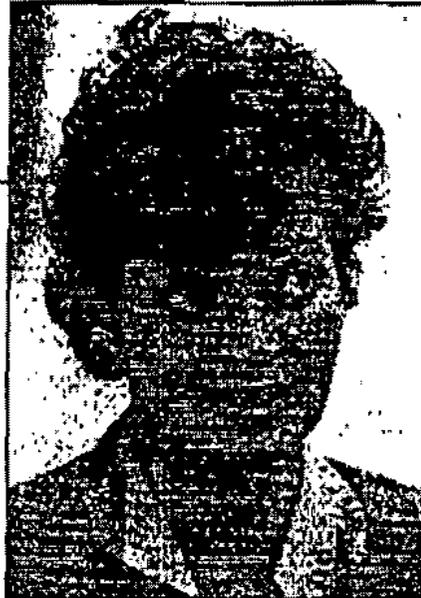
"You have a willing partner to help solve some of the immense problems you face," he told Ms. O'Leary. "But the plums can't be given to someone else, then we get the less desirable work."

Humes assured the secretary that the community is interested not just in projects, but in helping to solve the nation's problems — the same posture the community took when SRS was conceived, he said.

Dr. Kathleen Nobles, president of Aiken Technical College, presented the secretary with eye-opening results of a study on the economic impacts downsizing has on the area around SRS.

She noted that if the current pace of cuts continue, some 29,000 SRS-related jobs would be lost in the region by 2003 and \$23 million in salaries alone.

The Commerce Department and others estimate that an additional 2,000-4,000 more SRS jobs may be lost by year's end due to DOE budget cuts slated by Congress. As many as 2,000 of those jobs could be in the area of environmental management, where the U.S. House cut \$743 million from that



Staff Photo By Scott Webster
Among other stops, U.S. Energy Secretary Hazel O'Leary visited the Aiken Standard Thursday.

DOE budget.

However, U.S. Sen. Fritz Hollings, (D-S.C.), announced Thursday that the Senate Appropriations Committee, of which he is a member, approved an Energy and Water Appropriations bill which restored those funds.

Ms. O'Leary said it is vital that those funds be held in place when conferees gather to consider a compromise of the House-Senate appropriations bills later.

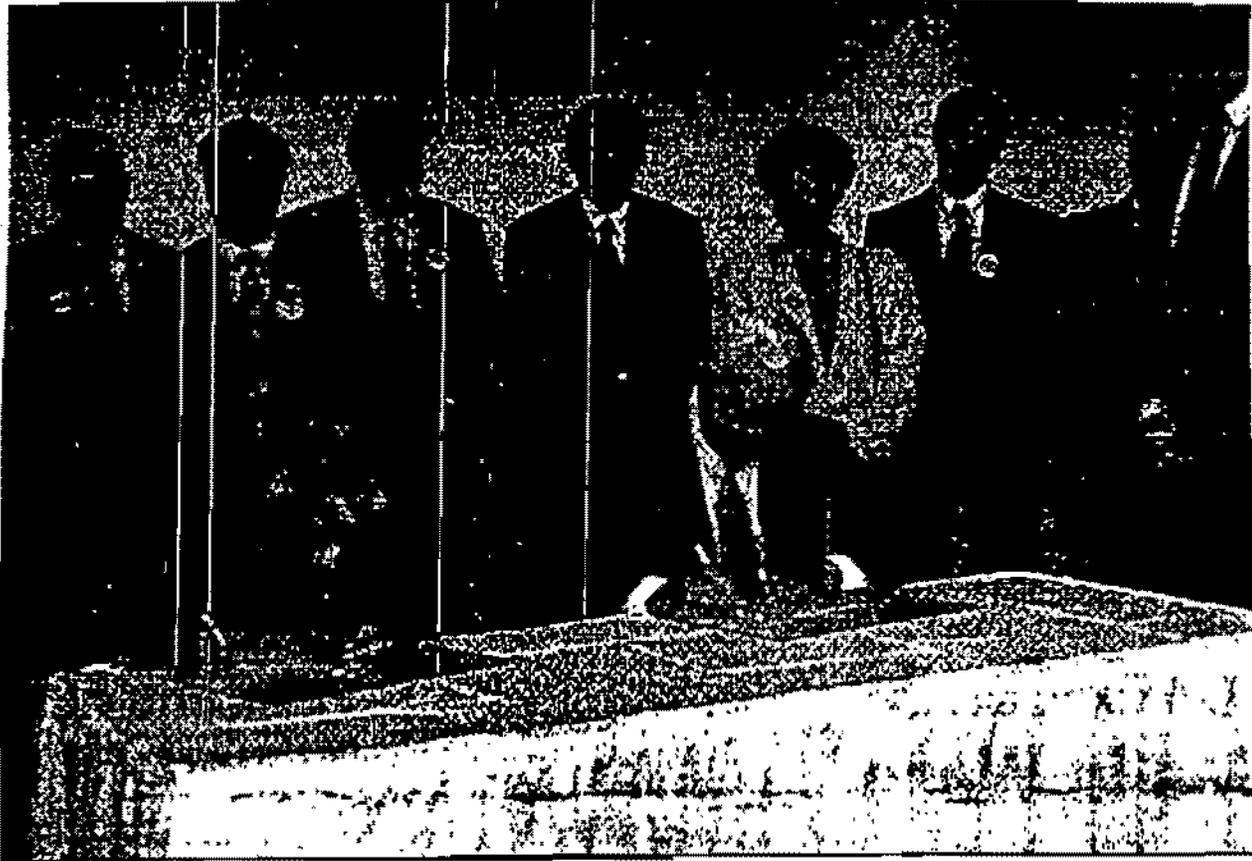
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Circulation 17,500 Daily
18,000 Sunday

