

Statement of James A. Rispoli
Assistant Secretary for Environmental Management
U. S. Department of Energy
before the
Committee on Energy and Natural Resources
United States Senate
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Mr. Chairman and Members of the Committee, I am pleased to be here today to answer your questions on the status of the Department of Energy's Environmental Management (EM) program. I would like to thank Chairman Domenici and this committee for your support for the EM program. In particular, I would like to recognize the efforts of Chairman Domenici and Senator Allard with respect to the impending cleanup of the Rocky Flats site. I would also like to thank Senator Salazar for his work on Rocky Flats at the state level and since coming to Congress. As you are aware, the Department is currently verifying the physical completion of Rocky Flats cleanup.

Since I first appeared before you in July, I have been familiarizing myself with the program, the issues and the people that are responsible for cleaning up the environmental legacy of the Cold War. From my visits to Paducah, the Idaho National Laboratory, Hanford, West Valley, Savannah River Site, Oak Ridge Reservation, Ohio Field Office and the Consolidated Business Center and interactions with our personnel throughout the complex, I can say we have a driven workforce that is making immense headway in some of the nation's most crucial environmental actions. As I have become more informed on the sheer immensity of the challenges that face the program, I have a greater understanding of the progress we have made and the significant issues that lie before us.

The program has made significant progress in the last four years in shifting focus from risk management to risk reduction and cleanup completion. We are on schedule to complete cleanup at Rocky Flats, Fernald, and Mound. We have moved and secured nuclear material and spent fuel to reduce risk and prepare them for ultimate disposition. We have disposed of huge amounts of radioactive waste and remediated many of the contaminated areas at our sites. These accomplishments add up to an impressive amount of cleanup and risk reduction. Some highlights include:

- Rocky Flats has concluded the physical cleanup of the site and the Department is in the process of verifying completion.
- All buildings at Mound planned for demolition have been taken down.

- Fernald completed the largest waste shipping campaign in DOE history as the 154th train of waste pit material was shipped off site for disposal. The remediation of the waste pits eliminated a direct source of contamination to the Great Miami Aquifer.
- The Waste Isolation Pilot Plant continues to play a major role in completing cleanup throughout the EM complex – in the spring the site received the final transuranic waste shipment from Rocky Flats.
- Richland completed removal of plutonium “hold up” from the Plutonium Finishing Plant more than a year ahead of schedule, significantly reducing a security, worker, and community risk.
- The Savannah River Site completed construction of the M Area Dynamic Underground Stripping System. After 2 months of operation, 14,200 pounds of volatile organic compounds have been removed from the soil and ground water.
- The Idaho National Laboratory emptied a Category 1 Material Access Area four years ahead of plan, reducing a security threat and mortgage costs.

All those who contributed to these successes should be proud to have played a part and we thank this committee in particular for your support.

As you are fully aware, the mission is not an easy one---the most visible example being the Waste Treatment Plant at Hanford. The Waste Treatment Plant project is arguably the largest, most complex construction project in the nation. As you know, the Waste Treatment Plant is encountering design and construction setbacks. The Department has remained committed to fix the problems correctly. Because of the size and complexity of the plant, fully understanding all the facts will take a few more months. The Department, along with the U.S. Army Corps of Engineers and our contractor, is currently undertaking several major activities to ensure we fully understand what is required to complete construction and begin operations. While some may characterize our effort to validate the cost and timeline for the project as overly cautious, it is responsible management---responsible management that is key to the successful completion of our mission.

Just as importantly, for us to be successful, we must have:

- credible project baselines,
- effective identification and management of risks,
- selection of the most appropriate contract type and fee earning method corresponding to the scope of work and uncertainties,
- realistic schedules,
- early and frequent communication with regulators, communities, stakeholders, Congress, and contractors,

- improvements and training on the source selection process,
- an integrated human capital management program stressing an experienced acquisition and project management staff, and strong technical staff, especially for nuclear related issues, and
- constant real-time feedback of lessons learned.

Paramount to our success is safety—it is our top priority. Safety affects all involved----federal employees, contractors, the site and the community. We will continue to maintain and demand the highest safety performance in all that we do. Every worker deserves to go home as healthy as she or he was when they came to the job in the morning. I have told all our field managers that no schedule, no milestone, is worth any injury to our work force.

