

**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
to the
U.S. DEPARTMENT OF ENERGY**

PUBLIC MEETING MINUTES

**U.S. Department of Energy
1000 Independence Avenue, SW – Forrestal Building Room 8E-089
Washington DC 20585**

**December 5, 2011
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**ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
SUMMARY OF MEETING**

The Environmental Management Advisory Board was convened at 9:00 a.m. EST on Monday, December 5, 2011, at the US. Department of Energy Forrestal Building in Washington, D.C. Vice Chairman Dennis Ferrigno introduced the Board members for the meeting.

Board members present:

Dr. Frank Coffman, AECOM Government Services
Mr. G. Brian Estes, Consultant
Dr. Dennis Ferrigno, CAF & Associates, LLC
Ms. Jane Hedges, Washington State Department of Ecology
Mr. John Owsley, Tennessee Department of Environment and Conservation
Dr. Lawrence Papay, Papay Quayle Resources, LLC
Mr. Willie Preacher, State and Tribal Government Working Group
Ms. Lessie Price, Aiken City Council
Mr. David Swindle, Federal Services/URS Corporation
Mr. Robert Thompson, Energy Communities Alliance

Members joining by conference call:

Mr. Paul Dabbar, J.P. Morgan Securities, Inc.

EMAB Designated Federal Officer:

Ms. Kristen Ellis, DOE Office of Environmental Management

Others present for all or part of the meeting:

Mr. Mark Frei, Frei Solutions
Ms. Michelle Hudson, DOE Office of Environmental Management
Mr. Dave Huizenga, Acting Assistant Secretary for Environmental Management
Dr. Carolyn Huntoon, Consultant
Mr. Thomas Johnson, Director, EM Recovery Act Program
Mr. Colin Jones, DOE Office of Environmental Management
Mr. Bill Levitan, DOE Office of Environmental Management
Ms. Elizabeth Maksymonko, e-Management
Ms. Tracey Mustin, Acting Principal Deputy Assistant Secretary for Environmental Management
Ms. Melissa Nielson, DOE Office of Environmental Management
Mr. Mike Nartker, Weapons Complex Manager
Ms. Elizabeth Schmitt, DOE Office of Environmental Management
Mr. Jack Surash, Deputy Assistant Secretary for Contracting and Acquisition Management
Ms. Terry Tyborowski, Acting Deputy Assistant Secretary for Program Planning and Budget
Ms. Sandra Waisley, Deputy Assistant Secretary for Human Capital and Corporate Services

LIST OF ACRONYMS

APMS – Acquisition and Project Management Subcommittee	LAW – Low-Activity Waste
ARRA / “Recovery Act” – American Recovery and Reinvestment Act	LCC – Life Cycle Cost
CPR – Construction Project Review	M&O – Management & Operating
CRESP – Consortium for Risk Evaluation with Stakeholder Participation	NNSA – National Nuclear Security Administration
DAS – Deputy Assistant Secretary	NNSS - (DOE) Nevada National Security Site
DFO – Designated Federal Officer	NRC – Nuclear Regulatory Commission
DOE – Department of Energy	Oak Ridge – (DOE) Oak Ridge Site
DWPF – Defense Waste Processing Facility	OMB – Office of Management and Budget
EIS – Environmental Impact Statement	ORNL – Oak Ridge National Laboratory
EM – Office of Environmental Management	Paducah – (DOE) Paducah Site
EM CBC – EM Consolidated Business Center	PBS – Project Baseline Summary
EM-TEG – Environmental Management Technical Experts Group	Portsmouth – (DOE) Portsmouth Site
EPA – Environmental Protection Agency	S-1 – (DOE) Secretary
EVS – Employee Viewpoint Survey	S-2 – (DOE) Deputy Secretary
FACA – Federal Advisory Committee Act	S-3 – (DOE) Under Secretary
FY – Fiscal Year	SRS – (DOE) Savannah River Site
GAO – Government Accountability Office	SWPF – Salt Waste Processing Facility
Hanford – (DOE) Hanford Site	TRU – Transuranic Waste
HLW – High-Level Waste	TPA – Tri-Party Agreement
Idaho – (DOE) Idaho Site	WIPP – Waste Isolation Pilot Plant
LANL – Los Alamos National Laboratory	WTP – Waste Treatment Plant