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CONTINUED



Staff Photo By Scott Webster

Flanked by various officials, U.S. Energy Secretary Hazel O'Leary and Three Rivers Solid Waste Authority Director David Summers sign a memorandum at USC Aiken on Thursday. Mario Fiori, DOE SRS manager, looks on from the right.

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Columbia, South Carolina

Sunday - July 30, 1995
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MONDAY

• The Savannah River Site in Aiken holds a 10 a.m. news conference as Carolina Metals of Barnwell delivers the first waste container manufactured from contaminated SRS metal.

NUCLEAR ISSUES

O'Leary hints Savannah River is tritium site

SUN STAFF AND WIRE SERVICES

AIKEN, S.C. Energy Secretary Hazel O'Leary is giving strong hints that the Savannah River site will lead a "reactive energy" weapons project that could bring thousands of jobs.

O'Leary, who visited a two-day visit to the Aiken area Thursday, hinted officials at the site are looking for weapons weapons complex, where hundreds of employees have been laid off this year as the Energy Department adjusts to the post-Cold War era.

The experience there, she said, SRS employees Wednesday "The reaction support is here."

SRS said the Nevada Test Site is the main contender for the new tritium project, which would produce the gas for 10 years.

Powered by reactors in our whether lay off to SRS could be a sign of the site, she has been skeptical, O'Leary said. "I think you might want a deposit in that."

But Nevada Sen. Harry Reid's



Hazel O'Leary

"I'm biased and determined ... that we get the cost right. And we better be certain about the technology. I want to make sure it works."

He had heard the DOE would make a decision this fall. Bryan said Reid said they believe in the Nevada Test Site in the Nevada area.

The Nevada Alliance, a coalition of Test Site contractors who worked in the site and worked the reactors all together, said they are "very concerned that it will be a very costly project."

Sen. Richard Bryan, D-Nev., said he understood there had been no final decision. The decision may be in two parts, first on the technology - reactor or accelerator - and a second on the site.

"We have to consider this very carefully," Bryan said. He said

results of a financial analysis. "I don't see how to estimate about the technology I want to make sure it works."

The options are a laser accelerator, a new, yet untested technology that reportedly offers a cleaner producing system, or a new production reactor. O'Leary wouldn't say whether she had decided on a particular option.

The project could open as many as 2,000 new jobs for SRS, a sprawling nuclear weapons complex on the Nevada-Carolina-Georgia border.

O'Leary advised SRS workers they would continue to have a role in the future of the department, which is now securing up handling up nuclear waste and dismantling up centralization from previous years.

"Don't let anyone make you about the nuclear ... and your will to the American people," she said.

Different jobs will be available in the future, O'Leary said, and

Tritium exposure at EG&G will take time to evaluate

SUN STAFF REPORT

The U.S. Department of Energy announced it will take up to six weeks to evaluate the tritium contamination at North Las Vegas Laboratory when three workers were exposed with radiation equal to their chest X-rays.

DOE spokesman Duane Morgan said Thursday it will take that long to track down the source of the contamination and advise personnel for handling contamination with the tritium.

Three employees each received a total exposure of less than 100 millirems on June 16 and again on July 19 after a small amount of radioactive tritium gas was released at the lab.

