Positioning EM for Future Success

Merle Sykes
Chief Business Officer
Office of Environmental Management

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Leveraging strategic investments to win the future

Environmental Management: A National Responsibility

- We reduce risks and protect our workers, our communities and the environment through cleanup

- Our work is urgent and essential to the health and economic vitality of our communities and the nation and positions our Sites for future missions and use

- Our mission is not discretionary - it is a congressional mandate to D&D the gaseous diffusion plant under the U.S. Energy Policy Act of 1992 and a federal obligation to address the cold war environmental legacy cleanup and honor our regulatory commitments

- Time is not on our side – costs and risks increase over time

- We have demonstrated value for the American Taxpayer by delivering significant progress in the past several years in reducing risks and the overall liability - but our work is not done

- The Environmental Management portfolio is one of our nation’s largest liabilities - we have a responsibility to relieve future generations of this environmental and financial liability
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Program Priorities

- Activities to maintain a safe, secure, and compliant posture in the EM complex
- Radioactive tank waste stabilization, treatment, and disposal
- Spent (used) nuclear fuel storage, receipt, and disposition
- Special nuclear material consolidation, processing, and disposition
- High priority groundwater remediation
- Transuranic and mixed/low-level waste disposition
- Soil and groundwater remediation
- Excess facilities deactivation and decommissioning (D&D)

FY 2012 Budget Request

- Radioactive Tank Waste Stabilization and Disposition 38%
- Spent Nuclear Fuel Storage, receipt, and disposition 3%
- Special Nuclear Material Consolidation, Processing and Disposition 10%
- Transuranic and Mixed/Low Level Waste Disposition 14%
- Excess Facilities Deactivation and Decommissioning 17%
- Soil and Groundwater Remediation 10%
- Programmatic Support Activities 8%
- Excess Facilities Deactivation and Decommissioning 17%

* Program Direction, Program Support, Community & Regulatory Support, Technology Development & Deployment, and Post-Closure Administration
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Funding by Site (FY 2012 Congressional Request)
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**FY 2012 Highlights**

- Funds activities to maintain a safe, secure and compliant posture in the EM complex
- Funds the recently negotiated Tri-Party Agreement settlement with Washington state
- Supports the required TRU waste retrievals at Idaho consistent with the terms of the Idaho Settlement Agreement
- Positions Los Alamos National Laboratory to comply with Consent Order
- Continues investment in transformational technologies
- Allows EM to continue to leverage Recovery Act funds
  - Footprint Reduction
  - Economies of Scale
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Los Alamos National Laboratory
- Aggressively pursue cleanup in accordance with the LANL Consent Order:
  - Enables EM to dispose of increased quantities of Mixed Low Level and Transuranic Waste.
  - Continue cleanup and closure of TA-21 and TA-54
  - Initiate new excavation remedy at Material Disposal Area A (new deep groundwater and vapor monitoring wells and additional sampling and analysis)

Idaho
- Utilize TD&D funding to support maturation of the Hot Isostatic Press technology
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Oak Ridge
• Operate the Transuranic Waste Processing Center to process contact-handled and remote-handled TRU to meet the Site Treatment Plan milestone
  – Approximately 384 cubic meters
• Maintain compliance at the site with the use of Recovery Act (buy-back) funding (~$86M-$96M)
• Conduct pre-demolition activities on East Wing and North End of K-25 to advance progress toward facility completion by 2015

Waste Isolation Pilot Plant
• Increase shipments of contact-handled and remote-handled transuranic waste from small quantity sites
• Accelerate removal of TRU waste from a majority of these sites
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The Tools are in Place

Strategic Analysis

Human Capital

Risk and LCC Reductions

Budget

Acquisition Management
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Planning Basis Established

400 sub-PBS ABBs established within baseline
Discrete work units

- Efficiently build scenarios and conduct alternative analyses
- Re-sequence ("rack and stack") while maintaining linkage to baselines
- Integrate EM and site LCC, scope, schedule
- Understand & communicate LCC cost, quantities, linkage to other programmatic work scope
- Accelerate/delay completion of work scope based on alternative prioritization
- Identify budget/planning “head room” needed to accept non-EM work scope into the program

Results

• Ability to evaluate and verify Investment opportunities
• Key to securing $6 billion in Recovery Act funding
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EM has recorded a $3 billion Life-cycle Cost Reduction at Savannah River as a Result of EM’s Enhanced Tank Waste Strategy

Pension Savings Re-invested

Application of At Tank Treatment Technologies

$3 billion

Life-cycle Cost Reduction

Savannah River Schedule Accelerated

6 Years
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Environmental Liability Reduced by $20 billion

Drivers
- Incorporation of best practices
- Incorporation of tank waste strategy into SRS baseline

Prior Costs

FY 2009
- FY2009: Prior Costs = $84B
- FY2010: Prior Costs = $91B
- FY2010 Amount Expended = $7B

To Go Cost

FY 2009
- To Go Cost = $185B

FY 2010
- To Go Cost = $165B

* All costs are in constant 2010 dollars
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**EM Footprint Reduction**

- Reduce the EM Legacy Footprint by 40% by the end of 2011, leading to approximately 90% reduction by 2015
- Enable sites to maintain Recovery Act momentum and leverage economies of scale
- Free land and resources for other uses
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Contract and Acquisition Management
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Human Capital