OPENING REMARKS

The Environmental Management Advisory Board (EMAB or Board) was convened at 9:00 a.m. EST on Monday, December 5, 2011, at the U.S. Department of Energy (DOE) by Vice Chairman Dennis Ferrigno. He introduced the EMAB members and noted that the meeting was open to the public and would be conducted in accordance with the requirements of the Federal Advisory Committee Act (FACA). He also stated that, unfortunately, Mr. James Ajello, EMAB Chair, and Ms. Jennifer Salisbury were unable to participate due to scheduling conflicts. Attendees were then directed to visit <http://www.em.doe.gov/emab> for more information about EMAB.

EM PROGRAM UPDATE

Mr. David Huizenga, Acting Assistant Secretary for the DOE Office of Environmental Management (EM), provided an update on the EM program and shared his initial impressions and vision for EM since returning to the program in the summer of 2011. Mr. Huizenga worked for EM earlier in his career before transitioning to the National Nuclear Security Administration (NNSA) in 2002 where he most recently served as the Principal Assistant Deputy Administrator for the Office of Defense Nuclear Nonproliferation.

Mr. Huizenga noted that EM has had several significant achievements over the past 10 years, and that its mission is fundamentally the same: complete cleanup at the remaining 17 sites that have served the country during crucial times in the nation's history. He also highlighted the positive impacts of the American Recovery and Reinvestment Act (ARRA) funding. For example, through the ARRA, EM was able to reduce its footprint by 66%, putting the program on track to achieve a 69% reduction in the complex's footprint by the end of fiscal year (FY) 2012. ARRA-funded projects also helped EM exceed its small business contracting goals.

With the ARRA now past, EM has found itself dealing with new budgetary and organizational challenges. Mr. Huizenga stated that EM needs to find efficiencies, ways to work smarter in an environment where resources have become increasingly constrained. Both the House and Senate mark-ups of EM's FY 2012 budget came in below what the Department had initially requested. EM faces a challenging funding outlook. All of the program offices recognize the need to tighten their belts, and must ensure that they do so in a manner that is as transparent and equitable as possible. Mr. Huizenga also noted that early and often communication with stakeholders and regulators to discuss these new funding realities is critical.

Mr. Huizenga reported on a number of organizational changes that were in the process of taking effect. The Secretary made the decision to realign EM, NNSA, and the Office of Legacy Management (LM) under the leadership of Mr. Tom D'Agostino, the Under Secretary for Nuclear Security. This organizational change should not affect EM's ongoing cleanup. Rather, the intent is to better leverage the technical expertise available between these closely related program areas by keeping them in the same reporting chain. Mr. Huizenga noted that he expects the program offices will find synergies and hopes to identify opportunities where EM can partner with NNSA and LM in the future.

EM is also in the process of realigning its Headquarters (HQ) organization in order to better define roles and responsibilities, and optimize its ability to support the field and accomplish its

mission. Mr. Huizenga has been working with EM senior leadership and the employees' union to develop a framework for the proposed reorganization. Additional information on the proposed reorganization will be available following EM's All Hands Meeting on December 8, 2011.

Mr. Huizenga next turned to how EMAB can assist EM in the coming year. He began by thanking the EMAB Tank Waste Subcommittee (TWS) for all of its hard work. EM is still processing the TWS report and recommendations and will further review the path forward for implementation. Mr. Huizenga then directed EMAB to focus on the following subject areas in 2012:

Minimum Safe (Min-Safe) Definitions

There appears to be inconsistency across the complex regarding how min-safe requirements are defined site-by-site. Min-safe includes items like keeping the lights on, maintaining the safety posture, etc. EMAB can help evaluate the sites' min-safe definitions to determine how EM can achieve greater consistency across the program and identify budget efficiencies.

Risk-Based Decision Making

EM needs to strike a balance in its risk-based prioritizing and decision making. A high percentage of attention and resources have been devoted to this area. EM must avoid risks stemming from unaddressed safety issues. EMAB could assist by evaluating risk-based decision making as it relates to priority setting for EM funding profiles.

