



Environmental Management (EM) Budget

Environmental Management Site Specific Advisory Board Conference

Barbara Heffernan
Acting Deputy Assistant Secretary for
Business Operations
April 21, 2004

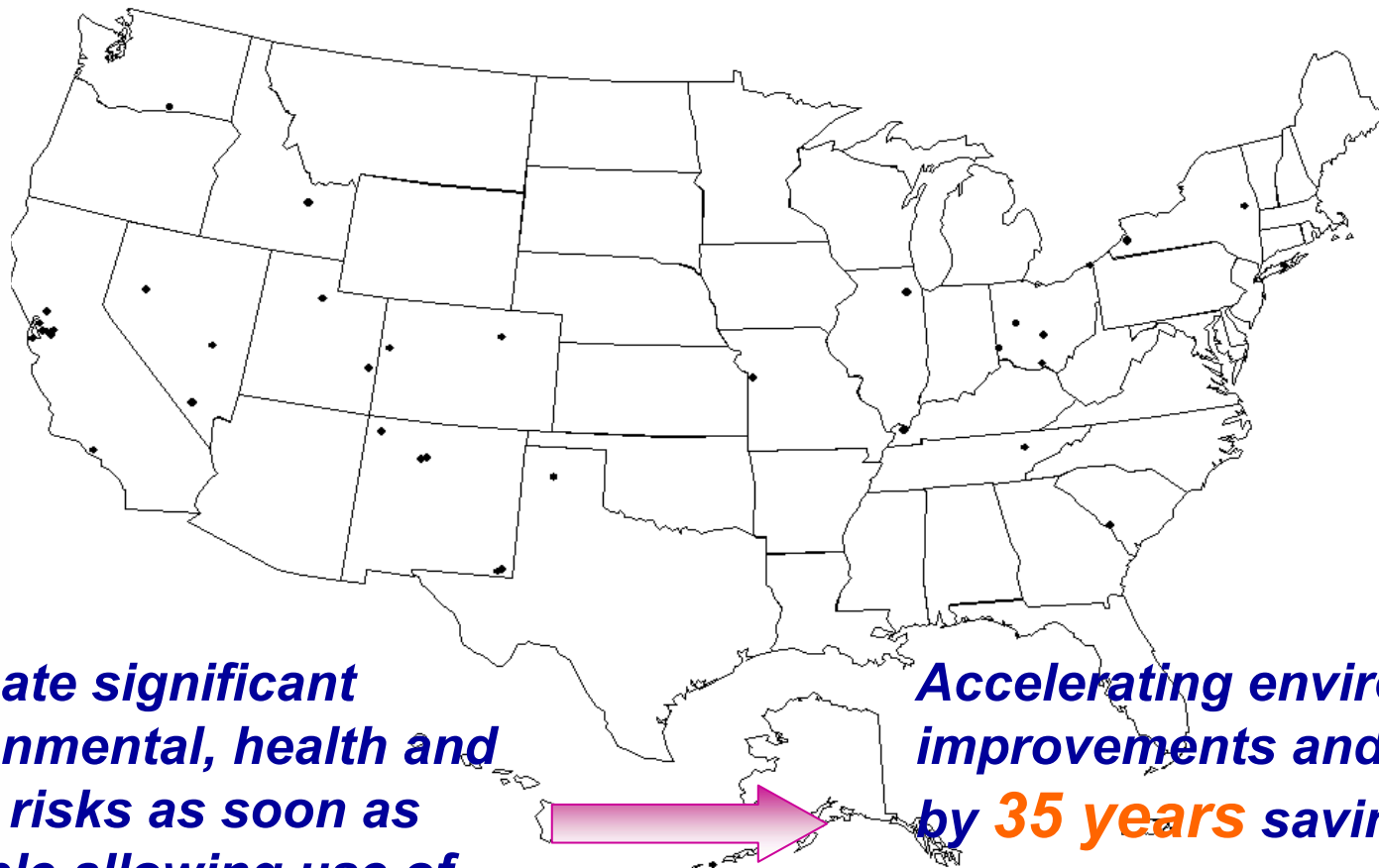


Vision

Management Reforms

FY04/FY05 Budgets

FY06 Budget Formulation



Eliminate significant environmental, health and safety risks as soon as possible allowing use of resources for other national priorities

