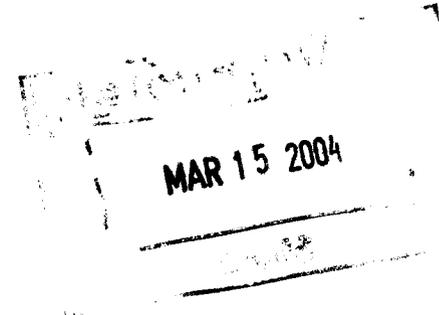




Department of Energy

Washington, DC 20585

February 27, 2004



Mr. Ross Scarano
Division of Nuclear Materials Safety
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011

Dear Mr. Scarano:

I am pleased to present the draft Office of Legacy Management's Strategic Plan covering Fiscal Years 2004-2008. This plan represents the Department of Energy's vision and strong commitment to ensure that legacy responsibilities are effectively and efficiently managed. Thank you for reviewing the draft plan which focuses on a five year implementation time frame to ensure that current legacy management obligations continue to be met, and the creation of future liabilities is minimized.

The Department continues to make progress in addressing the challenges of reducing the environmental consequences of our actions and expediting the cleanup of our sites. This accelerated cleanup effort clarifies the need for a comprehensive Department-wide approach to ensuring that our investment in hundreds of sites across the country remains viable and that the environmental remedies put in place remain protective of current and future generations. Thus, the Department has proactively realigned its resources and created a sustainable, stand-alone Office of Legacy Management. The new organization will allow for optimum management of legacy responsibilities, as its mission is to manage the effects of changes in the Department's mission requirements and ensure the future protection of human health and the environment.

Please provide comments with the following considerations:

- Electronic versions of comments are preferred. If this is not possible, please provide comments via fax to ensure timely receipt.
- Identify the issue or concern; cite the goal, objective, or strategy of concern; and provide suggested or alternative language to address the concern.
- And finally, recognize that "strategic planning" generally, and particularly within the legacy management context, is an iterative process. Therefore, we anticipate that, even when "finalized," the plan will be revisited over time, and it will be changed to accommodate new developments in, or knowledge of, legacy management. For now, this draft plan identifies many near-term (and some longer-term) activities that will be necessary to undertake to ensure success.



Comments on this version are due by C.O.B. March 19, 2004. We intend to incorporate and/or resolve the comments on this version and to release the "final" draft of the plan by the end of March 2004.

Please forward all comments to:

Mr. Tony Carter
Acting Director of Stakeholder Relations
Office of Legacy Management, LM-5
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Tel: 202-586-7550, Fax: 202-586-1540
Tony.Carter@hq.doe.gov

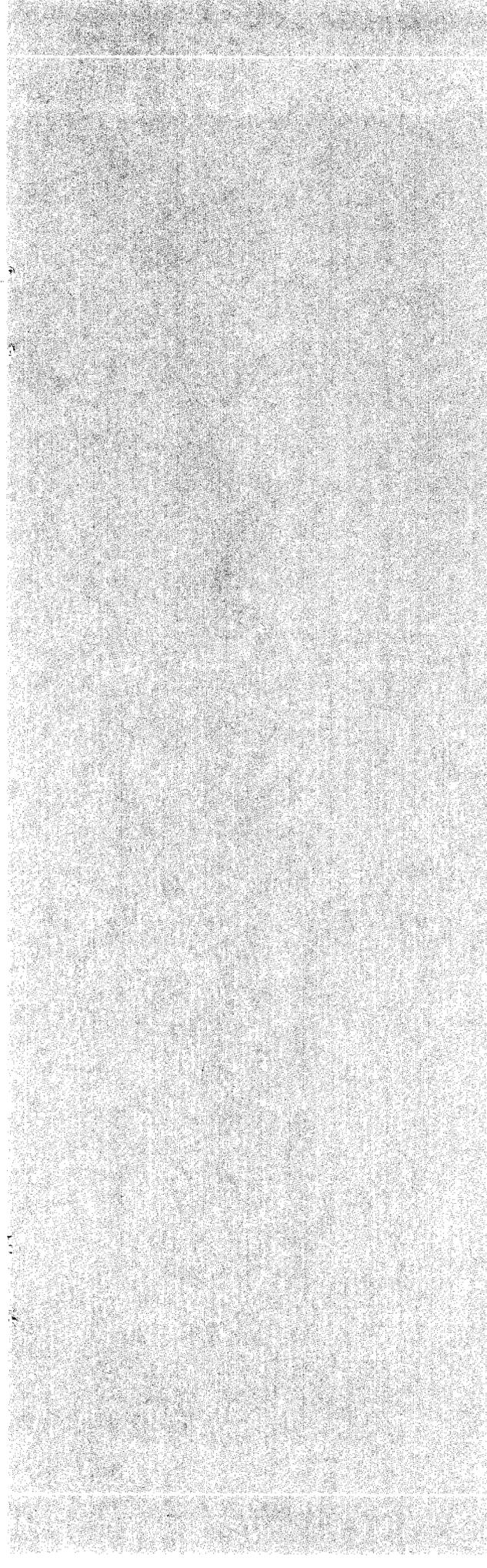
We appreciate you taking the time to review this draft plan and for providing us with your comments. Please do not hesitate to contact Tony Carter at (202) 586-7550, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Owen". The signature is written in a cursive style with a large initial "M".