Operational Policies and Protocols

While EM's capital assets are fairly well understood, many of the operational projects don't fall neatly under DOE O 413 and still need to be managed with a rigorous approach to oversight. Mr. Jay Rhoderick from EM HQ and Ms. Margaret Marks from the EM Consolidated Business Center are spear-heading an effort to develop operational policies and protocols for these types of projects. EMAB can assist in this effort by reviewing the policies and protocols, and identifying any omissions or best practices that need to be addressed.

Before concluding his presentation, Mr. Huizenga introduced Ms. Tracey Mustin, the Acting Principal Deputy Assistant Secretary for EM, and Ms. Terry Tyborowski, the Acting Deputy Assistant Secretary for Program Planning and Budget. He also noted that Ms. Alice Williams will join the EM HQ senior management team as the Associate Principal Deputy Assistant Secretary in the near future.

Ms. Mustin addressed the group. She emphasized the importance of taking advantage of the existing talent within EM to empower employees to facilitate the work being done in the field.

ROUNDTABLE DISCUSSION OF EM UPDATE

Mr. David Swindle asked how Mr. Huizenga intended to manage the expectations of Congress and EM's other stakeholders. One of the recurring issues EMAB's Acquisition and Project Management Subcommittee (APMS) came across in its work was that, given past instances where EM had over-promised and under-delivered, there are some strained stakeholder relationships and a general erosion of support. EM's reputation and credibility is at risk. Additionally, the program's funding levels have become more uncertain, and at least in a narrow

sense, the ability to effectively manage expectations correlates with the predictability of EM's funding.

Mr. Huizenga concurred with Mr. Swindle's observations and noted that EM needs to be careful when talking to congressional staff, to not make promises that it can't deliver. There is a great deal of uncertainty associated with the nature of EM's work. Going forward, it is important that the program remain honest, and strike a balance between reducing risk and controlling expectations. Mr. Huizenga cited the Waste Treatment Plant (WTP) at Hanford as an example of where EM recognized problems coming down the line, and downgraded the project from "yellow" to "red" in order to address those issues head on.

Ms. Tyborowski added that EM's relations with Capitol Hill have fallen off in recent years. However, with the recent transition in management, there is a renewed effort to communicate with congressional staff and maintain a greater presence on the Hill.

Mr. Huizenga added that his team has also made an effort to meet with the Government Accountability Office (GAO) and the US Army Corps of Engineers (USACE) early to discuss strategies for removing EM from the GAO High Risk List.

Mr. Frank Coffman noted that based on a lot of the recent management attention given to EM, DOE is in a good position to rebuild pride in the program's mission and reinvigorate the workforce, even in a flat budget environment. The field offices and contractors are on board, they want to succeed. Top-down support is critical.

Mr. Huizenga stated that his team intends to push authority and responsibility out to the field to the greatest extent possible; he wants the field offices to be empowered and accountable for their missions. Regarding the structure of EM's contracts, Mr. Huizenga commented that since the transition from M&Os, there is still a need for more education on which types of contracts are appropriate and how they can be used effectively. His management team will work closely with Mr. Jack Surash, Deputy Assistant Secretary for Acquisition and Contract Management, to further explore contracting issues and strategies with the federal staff, Federal Project Directors, and contractors.

Dr. Dennis Ferrigno explained that in EMAB's work on WTP and the Hanford and Savannah River Site (SRS) tank waste programs, TWS members found that the EM employees' owner-operator mentality is not as strong as it should be. The federal managers need to more closely identify with their site operations and their operations mission. The federal staff may not be physically building or operating the facilities, but they need to understand what they're managing and not totally rely on the contractor to speak or act on their behalf. EM has the tools and procedures it needs to effectively manage projects. Field sites must understand that they are the ones that own the facilities and the spaces, not the contractors; EM ultimately has ownership of its operations and must take owner/operator responsibility.

Mr. Swindle added that the APMS came to similar conclusions in its report as well.

Mr. Huizenga responded that he would like to talk more with EMAB about the owner-operator concept.

Mr. Robert Thompson spoke on behalf of the Energy Communities' Alliance (ECA), asking Mr. Huizenga to comment on the recent developments impacting the EM organization, specifically the program's realignment under the Under Secretary for Nuclear Security, the Inspector General's (IG) report on management challenges, and the proposed reorganization of EM HQ.