Accelerating environmental improvements and clean up by **35 years** saving the taxpayer in excess of **\$50 billion**



Management Reforms

**Budget and Project Baseline
Summary Structure Revision**
to focus on completion and
what we value

**Aggressive Acquisition
Strategy**
to drive performance and
promote innovation

**Revitalized Human Capital
Strategy**
to get the most efficient
use of our resources

**Aggressive Configuration
Management Process**
to hold the program
accountable to its
commitments



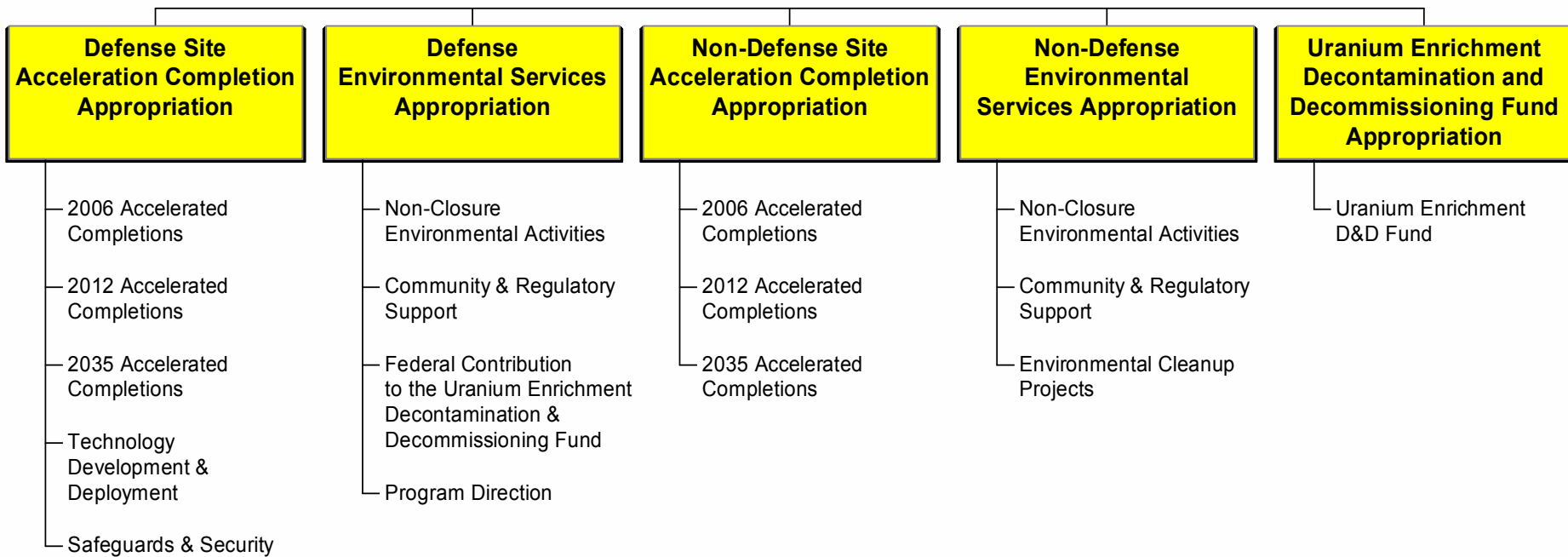


Our Key Objectives

- Focus on Completion
 - Emphasizes accelerated risk reduction
- Accountability
 - Bounds end states
- Visibility
 - Clearly delineates how resources are utilized
- Institutionalization of Program Goals
 - Communicates what we value
- Integration of Performance and Budget
 - Fulfills the President's management agenda