Michael W. Owen
Director
Office of Legacy Management

Enclosure



**U.S. Department of Energy
Office of Legacy Management**

STRATEGIC PLAN

**“Managing
Today’s Change,
Protecting
Tomorrow’s Future”**

**Predecisional Draft
November 2003**

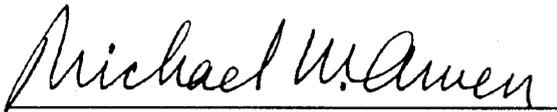
Message to the Reader

Dear Reader,

I am pleased to present the Office of Legacy Management's Strategic Plan covering Fiscal Years 2004-2008. This plan represents the Department's vision and strong commitment to ensure that legacy responsibilities are effectively and efficiently managed.

The Department of Energy continues to make progress in addressing the challenges of reducing the environmental consequences of our actions and expediting the cleanup of our sites. This accelerated cleanup effort clarifies the need for a comprehensive Department-wide approach to ensuring that our investment in hundreds of sites across the country remains viable and that the environmental remedies put in place remain protective of current and future generations. Thus, the Department is proactively realigning its resources and creating a sustainable, stand-alone Office of Legacy Management. The new organization will allow for optimum management of legacy responsibilities, as its mission is to manage the effects of changes in the Department's mission requirements and ensure the future protection of human health and the environment.

This strategic plan addresses the responsibilities that Legacy Management will inherit and outlines a comprehensive management plan to ensure that all environmental and human legacy issues are appropriately addressed. The goals, strategies, and performance measures presented in this plan enable us to better understand the indicators of progress toward our vision of providing continuing leadership in addressing some of this country's most important environmental and legacy management needs. We look forward to working with you to realize the goals and objectives of this strategic plan.



Michael W. Owen
Director, Office of Legacy Management

Executive Summary

The activities of the U.S. Department of Energy (the Department) and predecessor agencies, particularly during the Cold War, have left a legacy of environmental contamination at more than 100 sites across the United States. Workers associated with these historical and current activities number in the hundreds of thousands. Addressing this environmental and human legacy has been, and will continue to be, a major undertaking by the Department.

On October 1, 2003, the Department will take a significant step to ensure that legacy responsibilities will be properly managed in the future. That step is realigning its resources to create a sustainable, stand-alone Office of Legacy Management, whose mission is to effectively and efficiently manage the environmental and human legacy issues for current and future generations.

The new organization's primary goals are to

- protect human health and the environment through effective and efficient long-term surveillance and maintenance;
- preserve and protect legacy records and information;
- support an effective and efficient work force structured to accomplish departmental missions and assure worker pension and medical benefits;
- manage legacy land and assets, emphasizing safety, reuse, and disposition; and
- mitigate community impacts resulting from the cleanup of legacy waste and changing departmental missions.

The goals and objectives of this strategic plan identify what the Office of Legacy Management will do to carry out its responsibilities while responding to increasing issues and demands. This strategy includes processes for implementing state-of-the-art business practices, incorporating future advances in science and technology, and ensuring close coordination with stakeholders, Congress, regulators, and state, tribal, and local governments.

Table of Contents

Message to the Reader.....	i
Executive Summary.....	ii
Part I. Background.....	1
Part II. Legacy Management Mission, Vision, Goals.....	2
Part III. Corporate Management Strategy and Principles.....	3
Part IV. Objectives and Strategies for Legacy Management Goals.....	5
Goal A. Protect Human Health and the Environment through Effective and Efficient Long-Term Surveillance and Maintenance.....	5
Goal B. Preserve and Protect Legacy Records and Information.....	7
Goal C. Support an Effective and Efficient Work Force Structured to Accomplish Departmental Missions and Assure Worker Pension and Medical Benefits.....	9
Goal D. Manage Legacy Land and Assets, Emphasizing Safety, Reuse, and Disposition.....	11
Goal E. Mitigate Community Impacts Resulting from the Cleanup of Legacy Waste and Changing Departmental Missions.....	13

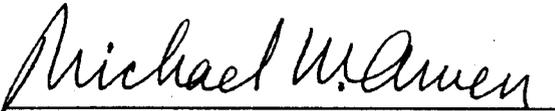
Message to the Reader

Dear Reader,

I am pleased to present the Office of Legacy Management's Strategic Plan covering Fiscal Years 2004-2008. This plan represents the Department's vision and strong commitment to ensure that legacy responsibilities are effectively and efficiently managed.

The Department of Energy continues to make progress in addressing the challenges of reducing the environmental consequences of our actions and expediting the cleanup of our sites. This accelerated cleanup effort clarifies the need for a comprehensive Department-wide approach to ensuring that our investment in hundreds of sites across the country remains viable and that the environmental remedies put in place remain protective of current and future generations. Thus, the Department is proactively realigning its resources and creating a sustainable, stand-alone Office of Legacy Management. The new organization will allow for optimum management of legacy responsibilities, as its mission is to manage the effects of changes in the Department's mission requirements and ensure the future protection of human health and the environment.