Ms. Mustin responded that from EM's perspective, being realigned under the same management chain as NNSA has its benefits, and that she sees it as an opportunity to work smarter together. The initial fears that some observers had about EM being consumed by NNSA are not accurate.

Mr. G. Brian Estes commented that enacting the proposed EM reorganization quickly was important. The uncertainty of when the reorganization could take place and how it could impact the workforce can negatively impact productivity and morale.

Mr. John Owsley referred to impending budget cuts and EM's need to realign its funding priorities. He stated that the regulatory community wants to ensure that EM promotes transparency and fairness throughout its planning process. Compliance agreements are required by law, but they can also be a useful budgeting tool for DOE. They are very specific about how budget information should be shared and addressed.

Ms. Jane Hedges added that she appreciated Mr. Huizenga's comments on risk-based decision making and his emphasis on the importance of coordination with the field offices. She shared her recent experience in working with the Richland Operations Office to alter milestones in order to address some of the highest risks in its portfolio. It was a successful effort, demonstrating how early and often communication between EM and its regulators can benefit the program.

ACQUISITION AND PROJECT MANAGEMENT SUBCOMMITTEE REPORT

Mr. Estes and Mr. Swindle, Co-chairs of the Acquisition and Project Management Subcommittee (APMS), provided an update on APMS activities and presented the *Report on the Removal of EM Projects from the Government Accountability Office's (GAO) High Risk List*. The APMS report is available in full at <http://www.em.doe.gov/stakepages/emabproducts.aspx#dec11>

By way of background, Mr. Swindle explained that on March 31, 2010, former EM Assistant Secretary Inés Triay tasked EMAB to provide recommendations regarding the updated strategy for reducing project and contract risks, and removing EM projects from the GAO's High Risk List. Members of the EMAB APMS developed a Terms of Reference document outlining their specific tasks and the proposed actions to meet requirements. A report was approved by the EMAB on September 15, 2010 and submitted to Dr. Triay.

The APMS was then asked to assess how effectively EM executed the project management Corrective Action Plan, and identify any additional strategies or tools which may be of value in achieving that goal.

On February 24, 2011, EMAB approved a report on the APMS's interim findings, which resulted from a number of fact-finding conference calls, meetings, and the DOE Contract and Project

Management Summit held in December 2010. On June 24, 2011, the Board approved a second report on the interim findings of the Subcommittee.

GAO updated its High Risk List in February 2011. EM remains on the List as it still needs to meet two final criteria for removal: 1) EM must commit a sufficient number of people and resources to resolve contract management problems; 2) EM must monitor and validate the effectiveness of its corrective measures.

On November 28-29, 2011, two APMS members met with representatives from the DOE Richland Operations Office, Office of River Protection (ORP), and EM contractors to discuss the implications of EM returning to an M&O or M&O-type acquisition contract approach if necessary.

The Subcommittee found that DOE, GAO and others acknowledge that EM is faced with balancing requirements and demands of numerous stakeholders. However, EM's performance is not evaluated with full consideration of the challenges EM projects face beyond those of other federal projects. Other projects, however, have been able to address these issues with effective acquisition and project management. EM could learn important lessons from these projects.

Regarding the issue of EM returning to an M&O or M&O-type operation, a Secretarial Review was conducted by a committee chaired by the Office of Science's Director of Project Assessment, Daniel Lehman. This review was intended to better understand EM's programs and project organizations, project management processes, program roles and responsibilities, and all aspects of the EM culture that influence project outcomes. The *Report on the Office of Environmental Management Program and Project Organization* was released in August 2011. Mr. Swindle summarized a number of findings and observations from that report.

In the APMS's discussions with GAO, it was made clear that GAO believes human capital, institutionalizing improvements, cost estimating, project discipline and premature decision-making to be the most important areas in need of improvement. Representatives from DOE have added that a strong commitment to continued improvement is also essential to enacting lasting changes. The enduring corrective actions will require continued attention and diligence from the EM Assistant Secretary. Furthermore, the effectiveness of those solutions must be regularly assessed.

