

Office of Legacy Management Overview Briefing



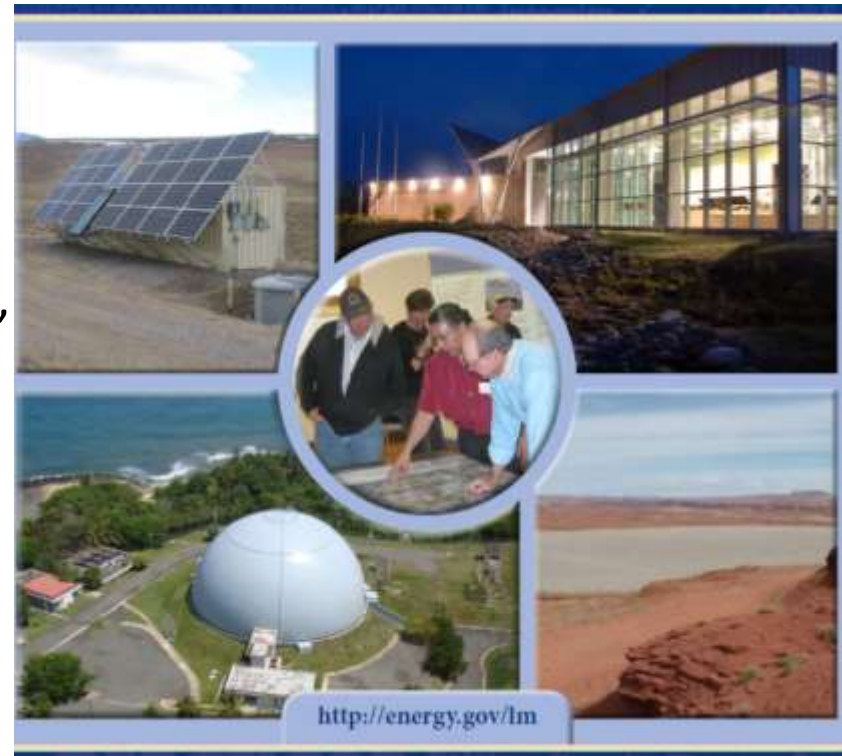
Bluewater Disposal site, New Mexico

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Office of Legacy Management

May 2017

Bottom Line Up Front (BLUF)

- LM is the designated program office to fulfill post-closure responsibilities related to DOE or predecessor agencies.
- LM takes responsibility of sites after EM, USACOE, or NRC work is completed.
- LM works closely with tribal nations, state, and local governments in the implementation and management of remedies & controls as well as our public education & outreach mission goal.
- LM executes its mission as a High Performance Organization (HPO) with a combination of federal employees & contractor partners.



LM Strategic Alignment

DOE Strategic Objective 8: Continue cleanup of radioactive and chemical waste resulting from the Manhattan Project and Cold War activities.

DOE Strategic Objective 9: Manage assets in a sustainable manner that supports the DOE mission.

LM Mission: Fulfill the Department's post-closure responsibilities and ensure the future protection of human health and the environment.

LM Vision: The Department's legacy workforce, communities, and the environment are well-protected and served.

- Consistent and effective long-term surveillance and maintenance protects people and the environment.
- The public has easy access to relevant records and information.
- Because we work together, stakeholders, tribal nations, and state and local governments trust us.
- The Department safeguards former contractor workforce retirement benefits through prudent timely funding.
- People are treated fairly and have meaningful involvement.