EG&G Energy Measurement Inc., a DOE contractor, operates the facility known as the "barium range," located by a basement. The area has been closed since the employees' contamination was discovered in earlier analysis.

A form of hydrogen, tritium is used in nuclear weapons for heat their activation. It also is in industrialized activities and emergency exit signs.

Several employees should not be important than global security. "There are good jobs in and environmental cleanup."

THIS ARTICLE DOES NOT CONCERN YUCCA MOUNTAIN IT IS PROVIDED FOR INFORMATIONAL PURPOSE ONLY

They'll take it

Savannah River in line to land tritium project

Tommy L. Lane
Associated Press

AIKEN, S.C. — Energy Secretary Hazel O'Leary is giving strong hints that the Savannah River Site will land a major nuclear weapons project that could bring thousands of jobs to the facility.

The Idaho National Engineering Laboratory had at one time been considered for the new production reactor, but public opposition to nuclear weapons work in eastern Idaho was strong.

The project could mean as many as 2,000 new jobs.

O'Leary, during her two-day visit to the Aiken area this week, boosted spirits at the beleaguered nuclear weapons complex, where hundreds of employees have been laid off this year as the Energy Department adjusts to the post-Cold War era.

"The experience is here," she told workers on Wednesday. "The community support is here."

Pressed to say whether her visit could be a signal that the site has been selected for the tritium gas project, O'Leary said: "Yes, I think you might read a signal in that."

Savannah River reproduces and recycles tritium for the military. The nation's supply is expected to run out in 15 years because of natural decay.

South Carolina and the Nevada Test Site are the main contenders for the new tritium project, which would produce the gas for the

TRITIUM

From Page A1

next 40 years.

"I'm bound and determined ... that we get the cost right," said O'Leary, who is waiting for results of a financial analysis. "And we better be certain about the technology. I want to make sure it works."

The options are a linear accelerator, a new, still untested technology that reportedly offers a cleaner processing system, or a new production reactor. O'Leary wouldn't say whether she had decided on an option.

O'Leary assured workers at the sprawling nuclear weapons complex on the South Carolina-Georgia border that they would continue to have a role in the future of the department, which is now focusing on handling nuclear waste and cleaning up contamination from previous years.

Different jobs will be available in the future, O'Leary said, and current employees should feel exhilarated by the prospects.

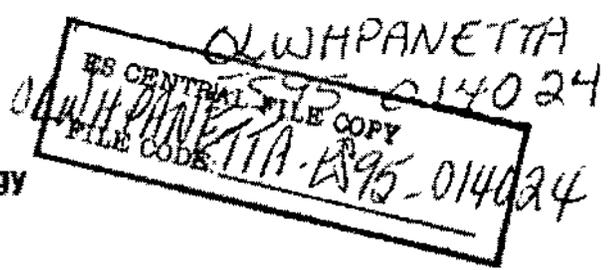
"These are good jobs we have," she said. "What's more important than global security and environmental cleanup?"

See TRITIUM, Page A3



The Secretary of Energy
Washington, DC 20585

August 10, 1995



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

Sent to Cabinet Affairs via
LotusNotes, 6:40 p.m.

KEY DEPARTMENT NEWS

Release of Additional Radiation Tests

The report of the President's Advisory Committee on Human Radiation Experiments is nearly completed. During the records search of our files, additional radiation tests on humans were discovered.

On August 17, I will release a list of 435 human radiation studies involving an estimated 16,000 subjects conducted by DOE and its predecessors, the Manhattan Project and the Atomic Energy Commission, from World War II through 1974. This list supplements previously released material and was done pursuant to the President's direction to Federal agencies of January 19, 1994, to search for records of human radiation experiments and as part of the Department of Energy's Openness Initiative. While much of the research included contributed to medical advancement, some of the experiments will be controversial due to the nature of the study population (children, prisoners, destitute patients), the amount of ionizing radiation involved, or the involvement of pregnant women and fetuses. Three studies on children in Arkansas are included, two at the Arkansas Children's Colony for retarded children. All involved very low doses.

Senate Energy, Water & Interior Appropriations

The Senate completed action on the fiscal year 1996 Energy and Water Development Appropriations bill, H.R. 1905, on August 1. The Committee-reported bill provided funds above the President's budget request in the areas of stockpile stewardship and management and at the President's budget request in the areas of nonproliferation, arms control, and environmental management. In the non-defense area, the Committee restored funds above the House levels for the following programs: solar and renewable energy increased by \$17.2 million; global climate by \$48.9 million; Soviet-designed reactor safety increased by \$40 million; technology transfer increased by \$25 million; and university science and education increased by \$30 million.