EM Budget Structure





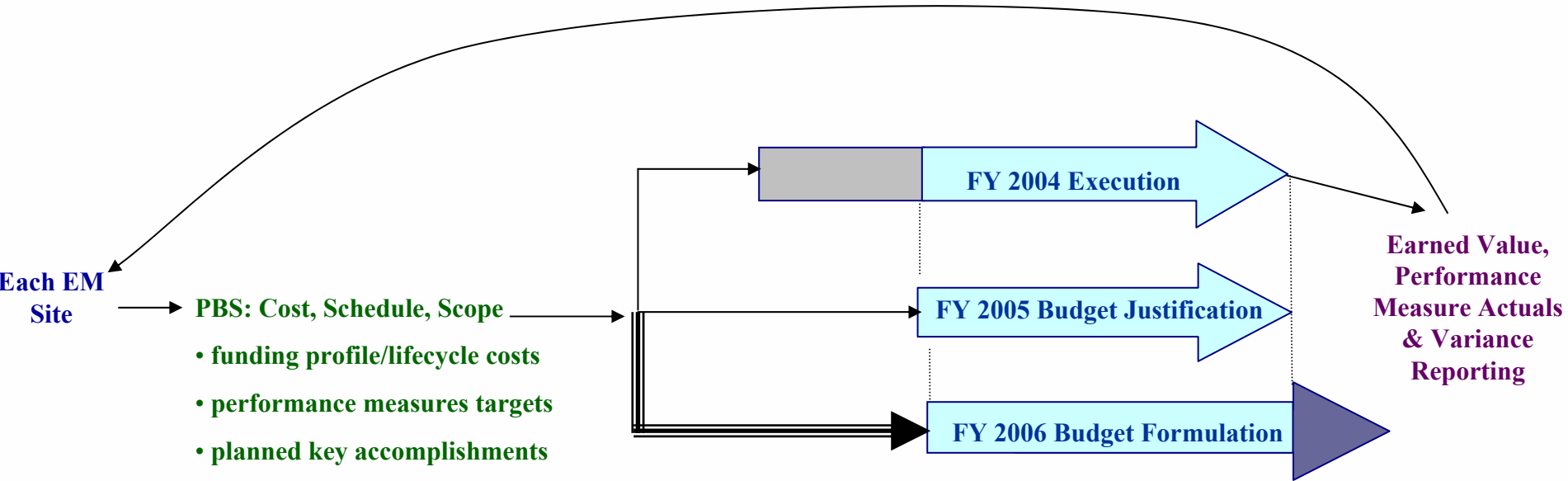
PBS Categories
Nuclear Material Stabilization and Disposition
Spent Nuclear Fuel Stabilization and Disposition
Solid Waste Stabilization and Disposition
Radioactive Liquid Waste Tank Stabilization and Disposition
Safeguards and Security
Soil and Water Remediation
Nuclear Facility D&D
Non-Nuclear Facility D&D
Operate Waste Disposal Facility
Transportation – WIPP
Community Regulatory Support
Pre-2004 Completions
All Other



Corporate Performance Measures

Performance Measure	Unit	Targets 2004											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Pu packaged for long-term disposition	# Cont.	235	235	235	235	135	35	35	35	35	35	35	35
eU packaged for disposition	# Cont.	51	51	51	51	51	51	51	51	51	51	51	364
Pu/U residues packaged for disposition	kg Bulk					176							78
DU & U packaged for disposition	MT												
Liquid Waste eliminated	gallons (1000s)	110	110	110	110	110	110	110	110	110	110	110	90
Liquid Waste Tanks closed	# Tanks							1			1		7
HLW packaged for disposition	# Cont.	21	21	21	21	21	21	21	21	21	21	21	19
SNF packaged for disposition	MTHM	34.699	74.305	80.105	27.105	74.105	80.105	27.105	74.105	80.105	81.105	0.105	0.105
TRU disposed	m3	855	875	1,063	935	910	1,021	1,185	1,186	1,298	1,206	1,172	1,246
LL/LLMW disposed	m3	6,268	6,264	6,362	8,025	6,838	7,329	7,501	8,444	7,684	8,356	7,444	9,300
MAAs eliminated	# MAA's			1									
Nuclear Facility Completions	# Facs.									1			4
Radioactive Facility Completions	# Facs.	6		1	1	2	3		2	3	2	6	19
Industrial Facility Completions	# Facs.	9	3	3	3	8	7	5	7	5	6	5	49
Geographic Sites Eliminated	Sites												
Remediation Complete	# Rel. Sites	6	5	9	27	6	13	3	3	22	4	9	96