LM Goals

1. **Protect human health and the environment.**
2. **Preserve, protect, and share records and information.**
3. **Safeguard former contractor workers' retirement benefits.**
4. **Sustainably manage and optimize the use of land and assets.**
5. **Sustain management excellence.**
6. **Engage the public, governments, and interested parties.**



Coal Mine Canyon, near the Former Rare Metal Uranium Mill site, Tuba City, Arizona

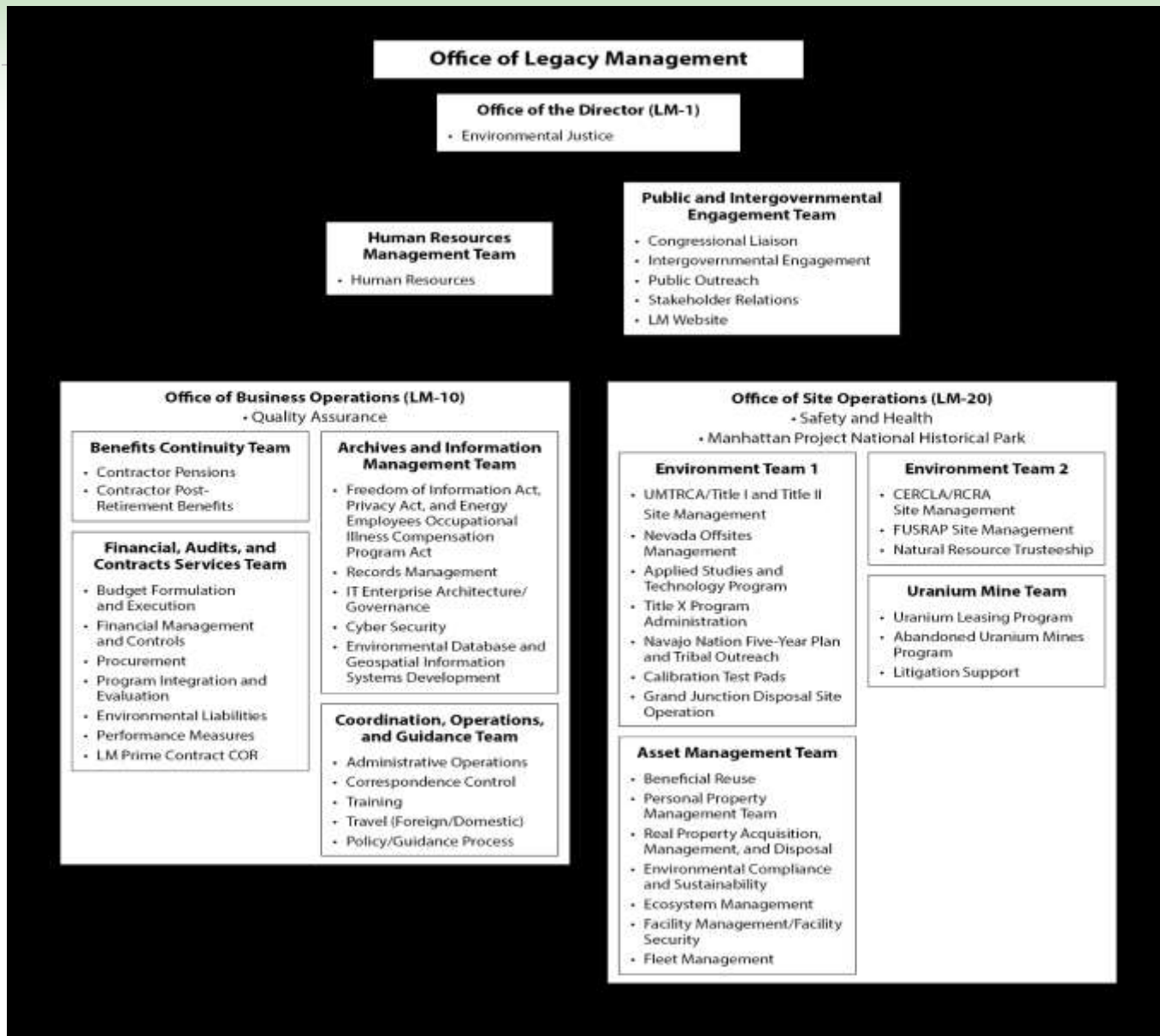


LM Sites

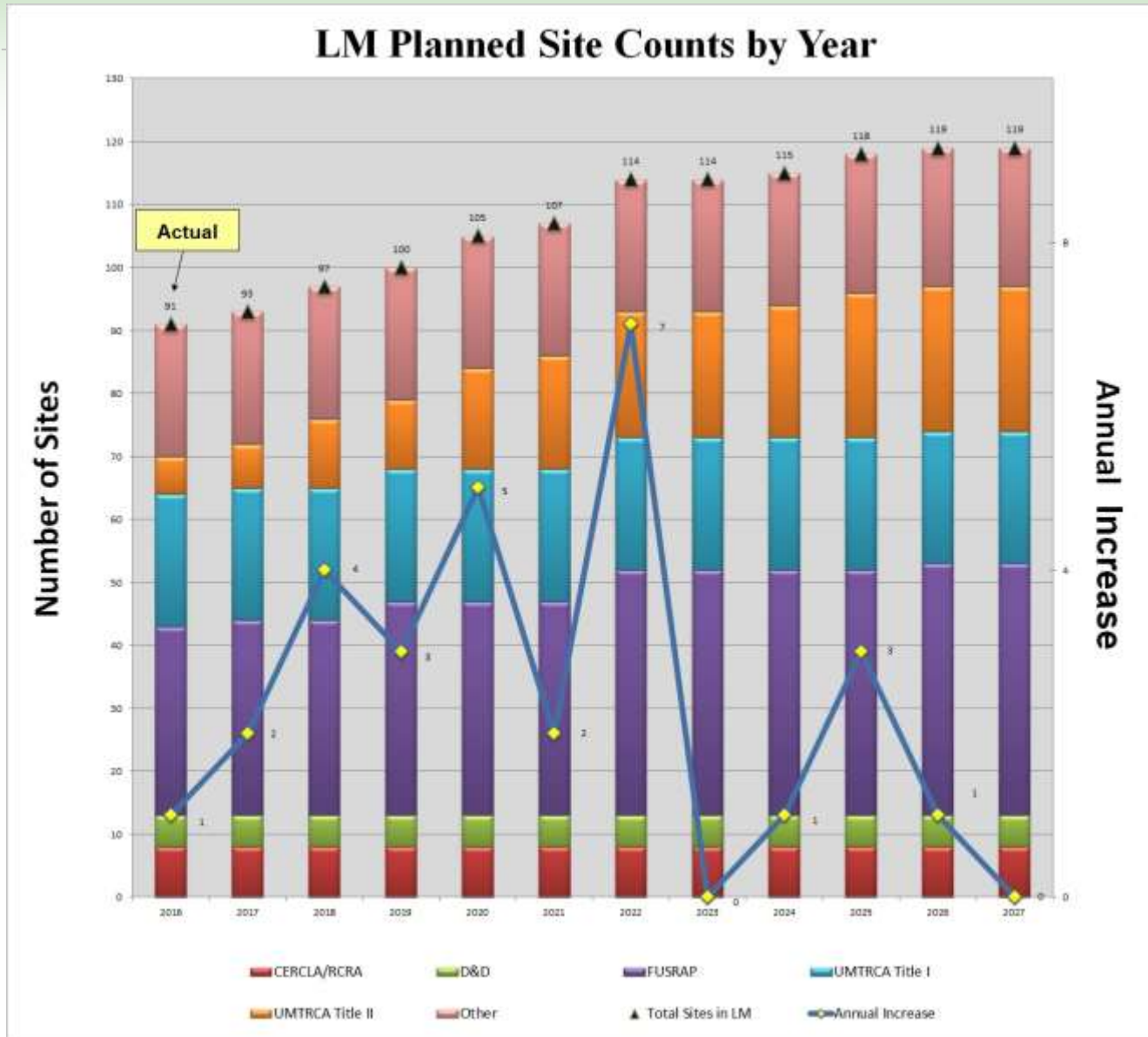
Anticipated Legacy Management Sites Through FY 2025