This strategic plan addresses the responsibilities that Legacy Management will inherit and outlines a comprehensive management plan to ensure that all environmental and human legacy issues are appropriately addressed. The goals, strategies, and performance measures presented in this plan enable us to better understand the indicators of progress toward our vision of providing continuing leadership in addressing some of this country's most important environmental and legacy management needs. We look forward to working with you to realize the goals and objectives of this strategic plan.



Michael W. Owen
Director, Office of Legacy Management

Executive Summary

The activities of the U.S. Department of Energy (the Department) and predecessor agencies, particularly during the Cold War, have left a legacy of environmental contamination at more than 100 sites across the United States. Workers associated with these historical and current activities number in the hundreds of thousands. Addressing this environmental and human legacy has been, and will continue to be, a major undertaking by the Department.

On October 1, 2003, the Department will take a significant step to ensure that legacy responsibilities will be properly managed in the future. That step is realigning its resources to create a sustainable, stand-alone Office of Legacy Management, whose mission is to effectively and efficiently manage the environmental and human legacy issues for current and future generations.

The new organization's primary goals are to

- protect human health and the environment through effective and efficient long-term surveillance and maintenance;
- preserve and protect legacy records and information;
- support an effective and efficient work force structured to accomplish departmental missions and assure worker pension and medical benefits;
- manage legacy land and assets, emphasizing safety, reuse, and disposition; and
- mitigate community impacts resulting from the cleanup of legacy waste and changing departmental missions.

The goals and objectives of this strategic plan identify what the Office of Legacy Management will do to carry out its responsibilities while responding to increasing issues and demands. This strategy includes processes for implementing state-of-the-art business practices, incorporating future advances in science and technology, and ensuring close coordination with stakeholders, Congress, regulators, and state, tribal, and local governments.

Table of Contents

Message to the Reader.....	i
Executive Summary.....	ii
Part I. Background.....	1
Part II. Legacy Management Mission, Vision, Goals.....	2
Part III. Corporate Management Strategy and Principles.....	3
Part IV. Objectives and Strategies for Legacy Management Goals.....	5
Goal A. Protect Human Health and the Environment through Effective and Efficient Long-Term Surveillance and Maintenance.....	5
Goal B. Preserve and Protect Legacy Records and Information.....	7
Goal C. Support an Effective and Efficient Work Force Structured to Accomplish Departmental Missions and Assure Worker Pension and Medical Benefits.....	9
Goal D. Manage Legacy Land and Assets, Emphasizing Safety, Reuse, and Disposition.....	11
Goal E. Mitigate Community Impacts Resulting from the Cleanup of Legacy Waste and Changing Departmental Missions.....	13

Predecisional
Draft

Part I. Background

The end of the Cold War and its associated nuclear arms race has brought about a new mission for the Department; one dedicated to managing the environmental and human legacies that remain as a direct result of nuclear weapons production and stockpiling.

For the last 50 years, the Department and its predecessor agencies acquired, consumed, and produced a wide variety of nuclear and nonnuclear materials to produce weapons and conduct other departmental missions. To accommodate this mission, more than 20,000 facilities throughout the country were built, a large work force was acquired, and communities were economically transformed.

In the 1980s weapons-producing complexes began to be permanently shut down due to the diminished need for additional nuclear weapons and the growing concerns about safety and environmental problems. During the past decade, the Department has made significant progress in environmental remediation, work force restructuring, and community assistance. Millions of cubic meters of waste have been removed, stabilized, or disposed of, and former weapons facilities are being reindustrialized or transformed for other uses. The dedicated former contractor work force, instrumental to accomplishing the Department's nuclear weapons production and environmental remediation missions, are receiving and will continue to receive earned benefits. Resources are being and will continue to be allocated to aid communities affected by the Department's changing mission, enabling them to remain economically viable.

As more weapons facilities continue to close across the country and remediation is substantially completed, there is an even greater need to manage the Department's legacy liabilities. Thus, the Department is proactively realigning its resources and creating a sustainable, stand-alone Office of Legacy Management. The new organization will allow for the optimum management of legacy responsibilities, as its mission will be to effectively and efficiently manage the environmental and human legacy issues.

The Office of Legacy Management is responsible for ensuring that departmental post-closure responsibilities resulting from the nuclear weapon

production and the Cold War legacies are met. Successful completion of the Office of Environmental Management's responsibilities requires a refocusing of that program's efforts and a Department-wide approach in securing the continued protection of the environment and communities. While remediation activities will continue to be conducted by the Office of Environmental Management, the other activities associated with implementation of post-closure functions at sites with no continuing mission will be the responsibility of the Office of Legacy Management. Legacy Management will manage the long-term effects of mission changes.