Bottoms-Up Approach



EM Appropriations Account Summary



(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request to Congress	FY 2004 vs. FY 2005	
Defense Site Acceleration Completion*	\$5,516,639	\$5,713,971	\$5,970,980	\$257,009	+4.5%
Defense Environmental Services.	1,107,598	1,033,621	982,470	(51,151)	-4.9%
Non-Defense Site Acceleration Completion.	167,584	172,411	151,850	(20,561)	-11.9%
Non-Defense Environmental Services.	161,852	316,439	291,296	(25,143)	-7.9%
Uranium Enrichment D&D Fund.	320,563	414,027	500,200	86,173	+20.8%
Subtotal, Environmental Management.	\$7,274,236	\$7,650,469	\$7,896,796	\$246,327	+3.2%
Uranium Enrichment D&D Fund Contribution	(432,731)	(449,333)	(463,000)	(13,667)	+3.0%
Use of Prior Year Balances.	(33,383)	(178,101)	0	178,101	-100.0%
Privatization Prior Year Rescission.	0	(15,329)	0	15,329	-100.0%
Security Charge for Reimbursable Work.	(122)	(121)	(143)	(22)	+18.2%
Total, Environmental Management	\$6,808,000	\$7,007,585	\$7,433,653	\$426,068	+6.1%
Total, Department of Energy.	\$22,215,311	\$23,280,028	\$23,570,403	\$290,375	+1.2%
EM as a Percent of Total Department of Energy	30.6%	30.1%	31.5%		

* Includes \$350M for WIR-related activities



Funding by PBS Category

(dollars in thousands)

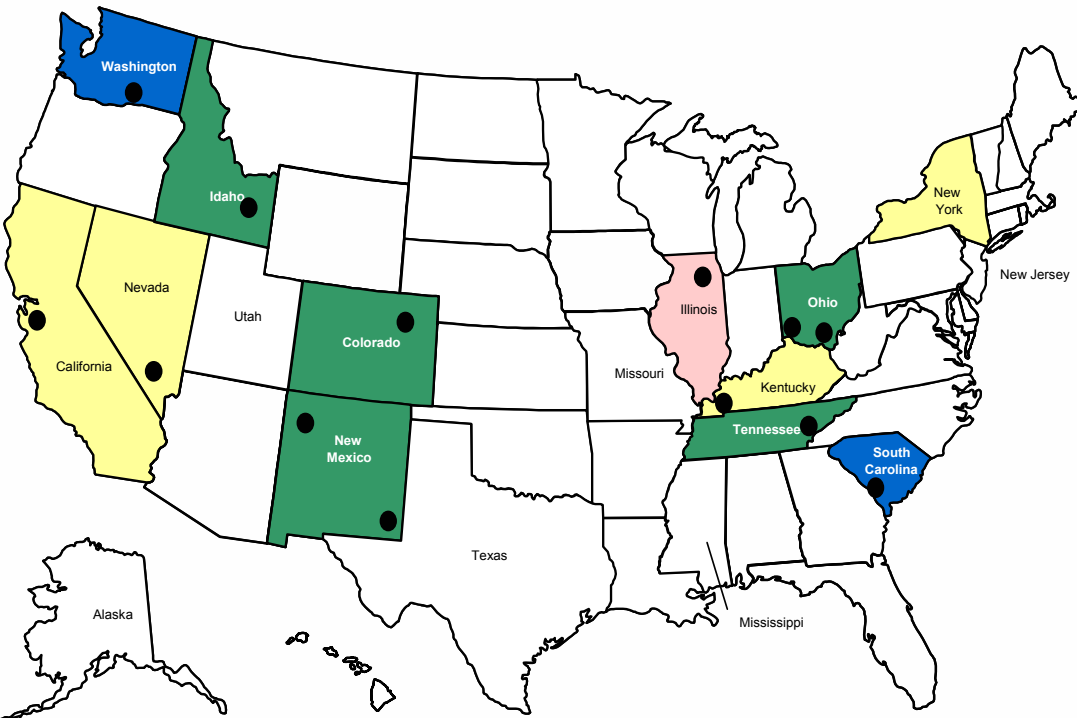
	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
Nuclear Material Stabilization and Disposition	579,663	713,337	725,004
Spent Nuclear Fuel Stabilization and Disposition	402,307	358,176	244,681
Solid Waste Stabilization and Disposition	968,350	1,078,195	1,065,887
Radioactive Liquid Waste Stabilization and Disposition	1,002,371	1,049,629	1,261,084
Radioactive Liquid Waste Stabilization and Disposition - Major Construction	690,000	686,036	690,000
Safeguards and Security	254,747	291,124	265,059
Soil and Water Remediation	782,475	807,501	987,154
Nuclear Facility Decontamination and Decommissioning	1,167,695	1,257,843	1,206,800
Non-Nuclear Facility Decontamination and Decommissioning	21,085	55,025	47,183
Operate Waste Disposal Facility	176,663	153,577	174,637
Waste and Material Transportation	13,631	43,994	40,751
Technology Development	113,679	66,116	60,142
Community and Regulatory Support	38,589	41,217	39,854
All Other (Net incl. offsets)	596,745	405,815	625,417
Total, EM	6,808,000	7,007,585	7,433,653