LM Organizational Chart

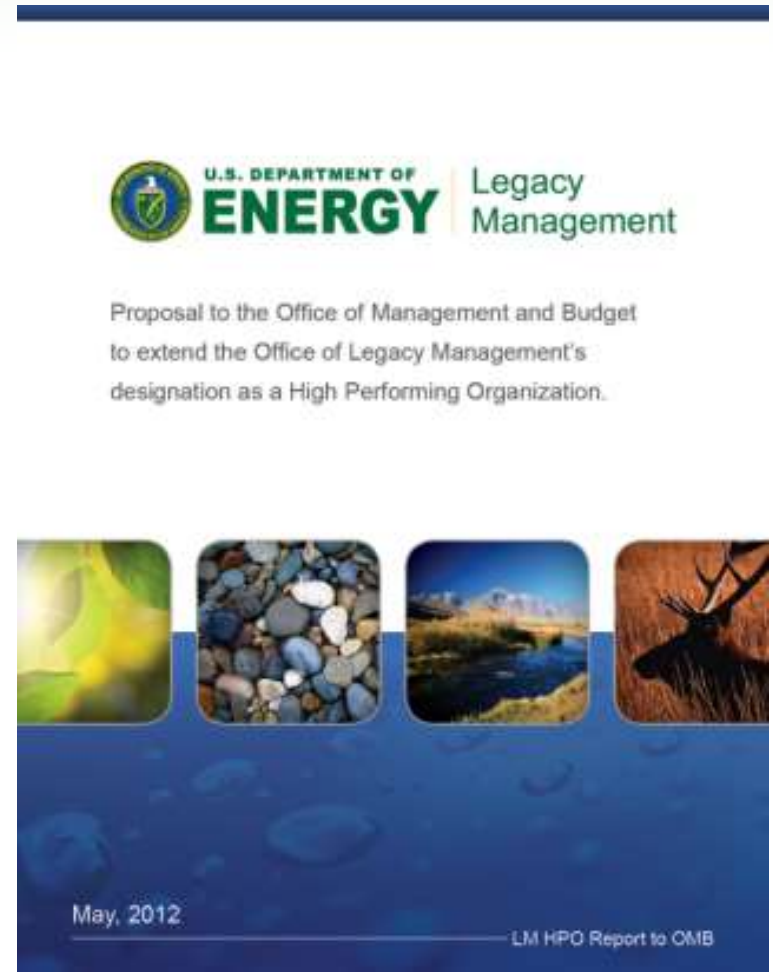


LM Site Types



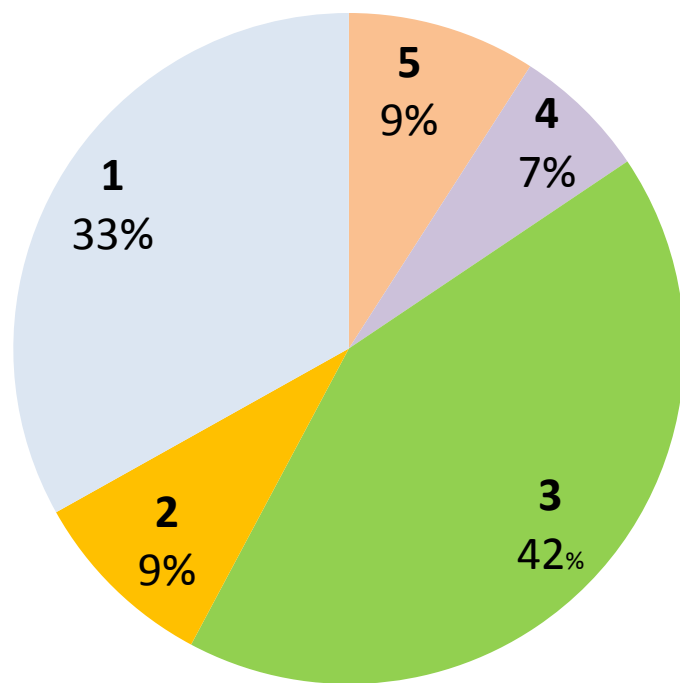
LM is a High Performing Organization (HPO)

- OMB designated LM as the second HPO in the federal government (February 2007).
LM operates within our 2012 HPO Proposal and is currently working on our next five year proposal.
- OPM FEVS results show that LM is one of the best organizations to work for, not only in DOE, but in the federal government.
- LM is small in size with significant travel requirements for site activities.
- The LM organization is structured to achieve six program goals and one management goal.
- LM teams are responsible for achieving program goals.