Removing the long-term stewardship and benefit continuity functions from Environmental Management after site closure and remediation will not only enable Environmental Management to better focus its efforts on remediation, but also enable Legacy Management to consolidate programs of a similar nature. This move will provide the affected communities a single focal point of legacy management expertise and facilitate communication among the elements of legacy management. Most importantly, concentrating the functions in an office dedicated to legacy management will heighten the visibility and, consequently, the accountability to the affected communities for successful performance of these important departmental functions.

To ensure continuity of expertise, personnel currently implementing the needed capability of successfully accomplishing the mission of Legacy Management will be composed of staff located in the Office of Worker and Community Transition and selected personnel from the Environmental Management Office of Long-Term Stewardship; the Grand Junction, Colorado Office, and selected personnel located at the National Energy Technology Laboratory in Morgantown, West Virginia and Pittsburgh, Pennsylvania.

In addition to programmatic functions, Legacy Management will inherit regulatory and legal responsibilities associated with the sites that transfer into its authority. This strategic plan addresses the responsibilities that Legacy Management will inherit and outlines a comprehensive management plan to ensure that all environmental and human legacy issues are appropriately addressed.

Part II. Legacy Management Mission, Vision, Goals, and Planned Accomplishments

Mission

To manage the effects of changes in the Department's mission requirements and ensure the future protection of human health and the environment.

Vision

Departmental legacy responsibilities are managed in a manner that best serves department workers, communities, and the environment:

- Human health and the environment are protected, and the effects of residual contamination are maintained at protective levels through consistent and effective long-term surveillance and maintenance.
- Records and information are preserved and made publicly accessible.
- Public trust is achieved through cooperative partnerships with stakeholders and state, tribal, and local governments.
- The Department's former contract work force is compensated through effective management of its health and pension benefits.
- Land is returned to the most beneficial use consistent with the Department's mission requirements.
- Impacts of departmental work force restructuring are mitigated, working in partnerships with departmental workers, labor unions, and communities to adapt to changes in the Department's missions.

Goals



- A. Protect human health and the environment through effective and efficient long-term surveillance and maintenance.**

This goal highlights the Department's responsibility to ensure the long-term

protectiveness of environmental remedies used to remediate legacy waste.



- B. Preserve and protect legacy records and information.**

This goal recognizes Legacy Management's commitment to successfully manage all records and information from a site transferring into its authority.



- C. Support an effective and efficient work force structured to accomplish departmental missions, and assure worker pension and medical benefits.**

This goal recognizes the Department's commitment to its work force and the consistent management of pension and health benefits. As sites continue to close, the Department faces the challenges of a growing pension plan and health benefits liability.



- D. Manage legacy land and assets, emphasizing safety, reuse, and disposition.**

This goal recognizes a departmental need for coordinated management of legacy assets, including coordinating land use planning, and protecting natural, cultural, and historical resources.



- E. Mitigate community impacts resulting from the cleanup of legacy waste and changing departmental missions**

This goal recognizes the Department's commitment to mitigating the impacts on communities caused by site closure, changing departmental missions, and work force restructuring.

Part III. Corporate Management Strategy and Principles

Corporate Management Strategy

The Department recognizes that as facilities are closed and the environmental remediation efforts are accelerated and completed, Legacy Management's responsibilities will increase, requiring an effective management approach. Legacy Management will continue to improve the Department's comprehensive program for long-term surveillance and maintenance, records management, work force benefits, and land use.

The Legacy Management program will be amended when appropriate to reflect rigorous analytical foundation, full utilization of state-of-the-art business practices, and effective coordination with stakeholders. The following sound management principles will be incorporated into each of the five goals of Legacy Management program.

- Utilize effective and efficient business practices to meet the Legacy Management mission. This principle includes maintaining a focused federal staff, maximizing competition in procurement functions, and developing business practices that are a model in the federal government.
- Ensure that all stakeholders and state, tribal, and local governments are efficiently informed and that forums are created to encourage public participation in the management process and future Legacy Management decisions. This principle includes achieving excellence in business management services in support of Legacy Management customers and stakeholders.
- Optimize historical practices that have proven effective at sites currently in long-term surveillance and maintenance at new sites.

Principles

These draft principles have been developed to guide the development and implementation of this plan. The draft principles, to be finalized as this strategic plan is finalized, are as follows:

- Legacy Management is a Department-wide responsibility.

As a whole, the Department is committed to the protection of human health and the environment in all of its actions. To ensure success, all departmental elements must consider legacy management as an integral part of the Department's mission.

- Legacy Management is a component of all aspects of departmental decision-making.

It is the responsibility of sites and Headquarters offices to ensure that legacy management is considered in each decision that impacts DOE cleanup and long-term surveillance and maintenance. This responsibility extends from the identification of remediation alternatives, remedial design, construction, and operation and through all relevant decisions made over the lifetime of the hazards.

- The Department is a trustee of natural and cultural resources.

Residual hazards should be managed within the larger context of federal land management, which includes trusteeship for ecologically and culturally important areas. The Department will manage these hazards in accordance with applicable regulatory requirements.