The Senate passed the fiscal year 1996 Interior and Related Agencies Appropriations bill, 92-6, on August 9, 1995. There were no changes from the dollar amounts approved at the Committee level. Fossil energy research and development was funded at \$376.2 million, which is \$3.3 million below the House and \$50.4 million below the President's budget request. Naval petroleum reserves were funded at \$136 million, \$15 million below both the House and the President's budget. The Strategic Petroleum Reserves were funded at the House level of \$187 million, and included the sale of Weeks Island oil resulting in no controversy in conference over this provision, which was a problem in the House. Energy conservation was funded at \$561 million, \$33.4 million above the House level and \$329.6 million below the President's budget. The only major difference from the House was an increase of about \$30 million for low income weatherization and State conservation grants.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Presidential Mission on Sustainable Development to the Republic of South Africa

As a follow up to President Clinton's meetings with President Mandela, and prior to the first meeting of the Gore-Mbecki Commission, I will lead a presidential delegation to South Africa. I will be accompanied by approximately 50 private sector leaders and representatives from non-government organizations. The trip will focus on initiating assistance to South Africa in support of President Mandela's goal to electrify 2.5 million schools, clinics, and houses by 2000. To accomplish this objective, we will identify projects being discussed in South Africa and work with the South Africans to devise policy models that will attract foreign capital to fund electrification efforts. Through several policy round tables and bi-lateral meetings, we will seek to develop plans to work on these efforts prior to the Gore-Mbecki Binational Commission Meeting in December. All of our work will be designed to determine what policies are required to attract capital to increase South Africa's access to power. We will also address such critical issues as renewable energy, oil and gas development, and energy efficiency including the financing of such transactions. We are working with the private sector firms in all sectors to secure commitments to train and educate South Africans in these critical areas. We are also donating surplus computers and have initiated a book drive to assist South Africa.

During my visit it is likely that I will meet with President Mandela, Deputy Presidents Mbecki and DeKlerk, ministers working to restructure the power sector, and the finance and trade ministers. At the Office of U.S. Trade Representative's request, we will raise issues affecting trade relations between our two nations. This mission comes at a time of slightly strained relations between our nations. It is also likely that a visit by the Iranian Foreign Minister will precede my trip.

During the week, at the request of the U.S. Ambassador to Mozambique, I will likely travel there to provide support to a U.S. gas firm seeking to complete an \$800 million gas project. The Ambassador believes my presence would lead to the conclusion of the project.

Press on the South African Trip

Some Republican members of Congress have questioned the reasons for this trip and the cost. These attacks have been picked up by some conservative press. All allegations made by these members of Congress are without any foundation. Some have stated that money is being diverted from important programs to fund security for foreign travel. All funds are from accounts to which money not needed by the programs was returned. Attacks have also been made that we are subsidizing the costs of U.S. business travel. This is also untrue.

I have communicated that South Africa constitutes one of the only two countries in the world in which the President has established a Vice Presidential-level commission to address issues of strategic interest to our two nations. It has also been identified as one of the ten big emerging markets for U.S. industry.

CONGRESS

Congressional Hearings

September 7, 1995 - Charles Curtis, Under Secretary (TENTATIVE): DOE Laboratory Directors and contractors; and public witnesses; before House Science Committee, Basic Research and Energy and Environment Subcommittees regarding legislation to improve efficiency of DOE Labs: Schiff, (H.R. 2142) Bartlett (H.R. 87), Roemer (H.R. 1510), and Tiahrt (H.R. 1993).

MEDIA

The primary area of media interest for the week was our announcement following up on the Department's Strategic Alignment Initiative. *C-Span, Washington Times, and Reuters News Service* covered the employee meeting on August 3. Those outlets and regional reporters spread the story across the United States.

Media Breakfast

I will hold a media breakfast on August 17 where we will release a book that lists all findings related to human radiation experiments.

Interview with *Kansas City Star*

I interviewed with the *Kansas City Star* yesterday on the issue of the 50th Anniversary of the development of the atomic bomb.

National Press Club Newsmaker Breakfast

I will participate in a Newsmaker Breakfast at the Press Club on the day we depart to South Africa. I will communicate our Administration's commitments to working with South Africa to build a new democracy.

Press Briefing for the Foreign Press Center

I will conduct a briefing on the South Africa trip for the Foreign Press Center on August 17.

Interview for *WorldNet*

I will conduct an interview with *WorldNet* for an audience in South Africa.