FY 2004 EM Funding



	<u>FY 2003 Comparable to FY 2004</u>	<u>FY 2004 Congressional Request</u>	<u>FY 2004 Appropriation</u>	<u>Request vs. Appropriation</u>
EM Total	\$6,804,451	\$7,238,934	\$7,047,518	-\$191,416

FY 2004 Funding by Operations/Field Office



<i>Operations/Field Office</i> ^A	<i>FY2004 EM Final Appropriation (\$ in Thousands)</i> ^B
Carlsbad	215,809
Chicago	43,817
Idaho	584,710
Oak Ridge	514,643
Paducah	192,402
Portsmouth	294,657
Ohio	576,369
Richland	983,726
Office of River Protection	1,082,700
Rocky Flats	668,746
Savannah River	1,390,659
Various Locations	
Los Alamos Site Office	104,063
Nevada Site Office	92,341
Livermore Site Office	48,317

Legend:

Over \$1 billion
 \$300 million to \$1 billion
 \$50 million to \$300 million
 Less than \$50 million

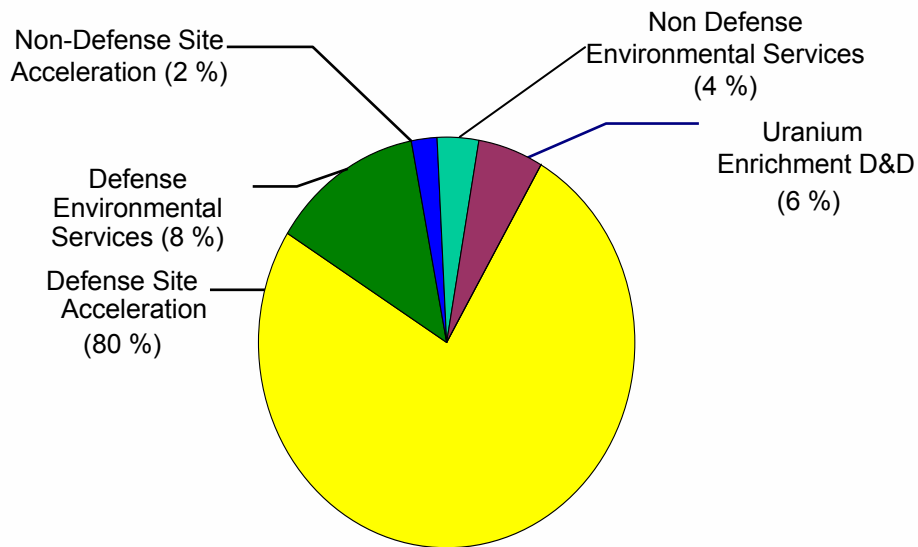
^A Includes distribution of Program Direction, Safeguards and Security, Privatization, and Excess Facilities funding.

^B Represents Conference Agreement less the rescission of 0.59% and the distribution of a \$17 million general reduction.