- Legacy management responsibilities, especially long-term surveillance and maintenance, should be incorporated into relevant departmental policies, practices, and systems.

Legacy Management's long-term surveillance and maintenance program will be most effective when integrated into existing departmental processes and management systems. As these DOE policies, practices, and systems (such as Life-Cycle Asset Management, Integrated Safety Management, and Environmental Management Systems) are reviewed and/or implemented, a broad range of long-term surveillance and maintenance activities and needs may be incorporated. This approach will facilitate the establishment of long-term surveillance and maintenance as an essential element of all facets of departmental missions.

- An intergenerational approach is needed for legacy management

Legacy management is an enduring commitment by the federal government. Due to the longevity of hazards, the ramifications and costs of current and future decisions and missions will be experienced by generations to come. As these generations' land use practices and local community structures change over time, current assumptions that guide departmental policy may require reevaluation and modification.

- Legacy management policy must provide a consistent framework and acknowledge sites' need for flexibility.

Although a consistent framework for legacy management responsibilities is required for complex-wide management, Headquarters and sites must be responsive to site-specific requirements (local, tribal, state, regional, and federal). Therefore, Departmental legacy management policy must be sufficiently flexible to enable sites to perform necessary long-term surveillance and maintenance functions within their individual regulatory frameworks and communities.

- The involvement of stakeholders and state, local, and tribal governments is critical to legacy management.

The Department has the responsibility to consult with these affected parties on legacy management issues. Ongoing interaction and exchange increases public awareness. In turn, heightened public awareness facilitates informed decision making and increases the likelihood of successful implementation of legacy management responsibilities.

Part IV. Objectives and Strategies for Legacy Management Goals



Goal A. Protect Human Health and the Environment through Effective and Efficient Long-Term Surveillance and Maintenance

Situation

Many departmental facilities cannot be remediated to levels that allow for unrestricted use because of technical or economic limitations, worker health and safety challenges, or collateral ecological damage caused by remediation. These facilities are, or will be, required to meet regulatory standards to ensure that engineered and institutional controls employed as part of the remedy are protective of human health and the environment. Legacy Management will ensure that these controls remain effective. Given the long-lived nature of radionuclides and other residual hazards, it is reasonable to assume that, at some facilities, long-term surveillance and maintenance will be required for hundreds or even thousands of years.

The Department currently conducts long-term surveillance and maintenance at more than 30

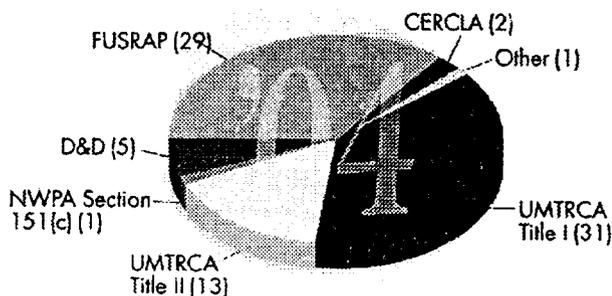
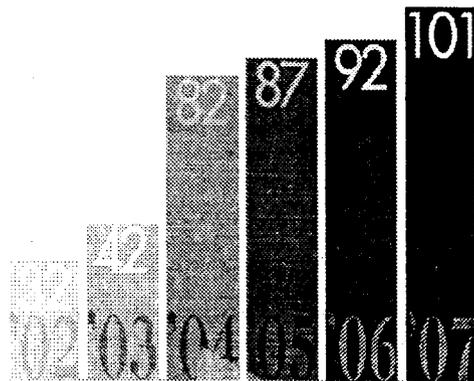
Action Program sites, Uranium Mill Tailings Radiation Control Act sites, and portions of departmental sites where active cleanup has been completed.

The Department recognizes that, as its environmental remediation efforts are accelerated and facilities are cleaned and closed, its long-term surveillance and maintenance responsibilities will increase, requiring a more comprehensive and effective management approach. The Office of Legacy Management will continue to improve the Department's long-term surveillance and maintenance program, ensuring the continued protection of human health and the environment.

Objective A.1. Effectively manage post-remediation responsibilities and liabilities.

⊕ Strategies

- Conduct the long-term surveillance and maintenance at sites under Legacy Management's authority, ensuring the long-term protection of human health and the environment by utilization of sound project management, engineering, and scientific principles.
- Perform and manage final activities required at sites where environmental restoration is significantly complete.
- Conduct monitoring and evaluate and improve the effectiveness of long-term surveillance and maintenance strategies.
- Ensure that contingency plans are in place and that adequate funds are available.
- Work effectively to meet current environmental, health, and safety requirements and regulations.



sites, including Formerly Utilized Sites Remedial

- Communicate with other stakeholders involved in long-term surveillance and maintenance activities, and work with regulators and state, tribal, and local governments to share lessons learned and technologies.
- Minimize the Department's environmental liability for surveillance and maintenance consistent with laws and regulations.
- Prepare in advance, using a site transition framework, to ensure the smooth transition of sites into Legacy Management's authority.