Interview with *Journal of Commerce* and *Minneapolis Star Tribune*

I will conduct interviews with these publications on the South African trip.

REGULATORY REFORM

No significant activity.

FOIA ACTIVITY

No significant new Freedom of Information Act requests this week.

SECRETARY AND SUB-CABINET SCHEDULES

Calendars are sent via Lotus Notes.



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

September 7, 1995

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OLWH PANETTA
FILE CODE: ES95-015281

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

Sent to Cabinet Affairs via
LotusNotes, 9/7, 7:00 p.m.

KEY DEPARTMENT NEWS

World's Most Powerful Computer to be Developed

The Department of Energy today announced a \$45 million joint development contract with its Sandia National Laboratories and Intel Corporation to build the world's most powerful computer by the end of 1996. The computer, ten times more powerful than the fastest machines today, will be run by Department of Energy's three nuclear weapons laboratories--Sandia National Laboratories, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory. It will be used to simulate the reliability and performance of nuclear weapons, predict the effects of long-term aging, and model manufacturing processes. The effort is part of the Accelerated Strategic Computing Initiative (ASCI), a new program designed to use high performance computation to assure the safety and reliability of the United States nuclear stockpile without underground nuclear tests. This is an essential component of the Administration's stockpile stewardship program.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

South Africa Trip Results

I believe our trip to South Africa, identified as a big emerging market, was a great success. Significant accomplishments include:

Government-to-Government Agreements

We signed several government-to-government agreements between our nations. Of the most important is an agreement that will expand our cooperation in the nuclear arena. This agreement would not have been possible without the role that South Africa played in the United Nations Conference to extend the Non-Proliferation Treaty. Our nuclear cooperation with South Africa had been halted in the late 1970s because we could not certify South Africa's actions in the nonproliferation arena. This agreement allows us to

work with the Republic of South Africa on issues involving nuclear medicine, uranium enrichment, and fissile materials safeguards. This agreement is particularly important because of South Africa's influence in the region.

Development of Energy Policy

We reached agreements with the Republic of South Africa to coordinate and assist in the development of their energy policy. This is a critical time for South Africa as they seek to attract foreign investment to achieve the goals established by President Mandela in his reconstruction and development plan. His goal to electrify 2.5 million homes by the year 2000 is not achievable without attracting outside capital.

Agreement on Fast Track Projects

One of our major goals on this trip was to reach agreements on several projects to highlight that South Africa is a viable place for United States firms to invest. A major project announced is a factory, a joint venture between a Black-owned South African holding company and Spire Corporation of Massachusetts. This factory will produce photovoltaic panels sufficient to electrify 10,000 homes, 600 schools, and 1,000 clinics annually. Most importantly, this project will eventually employ 250 South Africans and 50 people in the United States.

Project in the Township of Gugulethu

We committed to provide seed money to determine the viability to develop an industrial park in this township. The initial seed money will be provided by the Department of Energy's Sandia National Laboratory and Lockheed Martin Corporation. A vocational education facility will be developed in conjunction with the industrial park. Some of the initially targeted industries will include the brick and cement industries. This project could eventually employ 1,800 people.

Agreement to Determine the Viability of Coal-bed Methane as an Energy Source

An American firm reached agreement with a province in South Africa to determine the viability of coal-bed methane as an energy source. This project will employ and train 50 Black South African engineers.

Empowerment Initiatives

President Mandela and President Clinton agreed during their fall meetings that the training of Black South Africans to participate in nation building was a major collaboration between our governments. I am pleased to report that 20 U.S. firms have agreed to train Black South Africans in the United States and South Africa to ensure that they become productive workers in South Africa. The Department of Energy has also

provided several scholarships and developed other initiatives for South Africans to participate in our laboratories and Historically Black Colleges and Universities. Cumulatively, these initiatives ensure that 250 Black South Africans will participate in this initiative.

My meetings with President Mandela and Deputy Presidents Mbeki and DeKlerk were valuable. I also met with the Minister for Atomic Energy, the Environment, and Trade and Industry and the ministries with oversight responsibilities for the electric power sector. I believe these important meetings will provide United States firms with access to the South African market.

CONGRESS

Congressional Meetings

Hispanic Caucus

Today I made a presentation to the Hispanic Caucus. They are interested in the Department's education initiatives to increase the access of Hispanics to participate in our science and technology initiatives. They are also interested in our record in increasing the hiring of senior Hispanics at the Department of Energy.