LM Mission and Goals Budget

LM Mission: Fulfill the Department's post-closure responsibilities and ensure the future protection of human health and the environment.



FY 2017 -- \$154M

LM Goals

1. Protect human health and the environment (\$51M)
2. Preserve, protect, and share records and information (\$14M)
3. Meet commitments to the contractor workforce (\$65M)
4. Optimize the use of land and assets (\$10M)
5. Sustain management excellence (\$14M)
6. Engage the public, governments, and interested parties (Not included FY 2017)

LM Challenges

1. Maintaining environmental compliance at an increasing number of sites with significant diversity in terms of geography, geology, demographics, land use, public interest and regulatory regimes.
2. Understanding and addressing issues and potential federal liabilities associated with Defense Related Uranium Mines (DRUM).
3. Maintaining an aging set of Yucca Mountain IT systems until a non-appealable court order or other decision is issued.
4. Supporting contractors' efforts to control health care costs through the implementation of health reimbursement arrangements and other cost-savings strategies.
5. Supporting contractors' efforts to convert pension plans to annuities and lump-sum payments.
6. Getting the injunction lifted and restarting the uranium leasing program. Managing the program in a manner that generates revenue and serves as a model for environmentally-conscious uranium mining.
7. Addressing issues associated with succession planning and knowledge management.

Final Thoughts

- DOE's Cold War environmental liability (as currently identified) requires continued attention, even after site cleanup and closure.
- Uranium mining conducted to support the Atomic Energy Commission weapons program is a large Federal government liability.
- The human legacy of "winning" the Cold War is significant in terms of pensions, benefits and compensation for retired workers.
- Disposal and/or beneficial reuse of former nuclear weapons sites reduces land management costs and sends a positive message about DOE's efforts to address the environmental liabilities of the Cold War.
- LM's budget has strong OMB and Congressional support and is less than 1% of the Department's budget.
- LM is a well-managed program with an important, long-term mission that is expected to slowly grow as sites are remediated and closed.

Questions/Comments

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Corn Lake near the LM office in Grand Junction, Colorado

Back-up Slides

Goal 1: Protect Human Health and Environment

- The majority of LM sites require long-term surveillance and maintenance (LTS&M) to manage risk to human health and the environment.
- LTS&M protects the investment of installed environmental remedies and limits the Department's liability.
- LM conducts LTS&M at 92 sites in accordance with legal and regulatory agreements.
- LM anticipates managing an additional 27 sites by 2025.
- LM has reduced the cost of LTS&M from the baseline by ~2% per year.
- LM coordinates DOE's Environmental Justice activities.
- LM led the interagency effort to prepare the Defense-Related Uranium Mines Report (DRUM) to Congress (August 2014). 4,225 DRUM exist across the Nation and 70% are on federal or tribal land. Reclamation or remediation status of only 15 percent of the mines could be confirmed.
- LM practices "rolling stewardship" – there is no "final" solution because conditions on and off-site continuously evolve.

Goal 2: Preserve, Protect and Share Records and Information

- LM operates a NARA compliant record storage facility in Morgantown, WV.
- LM manages over 114,000 cubic feet of records and 210 terabytes of electronic material.
- LM processes approximately 1800 FOIA and Privacy Act requests per year.
- LM collects and manages environmental data from numerous geographically dispersed sites and provides this information to the public on the LM website.
- LM manages digital copies of health-related x-rays to support worker compensation claims.
- LM is responsible for maintaining Yucca Mountain records and IT systems, including the Licensing Support Network.