Furthermore, the Subcommittee encouraged creating a more robust lessons-learned system as well as a more extensive follow-up to resolve issues that are raised in external reviews. Adequate resourcing of project and acquisition management personnel in the field is also needed to improve EM's human capital. Acquiring adequate staffing for EM projects has been a challenge and a concern for many stakeholders. The APMS emphasized that a solid command and control system is necessary to improve accountability and successfully complete projects.

Other issues raised by the APMS included needed stability within the EM Office of Project Management; the need for alignment of contract management and project baseline management, and good cost estimating from the EM CBC; and confusion about the chain of command and who decision-makers, decision influencers, sponsors and opponents are within different offices.

APMS members also found that M&O contracts are easier to administer for the government, but fee-earning capability is limited, which can affect the quality of those assigned to the contract. The M&O contracting model provides the greatest flexibility to respond to the changes in funding of environmental remediation. As an alternative, Mr. Swindle cited that the River Corridor cost plus incentive fee (CPIF) contract works well for a high-risk project. An M&O contract would result in more analysis and consequently higher costs. A CPIF contract should be insulated from impacts from other contracts to minimize changes. Target cost contracts are also working well because they get work done quickly and for fee potential.

The cost plus award fee (CPAF) support contract is close to an M&O contract, though the latter would have more flexibility for unfunded mandates resulting from policy changes. A serious review of all pros and cons of contract types is needed. However, in general, performance-based contracts have been found to be very effective tools for cleanup and closure if there is regulatory alignment and some funding stability.

In its report, the APMS submitted two recommendations for EMAB's consideration:

Recommendation 2012-01: EM should ensure that prior to and during acquisition strategy development leading to the selection of a contracting approach for the EM requirement being addressed, that all participants in the acquisition strategy development are trained and conversant in the advantages and disadvantages of all contract types to include the M&O contracting approach, as well as the resources required to administer such contract, in order to select the most appropriate contract types.

Recommendation 2012-02: In planning future acquisition strategies to deliver EM Project objectives and projects, EM should consider changing the performance requirements and risks associated with a project's total life cycle and evolution through risk and uncertainty maturity. In such consideration, it would be beneficial to establish hybrid contracting approach solutions for selected EM projects that incorporate the best features of any and all contract types under the FAR and DEAR.

ROUNDTABLE DISCUSSION OF THE ACQUISITION AND PROJECT MANAGEMENT SUBCOMMITTEE REPORT

Mr. Huizenga added that he has talked with Mr. Surash about bringing contractors together for a meeting to discuss pertinent issues. He said that the relationship should be a partnership and that the goal is that the contractor knows what risks and liabilities exist and is incentivized to get work done efficiently.

Mr. Swindle suggested a hybrid approach would be needed to solve the issues; there is no one-size-fits-all solution. There are many features of M&O that would be advantageous, but the main disadvantage is the lack of discipline. The best features from different types of contracts must be brought together.

Mr. Surash stated that he supported the Subcommittee's first recommendation, as there needs to be better work done so all contractors know their specific jobs. However, as to the second

recommendation, Mr. Surash asked for more conversation with examples of where this has been done.

Ms. Mustin asked if DOE is properly incentivizing contractors to be conscientious about completing contracts.

Mr. Surash stated that with regard to the Salt Waste Processing Facility (SWPF), there is a restructured contract from an incentive fee with only 10-20% on schedule and the rest is on cost to reverse that. He added that there is also a cost ceiling and if the contractor reaches that, they will earn no fee.

Mr. Coffman explained that he felt that in the GAO report, EM took too much heat considering its accomplishments. He said that EM has contracts marked as red and no ability to accommodate unknowns and to manage expectations.

Mr. Owsley stated that under CERCLA, regulators are equal decision-makers, and DOE subjects themselves to fines and penalties if they do not allow this. Decisions can be made quickly especially when the contracts are aligned with compliance agreements.

TANK WASTE STRATEGY UPDATE

Mr. Ken Picha, Acting Director of the Office of Safety Management, reported on the status of the EMAB TWS recommendations. His presentation is available online at <http://www.em.doe.gov/stakepages/emabproducts.aspx#dec11>.