Meeting with Senator Gorton

Today I met with Senator Gorton, Chairman of the Appropriations Subcommittee on Interior and Related Agencies. We discussed the upcoming conference committee and the Administration's priorities in the area of energy efficiency. This subcommittee funds our Energy Efficiency and Fossil Energy programs.

Meeting with the California Delegation

I will meet with the California Congressional Delegation Friday. The Department has a major presence in California due to the location of the Lawrence Livermore and Lawrence Berkeley National Laboratories and the Elk Hills petroleum fields. We spend over \$2 billion in the State. I will report on our plans for Lawrence Livermore and Berkeley. There is concern as to whether there are currently too many laboratories in our complex.

Meeting with Senator DeWine

I will meet with Senator DeWine Friday. He is interested in our clean-up activities at both Fernald and Mound, both former weapons production facilities.

Congressional Hearings

- September 7, 1995 - Charles Curtis, Deputy Secretary: DOE Laboratory Directors and contractors, and public witnesses: before House Science Committee, Basic Research and Energy and Environment Subcommittee regarding legislation to improve efficiency of DOE labs: Schiff, (H.R. 2142) Bartlett (H.R. 87), Roemer (H.R. 1510), and Tiahrt (H.R. 1993).

MEDIA

Media Coverage -- August 17 to September 7

- August 17, I hosted a media breakfast to announce the Human Radiation Experiments documentation search completion. The final Department experiment tally reignited press interest across the country. The Administration's pledge to be open on this issue has been reflected in nearly all stories. A mixture of regional and national press attended, including the *Washington Post*, *USA Today*, AP, and *Time* magazine.

- In addition, I participated in a *Morning Newsmaker* program August 18 at the National Press Club prior to leaving for South Africa. More than 40 reporters from worldwide media organizations attended. Media that covered the event included: CNBC, MacNeil Lehrer, Bloomberg, Dow Jones, Reuters, *Kiplinger Washington Letter*, Knight-Ridder, *Washington Post*, *USA Today*, and C-Span.

C-Span devoted a *Washington Journal* segment to highlight the people-to-people effort of collecting science, math and technical books for children in South Africa. These books were distributed to the children at school during my visit to South Africa.

I conducted media briefings in South Africa. The response has been very positive with coverage including the *Baltimore Sun*, Reuters, AP, *USA Today*, and trade papers.

- *Government Executive* magazine carried a story outlining the Department's efforts to align itself and produce the "largest savings of any federal agency." The contract reform effort was emphasized as well.
- DOE and Congressman Schiff (R-NM) sponsored an exhibit in the Rayburn Building that highlights the 32 *R&D 100 Awards* won by DOE labs. At the exhibit, I announced the agreement between DOE and Intel Corporation to build the world's fastest computer. Press attendance primarily included energy trade press and science publications.

UPCOMING

Global Energy and Environmental Goals in Prague

- I will help advance the United States' global energy and environmental goals during a visit to Prague September 14 through 16, 1995. On the agenda are meetings on U.S.-Czech cooperation in energy ventures, such as coal-to-gas conversions; U.S. investment in the Czech Republic's energy and environmental sectors; and meeting air quality goals through international Joint Implementation projects.

International Atomic Energy Agency

- September 16 through 20, 1995, I will be in Vienna for the 39th Regular Session of the General Conference of the International Atomic Energy Agency (IAEA). I will speak at the conference on the subject "Keeping Commitments: Meeting the Challenges of the New Nuclear Era," and will also participate in bilateral meetings with the energy ministers from ten countries and a women's event at Austria Center.

REGULATORY REFORM

External Requests

The Department of Energy's Office of Energy Efficiency and Renewable Energy has published a notice in the *Federal Register* inviting interested members of the public to participate in a televideo conference on September 14, which will focus on the voluntary national certification program for private-sector alternative fuel vehicle training programs for automotive technicians. There is a national shortage of qualified technicians to service alternative fuel vehicles, which has spurred the need for high-quality technical training programs with uniform national standards. DOE entered into a cost-shared cooperative agreement with the National Automotive Technician Education Foundation to develop training program standards and implement a certification process for a voluntary national program. An explanation of the certification process will take place during the TeleVideo conference, which will be interactive featuring a panel of leading alternative fuels industry and training experts.