Such a multi-faceted approach is central to superior performance and improved accountability.

Clearly, opportunities exist to improve our acquisition practices. We are an “Acquisition” agency with a capital A—in terms of both procurement and project execution. It is vital that EM acquire the best services and attract the best the contractor community, including small business, has to offer. In order to do that we must be reliable, clear, meet deadlines and be responsive to our prospective bidders. We must ensure that we have highly skilled employees dedicated to this process. For us, we are acquiring an end state---- a site that has completed cleanup or attained closure. We will sharpen our skills and refocus our enterprise to reflect our acquisition responsibilities. The organizational structure must support the emphasis of technical excellence, integration of project management and contract acquisition/administration in order to meet this goal. It must also incorporate effective incentives for the federal and contractor workforce for superior performance, and accountability for field office and headquarters managers, project managers, and contracting officers for meeting cost, schedule and performance expectations.

It is my goal to lead EM as a results-driven high performance organization. We will instill a strict project management mindset that will be ingrained in all projects. Our performance on many key projects has not been acceptable. My goal is that at least 90 percent of our projectized portfolio will perform on or better than our cost and schedule targets. We have taken major strides in integrating safety; now we must do the same with project management. Project management must not be viewed as a burden or an extra step that we have to take. It is the very backbone of our project planning and execution. This includes reporting and oversight as well. The management tools used to manage cost and schedules must be used to manage and provide oversight integrally. Our success will depend on our ability to build in this rigor. I am taking immediate steps to upgrade EM’s project management systems and initiate remedies to be a best-in-class project execution organization. We will target the shortcomings in our project management by using both DOE and industry standard project management and business management processes. I will personally conduct Quarterly Reviews of all EM projects and have directed that my senior staff carry out monthly reviews. This includes fully implementing our management systems through the use of earned value management, following through on

corrective actions, and better applying risk management principals—that is identifying project uncertainties, developing mitigation measures and contingency and holding action officers accountable for their resolution. I believe that this is the key to our success with strong and effective project management.

Complementing these refinements, we must ensure that our projects are managed by highly skilled, competent and dedicated leaders and staff workers, both Federal and contractor. Our managers and staff must have the appropriate skills to perform their functions. We are currently doing a skills gap analysis to determine where we may need to provide additional help to our existing staff's training or adding to staff. We have instigated a certification program for our project managers. Our goal is, by May 2006, all EM Federal project managers will be certified. We want to assure ourselves that we have the right skills mix to get the job done. We are assuring that our employees are provided career development, rewards, and support in the appropriate way. I firmly believe that an organization is never better than its employees. Our employees, federal and contractor, hold the key to our success.

Just as importantly, these managers and their staff, skilled in the competencies to do their job, will have the responsibility and the authority to meet the program's objectives. We will streamline the relationship between the field and headquarters to enable the program to be more effective in its oversight role. I believe that if you have the right people in the right job with the right skills, they should be empowered to execute their responsibilities and be accountable for their decisions and outcomes.

Our desire is that at Headquarters and each site, our key acquisition and technical personnel, including contracting officers, have knowledge of technical issues, project management, business management at an equivalent level of expertise as their contractor counterparts to promote meaningful, and cogent dialogue on substantive issues. Our job as a federal agency is management and oversight, to be responsible envoys and stewards of the public's trust and resources. Therefore, we must have a highly qualified and technically proficient management team. Ultimately, my aim is to have a high performing organization, sustained by a career oriented workforce, driven to produce results that are important now and into the future.

I believe that by taking these steps we will be in a position to address the challenges that lie before us. I am committed to work with all interested parties to resolve issues and will work with this committee and the Congress to address any of your concerns or interests. DOE, our regulators, the communities and our contractors are partners in this effort. This partnership goes far beyond the limits of a contract or an agreement. Our success relies on this partnership. We are in this together--we all succeed or we all fail together. Your continued support is crucial to maintain the momentum that has so painstakingly been achieved. Thank you for your confidence in confirming my nomination as Assistant Secretary this past summer.

I look forward to continuing dialog with you and your staff.