EM's Five Appropriation Accounts- FY04 Versus FY05

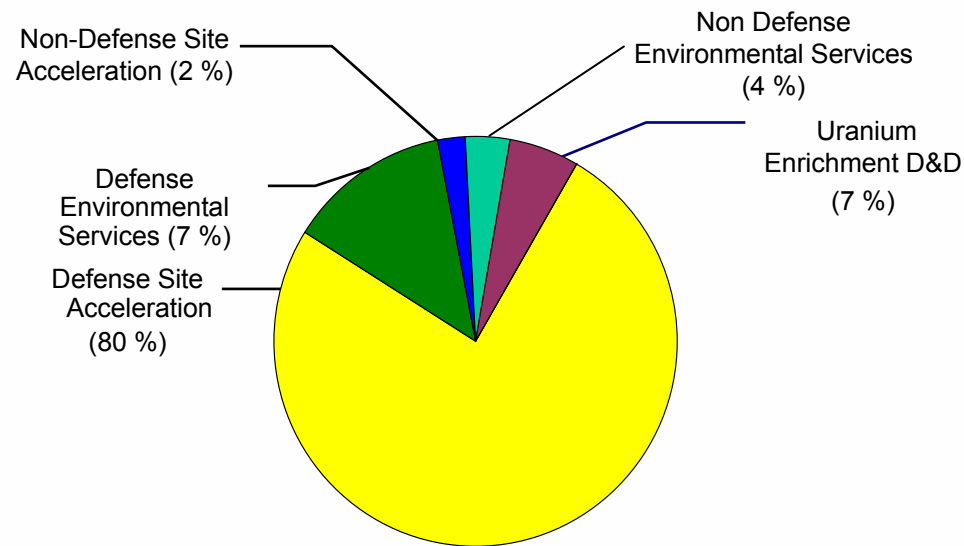


Distribution of the FY 2004 Request



Total FY 2004 Request: \$7.24 B

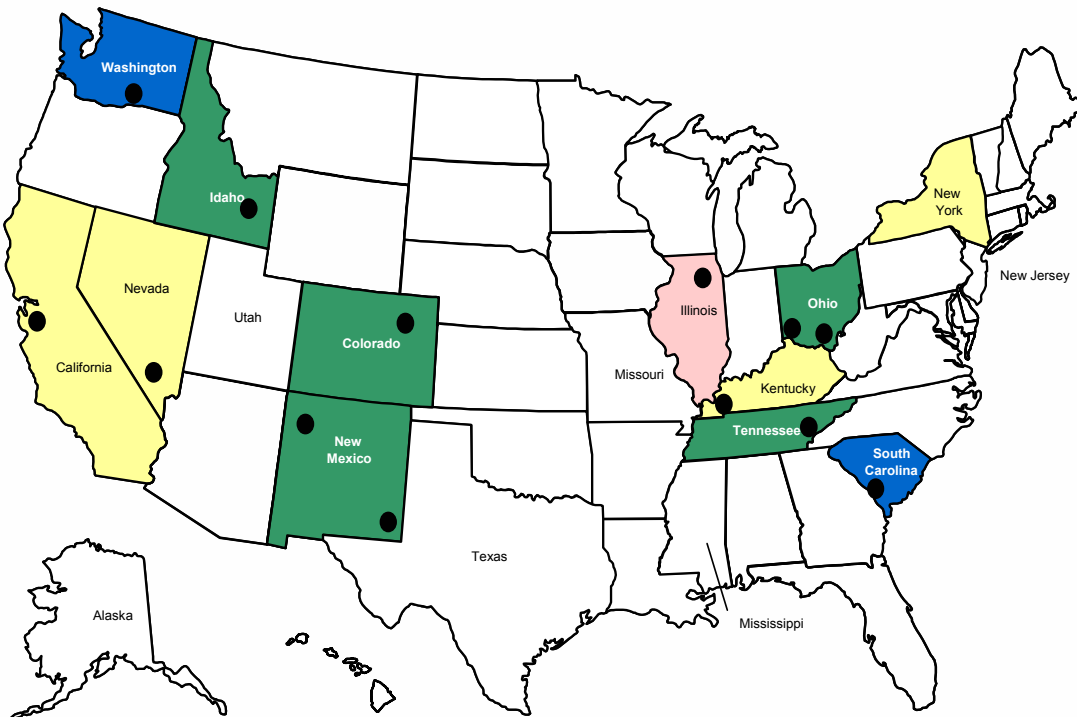
Distribution of the FY 2005 Request



Total FY 2005 Request: \$7.43 B



FY 2005 Budget Request



<i>Operations/Field Office</i>	<i>FY2005 EM Budget Request (\$ Millions)^A</i>
Carlsbad	239,410
Chicago	48,965
Idaho	437,898
Oak Ridge	548,518
Paducah	164,639
Portsmouth	289,122
Ohio	539,211
Richland	1,070,837
Office of River Protection	1,065,864
Rocky Flats	665,214
Savannah River	1,313,298
Various Locations	
Los Alamos Site Office	121,645
Nevada Site Office	98,210
Livermore Site Office	54,758