Upcoming Rulemakings

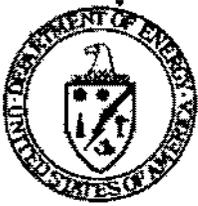
Streamlining of Procurement Regulations. The Department of Energy will publish on September 12, 1995, a Final Rule to streamline its procurement requirements, adopt performance objectives, and provide greater empowerment of lower-level staff to meet departmental contracting objectives. The result of this effort will be to eliminate 15 percent of the existing procurement regulations for a total reduction to date of 25 percent. This action responds to Executive Orders 12931, 12866 and 12861, as well as President's directive of March 4, 1995.

FOIA ACTIVITY

No significant new Freedom of Information Act requests to report.

SECRETARY AND SUB-CABINET SCHEDULES

Calendars are sent via LotusNotes to the Office of Cabinet Affairs.



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

OLWHPanetta - 895-015608
OLWHPANETTA - 895-015608

September 14, 1995

MEMORANDUM FOR LEON PANETTA

FROM: HAZEL R. O'LEARY

Sent to Cabinet Affairs via
LotusNotes at 7:20 p.m., 9/14

SUBJECT: Weekly Report

KEY DEPARTMENT NEWS

- **Energy Projects in the Czech Republic**

I will help advance global energy and environmental goals during a visit to Prague September 14 through 16, 1995. On the agenda are meetings on U.S.-Czech cooperation in energy ventures, such as coal-to-gas conversions; U.S. investment in the Czech Republic's energy and environmental sectors; and meeting air quality goals through international Joint Implementation projects.

- **39th Regular Session of the General Conference of the International Atomic Energy Agency (IAEA)**

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AGENCY WORK ON PRESIDENTIAL INITIATIVES

- **Russians to Demonstrate Improved Security for Nuclear Materials**

Several tons of nuclear weapons materials -- enough to build hundreds of nuclear bombs -- are now better protected as a result of a cooperative project between DOE's National Laboratories and a major nuclear research institute in Russia. The results of the project will be demonstrated next week (September 21) at the Institute of Physics and Power Engineering in Obninsk, 70 miles from Moscow. DOE labs have been working with the Institute at Obninsk since last winter to install new security procedures designed

to "bottle up" tons of plutonium and highly enriched uranium at the research facility. With these new systems in place, the risk of these materials falling into the hands of terrorists or unfriendly countries has been reduced dramatically.

CONGRESS

- **Budget Committee Hearing**

Chairman Kasich stated at a September 13 budget hearing, "We wanted to kill the Department of Energy, but that's off the table for this year."

Congressional Hearings

- *September 20, 1995* - Charles Curtis, Deputy Secretary witness before Senate Select Committee on Intelligence, Proposals to Modify Current Missions and Organization of the Intelligence Community.
- *September 22, 1995* - Corlis Moody, Director, Office of Economic Impact and Diversity; witness before Representative Bennie Thompson, Funding Issues/Historically Black Colleges and Universities.

MEDIA

- **Oak Ridge National Laboratory**

CNBC's *Profiles of America* will highlight the Oak Ridge National Laboratory on Sunday, September 24, 1995. The show focusses on companies with outstanding capabilities and qualities.

- Media coverage is anticipated on Czech and IAEA meetings.

REGULATORY REFORM

No significant item to report.

FOIA ACTIVITY

Gannett News Service has requested information on travel expenses paid by the Department for members of the House and Senate Appropriations Committees and their staffs.

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Department of Energy
Washington, D.C. 20585

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From:

Hazel R. O'Leary

Secretary of Energy

Transmittal consists of 2 pages, excluding this form.

Notes:



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

September 14, 1995

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SECRETARY AND SUB-CABINET SCHEDULES

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THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

September 21, 1995

OLWHPANETTA
ES95-015991



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

Sent to Cabinet Affairs
via LotusNotes at 6:28 p.m.

KEY DEPARTMENT INITIATIVES

Announcement of Administration Policy on Nuclear Waste.

The President recently reached a decision on the Administration's position on legislation that would direct the Department of Energy to develop an interim storage facility for nuclear waste. Legislation to accomplish this objective has already moved through the House Commerce Committee and will be voted on by the full House in the near future. The Senate will then likely move similar legislation. Both the House and Senate Subcommittees on Energy and Water Appropriations have instructed the Department to phase out work on a permanent repository and focus its efforts on the development of an interim storage facility. We believe that the Administration policy will allow us to influence to a far greater degree both the Appropriations' deliberations and attempts to amend the Nuclear Waste Policy Act to direct the development of an interim storage facility.