The TWS was originally convened to complete a technical review of Hanford's Waste Treatment and Immobilization Plant (WTP) in May 2010. It completed its initial report in September 2010. The TWS next focused on the Tank Waste programs at Hanford and SRS, specifically the focusing on modeling for life-cycle analysis, evaluating melter technologies and waste delivery plans, and identifying other tank waste vulnerabilities. This work was completed prior to EMAB's June 2011 meeting where the TWS presented its final report along with 43 recommendations to EMAB and EM senior management. Mr. Picha added that while the TWS worked on its 2011 report, a number of concurrent review activities were undertaken by groups with similar missions, such as the EM Technical Expert Group Tank Waste Strategy Review and many key Construction Project Reviews (CPRs) for the SRS SWPF, WTP, and at-tank facilities.

Mr. Picha reviewed the TWS's 43 recommendations and identified which organizations would be responsible for implementing those recommendations. A portion of the recommendations were related to the follow-up for External Flow sheet Review Team items, which included 10 recommendations that were broken into 24 actions. The remaining recommendations were mostly directed at DOE, including the 2020-Vision and WTP commissioning and startup.

Mr. Picha explained that EM HQ, SRS, and ORP are still in the process of evaluating the recommendations. Many of the recommendations are being addressed in conjunction with a number of ongoing activities, such as enhancements to system plans and life-cycle models, responses to CPR recommendations, and evaluation of TEG recommendations.

ROUNDTABLE DISCUSSION OF THE TANK WASTE STRATEGY UPDATE

Mr. Swindle asked if there were any timelines for response or implementation of the recommendations.

Mr. Picha responded that no timelines exist yet, as plans are still being formulated.

Mr. Swindle asked if implementation of the TWS recommendations was critical to any near-term decisions for WTP.

Mr. Picha said that he did not think there were any recommendations that could be critical to making these decisions.

PUBLIC COMMENT PERIOD

None.

MANAGEMENT EXCELLENCE PRESENTATION

Ms. Sandra Waisley, Deputy Assistant Secretary for Human Capital and Corporate Services, provided the Board with an update on EM's management excellence efforts.

Following the transition in leadership over the summer, Mr. Huizenga and Ms. Mustin held two employee off-site retreats to gather input from employees and senior managers on how the EM organization could be improved. The off-site retreats focused on three areas in particular:

- Roles, Responsibilities, Authorities and Accountabilities (areas requiring clarity or changes) and Organizational Alignment (opportunities and challenges with the current structure; internal and external opportunities to address the challenges and concerns)
- Strategic Direction (opportunities and challenges with EM's vision, mission, values, priorities, and goals)
- Employee Empowerment (delegating down; improving the quality of work life)

An EM Improvement Team was chartered to review the comments gathered during the retreats, and integrate them with findings from other surveys and human capital initiatives (such as the Employee Viewpoint Survey) in order to develop a action plan to be implemented by smaller, more narrowly-focused teams of volunteers.

Ms. Waisley also reported on the proposed reorganization of the EM HQ offices. EM plans to shift to a matrix organization divided into seven mission and business support units. The Mission Units will include Site Restoration, Tank Waste & Nuclear Material, and Waste Management. The Mission Support units will include Acquisition & Project Management, Program Planning & Budget, Human Capital & Corporate Services, and Safety, Security, & Quality Programs. The proposed reorganization will also include the establishment of Assistant Deputy Assistant Secretary (ADAS) positions. The intent of adding ADAS positions is that it will elevate the Deputy Assistant Secretaries to a role where they can focus more on leadership activities and developing strategic initiatives rather than spending a majority of their time on

day-to-day operations. Full details on the proposed reorganization will be available following EM's upcoming All Hands Meeting on December 8, 2011.

Ms. Waisley concluded her presentation with a brief summary of EM's workforce development efforts. She noted that training funds are limited. Therefore, EM is looking for creative solutions to augment its leadership development and Senior Executive Service programs.

ROUNDTABLE DISCUSSION OF MANAGEMENT EXCELLENCE PRESENTATION

Ms. Lessie Price asked if EM had made progress in implementing the corrective actions for human capital issues that Ms. Waisley noted during her last presentation to the Board.

Ms. Waisley responded that the corrective actions are still underway and that they had been factored in to the action plans developed during the off-site retreats.