GEMS and records management at the Morgantown, West Virginia LM Office

Goal 3: Safeguard Former Contractor Workers' Retirement Benefits

- LM reimburses contractor plan sponsors for administering benefit plans for over 10,000 retired contractor workers and their dependents who reside primarily in Ohio, Colorado, Florida, and Kentucky.
- Retirement benefits liabilities are of significant magnitude. Pension assets: \$596M, liabilities: \$549M. Medical and life insurance liabilities: \$742M.
- All LM-funded pension plans have been terminated or are in the process of being terminated. A pension plan termination is the discontinuation of a pension plan by offering participants a choice between a lump-sum payment or an annuity provided by a top-rated insurance company. There is no loss in benefits.
- Medical costs are significantly reduced in FY 2017 due to a lower medical inflation rate, mortality, eligibility for Medicare, and implementation of health reimbursement accounts.
- Efforts will continue during FY 2017 to reduce DOE's liabilities for retiree pensions and medical benefits.
- LM uses actuarial techniques, supported by independent projections from Deloitte, to analyze funding requirements for pension plans and post-retirement benefits.

Goal 4: Optimize the Use of Land and Assets



Tuba City, Arizona



Falls City, Texas



Fernald Preserve, Ohio



Edgemont, South Dakota



Canonsburg, Pennsylvania



Weldon Spring, Missouri

- LM employs reuse as an effective strategy for managing land and environmental remedies.
- LM site responsibility in 2025 is expected to be distributed across 30 states and the Territory of Puerto Rico.
- Reuse includes grazing agreements and hay production, electricity generation, nature preserves, recreation, and education outreach.
- Since 2003, LM has disposed of 12 federal properties to entities outside DOE.
- LM submitted a “Report to Congress on Defense Related Uranium Mines.” The report discusses the cost, location, risk and priority of the 4,200+ mines that sold uranium ore to the Atomic Energy Commission.
- LM issued a NEPA Record of Decision for the Uranium Leasing Program in western Colorado. Currently, working to lift an injunction that stopped royalty payments and prevented mineral production and mine reclamation.

Goal 5: Sustain Management Excellence

- Federal and contractor staff are geographically distributed requiring extensive use of video teleconferencing (VTC), email and travel where required.
- LM has instituted several best practices in HR:
 - executive coaching for management
 - use of a historical spreadsheet to track federal employees from onboarding to retirement
 - a succession planning tool to prioritize hiring actions
 - an on-boarding guide
 - detailed trend analysis of the OPM FEVS dating to 2006
 - site manager certification and training
- LM's human resource challenges include an older age distribution and lack of depth in several positions.
- 16% of LM staff are fully eligible to retire by the end of this year.
- LM has hired 14 new employees since FY 2016.

Goal 6: Engage the Public, Governments, and Interested Parties

- LM added Goal 6 at the beginning of FY 2016 to further strengthen collaboration with other government agencies, tribal nations, nonprofit organizations, and the public.
- LM sends a Program Update quarterly newsletter to more than 6,000 individuals.
- LM's website is visited by over 2000 people daily.
- LM has lead responsibilities for the Manhattan Project National Historical Park within DOE.
- LM's visitor centers at Fernald and Weldon Spring draw a combined 30,000 visitors each year. Currently, developing visitor centers at Rocky Flats, Mound, and Grand Junction.
- LM conducts site visits and public meetings with regulators, tribal nations, and the public.
- LM's partnerships with other federal, tribal, state and local governments result in lower costs and more effective solutions.