Legend:

- Over \$1 billion
- \$300 million to \$1 billion
- \$50 million to \$300 million
- Less than \$50 million

^A Includes all applicable allocations except Technology Development and Deployment



ACCELERATING CLEAN UP AND CLOSURE

- Pacific Northwest National Laboratory to Office of Science
- Support for desktop, email, and related network Extended Common Integrated Environmental services to Office of Chief Information Officer
- Off-Site Source Recovery Program to National Nuclear Security Administration.
- Maintenance and operations of Idaho National Laboratory Chemical Processing Plant-666 Facility and non-legacy interim stored spent nuclear fuel to Office of Civilian Radioactive Waste Management
- Fort St. Vrain Independent Fuel Storage Installation and Three-Mile Island Independent Spent Fuel Storage Installation to Office of Civilian Radioactive Waste Management
- Foreign Research Reactor Spent Nuclear Fuel Program to Office of Civilian Radioactive Waste Management
- National Spent Nuclear Fuel Program to Office of Civilian Radioactive Waste Management.
- Record and management support for Formerly Utilized Sites Remedial Action Program Considered Sites to Office of Legacy Management.
- Cost and liability recovery review to Office of Legacy Management
- Environmental Justice activities and Massie Chairs of Excellence Program to Office of Legacy Management.

FY 2006 Budget Calendar

- DOE Planning Guidance..... February 20, 2004**
- EM Planning Guidance to Sites..... March 15, 2004**
- Field Budget Submittal to EM.....April 21, 2004**
- Field Managers Meet with EM-1.....May 3-7, 2004**
- EM Submission of Corporate Review Budget to CFO....June 5, 2004**
- CFO Review of Corporate Review Budget.....June 5-July, 2004**
- OMB Budget Submission.....September 6, 2004**
- OMB Passback.....November 2004**
- Congressional Submission.....February 3, 2005**



For more details, refer to the
Office of Environmental Management
(EM) website:
<http://www.em.doe.gov>

- Management Reforms initiated in FY 04 are in all place/paying dividends.
- Accomplishing Real Savings/Risk Reduction
- FY 2005 Budget – Continues emphasis on accelerated risk reduction/cleanup completion
- Still have many challenges to overcome

Bottom Line  Not resting on our laurels

Backup Information

Funding by Installation



(\$ in thousands)

FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
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Carlsbad Field Office

Carlsbad Field Office	39,818	33,188	35,243
Waste Isolation Pilot Plant	<u>178,164</u>	<u>183,020</u>	<u>204,167</u>
Total, Carlsbad Field Office	217,982	216,208	239,410

Chicago

Argonne National Laboratory-East	3,384	1,864	801
Argonne National Laboratory-West	386	0	0
Brookhaven National Laboratory	35,890	39,368	43,254
Chicago Operations Office	8,801	4,741	4,910
Princeton Plasma Physics Laboratory	<u>0</u>	<u>124</u>	<u>0</u>
Total, Chicago Operations Office	48,461	46,097	48,965

Washington Headquarters

Headquarters	193,548	183,691	240,087
HLW Proposal	0	0	350,000
Atlas Site	3,856	4,440	7,773
Grand Junction	<u>1,269</u>	<u>1,235</u>	<u>478</u>
Total, Washington Headquarters	198,673	189,366	598,338

Site distribution includes all allocable dollars except Technology Development.



Funding by Installation (Continued)

(\$ in thousands)

FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
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Idaho Operations Office

Idaho National Engineering and Environmental Laboratory	539,755	567,660	429,207
Idaho Operations Office	<u>17,370</u>	<u>8,860</u>	<u>8,691</u>
Total, Idaho Operations Office	557,125	576,520	437,898

Oak Ridge Operations Office

East Tennessee Technology Park	155,882	178,771	228,248
Oak Ridge National Laboratory	66,445	47,291	38,406
Oak Ridge Operations Office	17,517	17,295	15,033
Oak Ridge Reservation	189,305	227,564	218,431
Y-12 Plant	<u>52,858</u>	<u>49,644</u>	<u>48,400</u>
Total, Oak Ridge Operations Office	482,007	520,565	548,518

Paducah Gaseous Diffusion Plant	115,321	196,589	164,639
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Portsmouth Gaseous Diffusion Plant	187,590	294,660	289,122
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Site distribution includes all allocable dollars except Technology Development.