☛ **Success Indicators**

- High percentage of periodic reviews completed on time with regulator concurrence and/or acceptance of remedy protectiveness.
- All post-closure regulations met and final remedies maintained in accordance with applicable laws.
- Community acceptance of maintaining remedies.

Objective A.2. Ensure that long-term surveillance and maintenance responsibilities are understood and built into the way the Department does business.

⊕ **Strategies**

- Develop the long-term surveillance and maintenance baseline and integrate it into the Department's management policies and long-term surveillance and maintenance principles.
- Facilitate Department-wide understanding and agreement on the scope of long-term surveillance and maintenance and resolve relevant issues through the Field

Management Council or other appropriate processes.

☛ **Success Indicators**

- High percentage of long-term surveillance and maintenance plans developed and implemented for sites requiring them.
- Incorporation of critical long-term surveillance and maintenance elements into all relevant departmental orders, planning, and management systems.

Objective A.3. Have the capability and tools in place to ensure continuous improvement in the effectiveness of long-term surveillance and maintenance for current and future generations.

⊕ **Strategies**

- Identify and assess the capabilities and resources needed to conduct long-term surveillance and maintenance in the future, and ensure that they are obtained.
- Identify and understand alternative funding mechanisms so that federal, state, tribal, and local authorities can be assured that necessary long-term surveillance and maintenance activities are or will be maintained.
- Track and use advances in science and technology to improve sustainability and ensure protection.

☛ **Success Indicator**

- Percentage reduction in the cost of operating, monitoring, and maintaining environmental remedies.
- Risk reduction to human health and environment maintained or improved.



Goal B. Preserve and Protect Legacy Records and Information

Situation

Currently the Department's closure sites' records are managed consistent with legal and regulatory requirements, using National Archive and Records Administration guidance. As sites are identified for mission closure, remediated, and transferred into Legacy Management's authority, the associated site records and information will be transferred as well. Legacy Management will be the custodian for closure sites' records. Ultimately, this will be an enormous and costly undertaking, including the records for more than 100 sites across the country. Following closure of Mound, Fernald, and Rocky Flats, for example, the office will be custodian of more than 200,000 cubic feet of records.

The records that Legacy Management inherits from closure sites will support the office's mission in a number of ways:

- The records contain information on the cleanup processes employed at the sites, which will be instructive to Legacy Management's long-term surveillance and maintenance program.
- The records contain data on compliance with regulatory requirements and the technical remedies for cleanup of the sites, which will assure regulators that these sites do not pose unacceptable risks to their communities.
- The records include information on work activities and health data of site personnel, which will be crucial to assuring workers of the continuity of their medical and pension benefits.
- Most importantly, the records ensure that the American public has access to information on governmental operations.

Legacy Management's records and information program will develop and implement a management approach that protects, preserves, improves, and provides appropriate access to critical records and information systems.

Additionally, the program will provide the structure and solutions for effectively and efficiently identifying, collecting, and disseminating information from record sources to internal and external users. The program will work closely with the public, ensuring that information needs are met and that stakeholder issues are incorporated into Legacy Management's processes and future decisions.

Objective B.1. Effectively and efficiently manage all records integral to conducting Legacy Management's mission, including those used to perform long-term surveillance and maintenance and ensure benefits continuity.

Strategies

- Develop and implement a records management program that provides appropriate access to records and retention of critical information necessary to perform the legacy management mission.
- Identify, evaluate, and coordinate the development of Legacy Management records and information management practices with internal and external organizations.

Success Indicators

- Compliance with records management laws and regulations.
- Effective and efficient transfer of records from closure sites into Legacy Management's authority.
- Records developed and maintained in a cost-effective manner.

Objective B.2. Identify and establish accessibility and security requirements for records and information management systems, both internal and external, to provide effective access to information for impacted workers and stakeholders.

⊕ **Strategies**

- Determine records and information requirements and functional access needs by reviewing existing and documented record and information requirements of the federal, state, tribal, and local governments; stakeholders; and the public. Reevaluate these requirements periodically.
- Determine the information resources requirements needed by Legacy Management sites to support the development, operation, and maintenance of, and access to information systems.
- Develop sustained capability for public access, retrieval, and comprehension of the long-term surveillance and maintenance information.

🔍 **Success Indicators**

- Access mechanism provided for internal and external requests of legally releasable records for which Legacy Management is custodian.
- Access provided to stakeholders to legally releasable custodial information.
- Cost-effective public access systems.
- No release of custodial records to unauthorized sources.