We are coordinating the communication of this position to Congress and affected constituencies with Legislative Affairs and the Office of Management and Budget. Given the impact of this decision, we will coordinate communicating this decision to Congress, industry, and the thirty-four affected States. Coordinated communication is important because the decision is likely to be viewed hostilely by the States and industry. I will meet with industry and State officials to communicate the substance and policy of this decision. If our position was adopted legislatively, there would be a difference of three years from when an interim facility could take waste than if the presently proposed legislation were adopted. We believe this to be a very credible position.

Announcement on the Provision of Tritium to Maintain the Nuclear Stockpile.

The U. S. Department of Energy is currently planning to announce how it intends to provide tritium in the future to maintain our nuclear weapons stockpile. This has been the subject of much controversy as some wanted the construction of a new nuclear reactor to provide tritium and others wanted construction of another type of facility. We will announce the direction we are moving in on October 5. We are not announcing the construction of a new large facility. Given the importance of this decision to several States, including Nevada and South Carolina,

we will be meeting with those delegations prior to the announcement. We have discussed this decision with Pat Griffin and others in the Office of Management and Budget for the last several weeks. This story is likely to generate significant press attention in South Carolina and Nevada.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Commission on Human Radiation Experiments Report

I will participate with the President in an event releasing the Advisory Commission on Human Experimentation Report on October 3. This report will receive significant attention. We will develop a communications strategy to ensure that the leadership of the Administration in releasing this information is not overshadowed by tests which will be viewed skeptically by the public.

CONGRESS

Congressional Meetings

- Meeting with Representative Robert Menendez

I will meet with Congressman Robert Menendez on issues of importance to the Hispanic community in the near future.

- Meeting with Representative Gary A. Franks

I will meet with Congressman Gary Franks on technology transfer issues this week.

- Meeting with Representative Elizabeth Furse

I will meet with Congresswoman Furse in the near future on issues important to the cleanup of the Hanford Site. Oregon is downwind from that site.

Congressional Hearings

None at this time.

MEDIA

Interview with America's Black Forum

I will conduct an interview with Julian Bond in the near future. The major subject of discussion will be the trip I recently lead to South Africa and its importance to the African American community and the Clinton Administration.

Interview with the *Capital Gains Program* on CNBC

I will conduct an interview with the *Capital Gains Program* on CNBC this week. This program focuses on science and technology. This opportunity allows me to highlight the differences between Congressional actions to dramatically reduce our research and development and science and technology programs compared with the Administration's efforts in these areas.

Attendance of Congressional Black Caucus Events

I will receive the Chairman's Award of the Congressional Black Caucus Foundation this Saturday evening. I will attend several other events during the weekend.

Media Coverage, Sept. 14 - 21

- *The New York Times* on September 18 reported on my visit to Czechoslovakia and the leading role three American utilities will play in Central Europe by building projects that illustrate how to reduce greenhouse gases.
- On September 19 both the *Washington Times* and *London Times* carried accounts of my message on behalf of the President to the International Atomic Energy Agency General Conference. The stories carried strong mention of the U.S. intention to work toward a comprehensive nuclear test ban treaty.

Media events for next week include: A press conference on Monday to highlight California's Lawrence Livermore National Laboratory's continuation as a major weapons location; an appearance on "America's Black Forum" Wednesday; and a live interview Thursday morning for the CNBC program *Capital Gains*.

REGULATORY REFORM

External:

Accelerated DOE Orders Reduction Effort: Yesterday, Deputy Secretary Curtis chaired a joint consultative meeting with the Defense Nuclear Facilities Safety Board to review nuclear safety issues raised by accelerated reduction of DOE orders. This accelerated effort is intended to strip away unnecessary and burdensome requirements; save taxpayer money in the conduct of DOE contractor operations; and ensure adequate protection of health, safety, and the environment. The U. S. Department of Energy expects to complete the accelerated 50 percent reduction of its existing orders by the end of September.

Upcoming Rules:

In a Final Rule to be published this week, the Department of Energy is amending the Code of Federal Regulations (CFR) to reduce regulations. In connection with the President's Regulatory Reinvention Initiative, the Department of Energy is engaged in a continuing and comprehensive

review of its regulatory program. As part of that in-depth review, the Department is removing those regulations for which statutory authority has expired or been superseded by subsequent legislation, as well as regulations governing nonfunctioning and unfunded programs. This action is being taken in response to the President's Regulatory Reform Initiative to eliminate obsolete regulations and streamline existing rules. The Department has targeted 33 percent of regulations for elimination and with this rulemaking will complete the elimination of 21 percent of all such pages.

FOIA ACTIVITY

No significant new Freedom of Information Act requests to report.

SECRETARY AND SUB-CABINET SCHEDULES

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