Funding by Installation (Continued)

(\$ in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
<i>Ohio Field Office</i>			
Ashtabula	13,896	15,747	15,879
Columbus	18,963	22,735	19,849
Fernald	322,078	326,769	321,563
Miamisburg	103,379	98,289	99,258
Ohio Field Office	20,817	21,623	6,993
West Valley Demonstration Project	<u>96,412</u>	<u>101,715</u>	<u>75,669</u>
Total, Ohio Field Office	575,545	586,878	539,211
<i>Richland Operations Office</i>			
Hanford Site	799,972	915,143	1,014,755
Richland Operations Office	<u>64,494</u>	<u>62,223</u>	<u>56,082</u>
Total, Richland Operations Office	864,466	977,366	1,070,837
Office of River Protection	1,140,555	1,107,211	1,056,864
<i>Rocky Flats Field Office</i>			
Rocky Flats Environmental Technology Site	669,490	623,361	635,675
Rocky Flats Field Office	<u>26,363</u>	<u>53,637</u>	<u>29,539</u>
Total, Rocky Flats Field Office	695,853	676,998	665,214

Site distribution includes all allocable dollars except Technology Development.

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Funding by Installation (Continued)

(\$ in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
<i>Savannah River Operations Office</i>			
Savannah River Operations Office	69,045	69,422	60,044
Savannah River Site	<u>1,220,721</u>	<u>1,324,466</u>	<u>1,253,254</u>
Total, Savannah River Operations Office	1,289,766	1,393,888	1,313,298
<i>All Other Sites</i>			
Energy Technology Engineering Center	16,436	18,217	19,000
General Atomics	1,575	0	0
Inhalation Toxicology Laboratory	1,065	476	491
Kansas City Plant	2,257	2,066	3,506
Laboratory for Energy-Related Health Research	4,049	3,273	500
Lawrence Berkeley National Laboratory	3,134	3,228	4,070
Lawrence Livermore National Laboratory	50,281	48,317	54,758
Los Alamos National Laboratory	100,802	114,100	121,645
Nevada Offsites	5,215	8,439	6,783
Nevada Test Site	75,510	70,850	80,378
Nevada Site Office	14,099	15,345	11,049
NNSA Service Center	36,896	17,631	15,562
Pantex Plant	14,991	21,133	24,521
Sandia National Laboratories	23,918	21,804	20,246
South Valley	933	0	0
Separations Process Research Unit	716	5,411	5,708
Stanford Linear Accelerator Center	<u>2,605</u>	<u>2,384</u>	<u>2,500</u>
Total, All Other Sites	354,482	352,674	370,717

Funding by Installation (Continued)



(\$ in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Request
Technology Development	113,679	66,116	60,142
Consolidated Business Center	0	0	30,623
D&D Fund Deposit	432,731	449,333	463,000
Subtotal, Environmental Management	7,274,236	7,650,469	7,896,796
Use of Prior Year Balances (Defense)	-21,928	-158,101	0
Reimbursable Work (Defense)	-122	-121	-143
UE D&D Fund Deposit (Offset)	-432,731	-449,333	-463,000
Privatization Rescission (Defense)	0	-15,329	0
Use of Prior Year Balances (Non-Defense)	-11,455	-20,000	0
Total, Environmental Management	6,808,000	7,007,585	7,433,653

Site distribution includes all allocable dollars except Technology Development.



House Mark

EM Request \$7, 433.7B

House Mark \$7, 369.2B

Delta - \$64.5M

- +\$13.2M for pension shortfalls and accelerated low-level waste shipments from Miamisburg.
- -\$75.7M for two specific line item construction projects requested under the High-Level Waste Proposal account.
- +\$22.5M to conduct a competitive evaluation of advanced remediation technologies available in the private sector.
- -\$41.8M reduction resulting from the transfer of safety, health and security activities to the Office of Security and Safety Performance Assurance.
- +\$17.3M for new account created to reverse the transfer of CPP666 and the National Spent Nuclear Fuel program.

Earmarks

- Technology Development & Deployment: \$5M for AEA and \$7M for Florida International University.
- Defense Non-Closure Environmental Activities: \$10M for HAZWOPER and \$8M for HAMMER.