



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

03-PRO-0389

APR 4 2003

Mr. D. B. Van Leuven, President
and Chief Executive Officer
Fluor Hanford, Inc.
Richland, Washington 99352

Dear Mr. Van Leuven:

CONTRACT NO. DE-AC06-96RL13200 – REDUCTION IN LONG-TERM LIABILITIES

The U.S. Department of Energy (DOE), Richland Operations Office (RL), is currently reviewing the contractor health/welfare benefits and pension costs in an effort to reduce DOE's long-term liability. DOE Order 350.1, Objectives, 1.b requires DOE contractors to "manage their HR programs to support the DOE mission, promote work force excellence, champion work force diversity, achieve effective cost management performance, and comply with applicable laws and regulations."

You are requested to prepare a briefing to RL explaining your company's effort to monitor and control the following contractor benefit expenses:

- 1) Current contractor employee medical benefit costs and future cost projections;
- 2) former contractor employee medical benefit costs and future benefit cost projections;
- 3) current employee pension benefits and projected expenses; and
- 4) future employee pension benefits and projected expenses.

The briefing is scheduled to occur on April 16, 2003, at 1:00 to 1:45 p.m. in the Federal Building, Conference Room 780. The Government considers this action to be within the scope of the existing contract and therefore, the action does not involve or authorize any delay in delivery or additional cost to the Government, either direct or indirect. If you have any questions, please contact me or your staff may contact Gary Giesick, Procurement Division, at (509) 376-2791.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith A. Klein".

Keith A. Klein
Manager

PRO:GRG

cc: W. J. Hoogendoorn, FHI