Goal C. Support an Effective and Efficient Work Force Structured to Accomplish Departmental Missions, and Assure Worker Pension and Medical Benefits

Situation

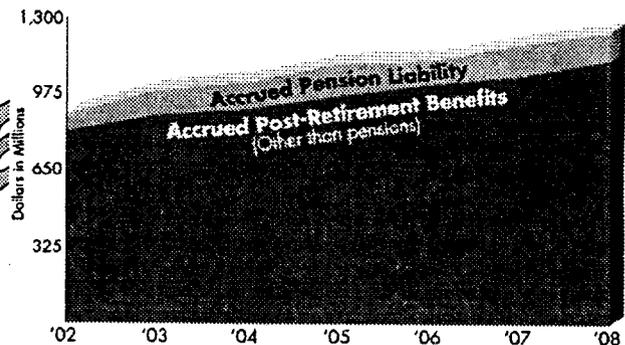
The Department is committed to mitigating the impacts of departmental restructuring on its work force and ensuring the continuity of their pension and medical benefits. Legacy Management will oversee work force planning for the Department, assist in developing benefits packages for displaced workers, oversee labor relations efforts, and lessen the impact of work force restructuring on affected workers.

Since 1993, more than 50,000 contractor personnel have been separated without work disruptions at the sites or legal actions. Through this work force reduction the Department has realized annual savings of almost \$4 billion. Legacy Management will continue to support restructuring efforts within the Department while maintaining the effectiveness of the contractor work force.

In addition, Legacy Management will ensure the continuity of this work force's pension and medical benefits. In the next three to five years, three departmental sites (Mound, Fernald, and Rocky Flats) are expected to close as active site remediation activities are completed. The contracts with the site contractors will terminate, and contracted employees subsequently will lose their jobs. However, these closure site employees are contractually entitled to an array of employee benefits funded by the Department. Some of the benefits (defined benefit pension, self-insured long-term disability, medical continuation, severance, retiree life and health insurance) have been either not fully funded or not funded at all. It is anticipated that at least with respect to retiree medical benefits, there will be a continuing need to administer and manage a benefit program to deliver the promised benefits. It is against departmental policy to assume the role of plan sponsor and fiduciary duties, as those responsibilities must remain with the plan sponsor.

The total liability for unfunded post-closure benefits (for Rocky Flats, Mound, Fernald, Pinellas, Grand Junction, and the gaseous diffusion plants in Ohio, Kentucky, Tennessee) is in excess of \$1 billion

(unfunded pension benefits, retiree health and life insurance, and post-employment benefits such as accrued vacation, severance, long-term disability, and medical benefits for displaced workers). The liability will more than likely not be fully settled for decades. Legacy Management will develop a plan of action to pay out medical and pension benefits consistently and comprehensively at all closure facilities. It will create sound policy and guidance to adequately and efficiently fulfill the Department's obligations.



Objective C.1. Develop and implement a departmental approach and guidance that ensures contracted employees continuity of their pension and medical benefits.

⊕ **Strategies**

- Establish policy, coordinate implementation of, and evaluate the outcomes of work force restructuring consistent with Section 3161 of the National Defense Authorization Act for Fiscal Year 1993.
- Prescribe a consistent methodology for cost analysis for current employee and retiree benefits programs.
- Clarify the processes, roles, and responsibilities from review to approval of benefit plan changes.

- Evaluate the feasibility of implementing a model program designed to make the medical benefits program more consistent across closure sites, and facilitate efficient and effective benefits delivery.
- Acquire and maintain contractor support of this program.

☛ **Success Indicator**

- Consistent legacy benefit and pension delivery to all departmental contractors at closure facilities.

Objective C.2. Ensure the fair treatment of workers by effectively planning and managing work force restructuring and by providing incentives for orderly reductions in contractor personnel.

⊕ **Strategies**

- Direct work force planning to control the amount of enhanced severance benefits that are permitted for a particular work force separation.
- Provide separation benefits comparable to industry standards while achieving annual savings that are three times the one-time cost of separation.
- Coordinate with departmental field management in managing the work force planning process (e.g., approving necessary involuntary separations, providing enhanced benefits, and submitting final work force restructuring plans to Congress).
- Ensure that necessary work force reductions are conducted in a manner that encourages voluntary separations, assists displaced workers in securing new employment, provides basic benefits for a reasonable transition period, and conforms

with cost guidance and best business practices.

- Ensure work force restructuring is conducted in a manner that retains critical skills for ongoing mission requirements, enhances efficiency, and accurately forecasts mission performance implications of potential future budget reductions.

☛ **Success Indicators**

- Reduction of work force separation prior to completion of the mission at hand and the closure of departmental facilities.
- Reduction of displaced work force on unemployment.

Objective C.3. Promote an improved working relationship between labor and management in the Department's contractor work force by ensuring the uniform application of relevant labor standards to increase productivity, enhance safety and security, and reduce disruptive labor disputes.

⊕ **Strategies**

- Establish policy for and oversee the collective bargaining process.
- Assist field organizations in labor/management relations.
- Implement the contract reform initiative, outsourcing policy, and other strategic alignment elements.

☛ **Success Indicator**

- Annual cost savings (as compared to the one-time cost of separation).



Goal D. Manage Legacy Land and Assets, Emphasizing Safety, Reuse, and Disposition

Situation

The Department is the fourth largest federal landowner, conducting its mission at 50 major sites on 2.4 million acres across the United States. In addition to land, the Department's assets include distinctive world-class facilities; irreplaceable natural and cultural history; and rare assemblages of plants, animals, and mineral resources. Numerous sites and tens of thousands of acres of land will be transferred to Legacy Management after active environmental remediation has been completed. The office will act as a steward for lands under its authority, overseeing the proper management of these man-made and natural resources and ensuring their beneficial use for current and future generations.