LM booth at the National Environmental Justice Conference

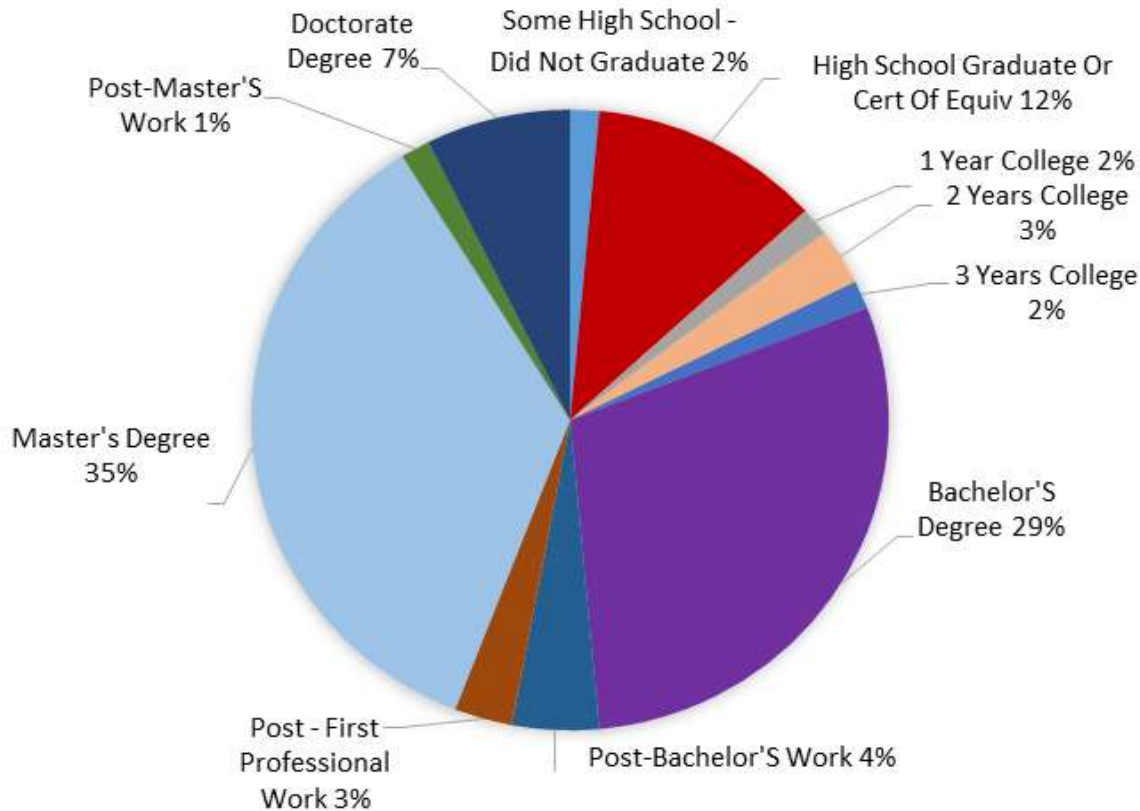


Site tour at the Rocky Flats site, Colorado

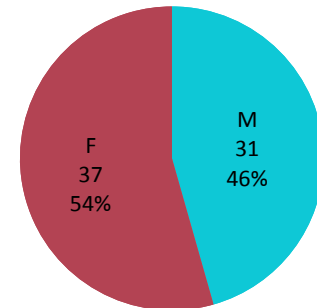
LM is a Diverse and Talented Organization

- LM is majority female and diverse by race and ethnicity.
- 72% of LM employees have a four year college degree or more.
- 35% of LM employees have a master's degree.
- 7% of LM employees have a PhD.

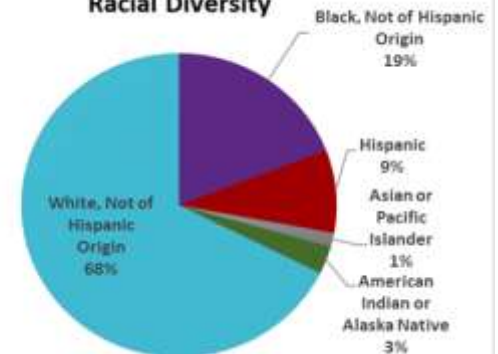
HIGHEST ACADEMIC ATTAINMENT



Gender Diversity



Racial Diversity



FY 2017 Budget Highlights

- FY 2017 request is \$13 million below the FY2016 enacted.
- FY 2017 budget is driven by:

- ✓ Retired contractor post-retirement benefits (PRB)

Note: the funding request for medical benefits has continued to decline due to: lower inflation assumptions; contractor actions to reduce costs while maintaining benefits to retirees; eligibility of retirees for Medicare; and mortality.

- ✓ Maintenance of environmental remedies required by law

Note: the funding request has increased due to receipt of additional sites and participation in an interagency effort to address defense-related uranium mines.