Dr. Ferrigno asked how the tank waste, site restoration, and waste management mission offices in the proposed EM reorganization will interact with site operations.

Ms. Waisley explained that each of the new mission area offices will be responsible for oversight of the correlating PBSs, and will work closely with the business support offices responsible for more corporate functions (i.e. Project Management, Acquisition, Human Capital, etc.). The proposed reorganization is more akin to a matrixed organization. The mission units will largely serve as one-stop shops for site operations.

Mr. Swindle requested that additional information on the proposed EM reorganization be provided to the Board following the full roll-out on December 8, 2011.

AMERICAN RECOVERY AND REINVESTMENT ACT UPDATE

Mr. Thomas Johnson, Director of the EM Recovery Act Program, provided an update on Recovery Act funding and activities. Mr. Johnson began by giving an overview of the EM Recovery Act program, explaining that approximately \$6 billion of funding was provided to 17 sites in 12 states. His presentation is available online at <http://www.em.doe.gov/stakepages/emabproducts.aspx#dec11>.

The goal of ARRA was to create jobs, but EM was also able to use the funding in order to significantly benefit its greater programmatic mission by choosing projects that were 'shovel ready' with fully-defined cost, scope and schedule. For all of those projects, there was a strong focus on footprint reduction and small site closures. Most of the projects in the Recovery Act were finished by September 2011, though the scope stretches from April 2009 through September 2013. 84 projects, or 68% of the 124 total projects, have been physically completed thus far. Another 28 projects will be completed in 2012, which will in total comprise 90% of the planned projects.

Mr. Johnson stressed that safety was the highest priority for all of the EM Recovery Act projects. EM also focused on maintaining regular communications with regulators, Tribal Nations and

external stakeholders throughout implementation of the Recovery Act Program. Additionally, both internal and external reviews were regularly conducted to monitor and communicate performance.

36,000 workers benefited from EM's ARRA projects, which created a number of new jobs at many sites. The ARRA funding also helped create \$7 billion in lifecycle cost savings, and accelerated \$13 billion worth of out-year projects into the near term, and converted contaminated sites and materials into revitalized assets.

Mr. Johnson reported that 33 buy back projects were also initiated at several sites, where project cost efficiencies allowed for additional scope. Lastly, a Lessons Learned database was created to collect project data at every step of the process to ensure success and efficiency.

ROUNDTABLE DISCUSSION OF THE ARRA UPDATE

Dr. Coffman stated that to spend money, the companies must get under contract quickly. To do this, the procurement needed to be simplified and streamlined. He then asked if Mr. Johnson felt like he lost much regard protecting government interests by simplifying those processes.

Mr. Johnson explained that in many instances the procurements involved only modifying existing contracts. He believed that the amount of buy back scope was only available because the entire process was not prolonged. The inability to move money from one contractor to another was a bit constraining. However, when sites knew the money they saved through finding efficiencies would remain with their site, it created added incentive to work faster and smarter.

Ms. Price stated that the Recovery Act Program sets a benchmark for success and commended EM for its communications with the sites and public.

Mr. Owsley discussed compliance agreements and how project scope and schedule are fully defined, thanks to those agreements. He expressed a desire to encourage DOE to maintain its compliance schedules, as they provide a framework of available projects for instances when money like the ARRA funding appears.

BOARD BUSINESS

Vote to Adopt the APMS Report and Recommendations

Mr. Swindle indicated that any non-substantive errors in the draft APMS report (i.e. numbering or formatting issues) would be corrected following the public meeting.

The full APMS report was voted on and approved by the Board with the following editorial changes to recommendations 2012-01 and 2012-02.

Recommendation 2012-01: EM should ensure that prior to and during acquisition strategy development leading to the selection of a contracting approach for the EM requirement being addressed, that all participants in the Acquisition Strategy development are trained and conversant in the advantages and disadvantages of all contract types *to include the M&O*

contracting approach, as well as the resources required to administer such contracts, in order to select the most appropriate contract type.

Per Dr. Ferrigno's suggestion, "to include the M&O contracting approach" (italicized above) was added to the text of Recommendation 2012-01.