Legacy Management will consider environmentally sound future land uses for its properties. The nature and scope of commercial activities have changed over time and will continue to evolve as new technologies are developed and as the U.S. population increases, particularly in the West. To accommodate future competing demands for limited resources, Legacy Management will direct even greater effort to maintaining healthy land and evaluating possible land reuse options. To accomplish this end, Legacy Management will implement departmental land use planning processes taking into account economic, ecological, social, and cultural factors surrounding each facility or parcel of land. Where compatible with departmental missions, Legacy Management will make excess lands and facilities available for public and private use consistent with the tenets of sustainability and good land management practices.

Objective D.1. Manage Legacy Management property assets, maintaining the health of the land and cultural, natural, and historical resources.

⊕ *Strategies*

- Manage Legacy Management's real property assets and evaluate execution

through on-site reviews, visits, reports, and assessments.

- Seek to expand opportunities for collaborative land use planning with site management teams to be transferred to Legacy Management.
- Seek to expand opportunities for collaborative land use planning with state, tribal, and local governmental authorities as well as other federal agencies.
- Record, maintain, and share knowledge of natural, cultural, and historical/critical resources through documentation, conservation, information exchange, and public participation.

👉 *Success Indicators*

- Development and implementation of a credible and affordable land assessment strategy.
- Periodic reviews of programs land management strategies and assessment of strategy effectiveness.
- Development and implementation of a sustainable Legacy Management program integrating natural, cultural, and historical resource protection requirements for lands and facilities.

Objective D.2. Provide opportunities for land transfer availing departmental lands to other federal agencies and nonfederal entities.

⊕ *Strategies*

- Work with other federal agencies and external organizations to transfer real property from the Department.

- Work with land users, local communities, and others in updating existing land use plans to address emerging opportunities.
- Investigate viable and environmentally sound land reuse options for lands under Legacy Management's authority.

✦ **Success Indicator**

- Increase in the number of acres transferred or leased and converted to beneficial use.

Objective D.3. Effectively manage and coordinate the Department's requirements for strategic materials.

⊕ **Strategies**

- Provide advice to the administrator of the Department of Defense's National Stockpile Center on the acquisition and

disposition of strategic and critical materials.

- Represent the Department on the Presidential Advisory Management Impact Committee (co-chaired by the Departments of State and Commerce).

✦ **Success Indicator**

- Adequate amounts of strategic materials in the stockpile are allocated to the Department for future program needs.

Predecisional
Draft



Goal E. Mitigate Community Impacts Resulting from the Cleanup of Legacy Waste and Changing Departmental Missions

Situation

The Department is committed to mitigating the impacts on communities caused by changing departmental missions. The Department has and will continue to assist communities by allocating resources to Community Reuse Organizations through grants that enable communities to create plans that address both local/regional and departmental interests. Through such grants, the Department has helped communities by stimulating job creation and, in some cases, providing much-needed revenue to support critical economic development programs.

Additionally, the Department has assisted communities through its personal property reuse program, which promotes the transfer to Community Reuse Organizations, at little or no cost, departmental personal property that has been declared excess by local departmental property managers. This property is used to bring in new business, expand existing business, or fund economic development programs within communities.

Legacy Management will continue to fund and refine these community assistance programs. Through local community reuse organization grants and sales of personal property, the office will contribute to the diversification of communities' economies affected by departmental work force restructuring. Legacy Management will encourage the reuse of existing departmental personal property to encourage community economic viability and diversification.

Objective E.1. Effectively coordinate local impact assistance and asset management to mitigate the effect of restructuring plans on affected communities.

⊕ Strategies

- Provide an informational clearinghouse to assist local community economic development planning.

- Identify potential sources of both public and private funding outside the Department.
- Fund projects that have a high probability of producing positive results for displaced workers and their affected communities.
- Establish criteria for evaluating community transition funding proposals.
- Establish an interagency agreement with the Department of Commerce to gain its independent expertise to evaluate and approve proposals.
- Use excess departmental assets to help create economic activity and produce replacement employment for workers displaced by work force restructuring plans.

👉 Success Indicators

- Maximization of community opportunities and minimization of negative impacts caused by departmental work force restructuring.
- Annual cost savings (as compared to the one-time cost of separation).

Objective E.2. Effectively work with and assist Community Reuse Organizations to develop viable communities and generate greater cost savings for the Department.

⊕ Strategies

- Provide Community Reuse Organizations with grants to implement projects designed by the community to achieve objectives.
- Create and retain jobs in the impacted community to diversify the economy and employ displaced workers.

- Contribute “seed money” to attract investment by other government programs and private sources that far exceeds departmental funding.
- Advocate transfer of personal property to the Community Reuse Organizations, assisting communities in their economic development and restructuring programs.

Success Indicator

- Increase in the number of jobs created or retained in the community.

**Predecisional
Draft**