Recommendation 2012-02: In planning future acquisition strategies to deliver EM Project objectives and projects, EM should consider the *potential* change in performance requirements and risks associated with a project's total life cycle and evolution through risk and uncertainty maturity. In such considerations, it *could* be beneficial to establish hybrid contracting approach solutions for selected EM projects that incorporate the best features of any and all contract types under the FAR and DEAR.

Per Mr. Swindle's suggestion, the words "potential" and "could" (italicized above) were added to Recommendation 2012-02.

Approval of the June 23, 2011, Meeting Minutes

Approval of the June 23, 2011, EMAB public meeting minutes was nominated for motion by Mr. Estes, seconded by Mr. Swindle, and approved by the full Board with none opposed.

Discussion of the FY 2012 EMAB Work Plan

Ms. Ellis suggested that the EMAB subcommittees begin setting up lines of inquiry at the DAS-level following the public meeting in order to develop formal work plans for the FY 2012 charges.

The members agreed that EMAB's existing subcommittees would continue into FY 2012. An additional subcommittee will be convened to address the topic of risk-informed decision making. Volunteers for the new subcommittee include Mr. Owsley, Ms. Hedges, Mr. Thompson, and Mr. Preacher. It was also suggested that Ms. Jennifer Salisbury join that subcommittee given her expertise and background.

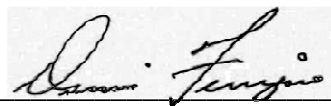
2012 Meeting Schedule

EMAB is tentatively scheduled to hold its next public meeting in the field in either late May or early June of 2012.

Adjournment

Dr. Ferrigno adjourned the meeting around 4:45 p.m. EST.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Dennis Ferrigno
Vice Chairman
Environmental Management Advisory Board



Kristen Ellis
Designated Federal Officer
Environmental Management Advisory Board

These minutes will be formally considered by the Board at its next meeting, and any corrections or notations will be incorporated into the minutes of that meeting.

ENVIRONMENTAL MANAGEMENT ADVISORY BOARD
 US Department of Energy
 1000 Independence Avenue, SW • Washington DC 20585
 Forrestal Building Room 8E-089

December 5, 2011	
9:00 a.m.	<p>Welcome and Overview</p> <ul style="list-style-type: none"> • Dennis Ferrigno, <i>EMAB Vice Chair</i>
9:15 a.m.	<p>EM Update</p> <ul style="list-style-type: none"> • David Huizenga, <i>Acting Assistant Secretary for Environmental Management</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leader: Dennis Ferrigno, <i>EMAB Vice Chair</i> • Terry Tyborowski, <i>Acting Deputy Assistant Secretary for Program Planning and Budget</i>
10:45 a.m.	Break
11:00 a.m.	<p>Acquisition and Project Management Subcommittee Report</p> <ul style="list-style-type: none"> • G. Brian Estes and David Swindle, <i>Acquisition and Project Management Subcommittee Co-Chairs</i>
12:15 p.m.	Lunch
1:45 p.m.	<p>Tank Waste Strategy Update</p> <ul style="list-style-type: none"> • Ken Picha, <i>Acting Director, Office of Safety Management</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leaders: Dennis Ferrigno and Lawrence Papay, <i>Tank Waste Subcommittee Co-Chairs</i>
2:30 p.m.	Public Comment Period
2:45 p.m.	<p>Management Excellence</p> <ul style="list-style-type: none"> • Sandra Waisley, <i>Deputy Assistant Secretary for Human Capital and Corporate Services</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leaders: Lessie Price, <i>EMAB Member</i>

3:15 p.m.	Break
3:30 p.m.	<p>ARRA Update</p> <ul style="list-style-type: none"> • Thomas Johnson, Jr., <i>Director, EM Recovery Act Program</i> <p><u>Roundtable Discussion</u></p> <ul style="list-style-type: none"> • Discussion Leader: Dennis Ferrigno, <i>EMAB Vice Chair</i>
4:00 p.m.	<p>Board Business</p> <ul style="list-style-type: none"> • Vote on the Acquisition and Project Management Subcommittee Report • Approval of the June 23, 2011 Public Meeting Minutes • Discussion of FY 2012 Work Plan • New Business
4:45 p.m.	Adjournment