"THE NEXT STEP", CHANGING WORKFORCE REQUIREMENTS OF THE DOE WEAPONS COMPLEX

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ABSTRACT

Since the advent of the nuclear age in the 1940's, the Department of Energy's (DOE) (formerly the Atomic Energy Commission-AEC) main mission has been to produce weapons for America's nuclear arsenal. These weapons were developed to deter or withstand any Soviet threat. This mission, however, had substantial risk to employee health and safety as well as to the environment.

INTRODUCTION

Despite warnings which date back to August of 1947, America's nuclear deterrence strategy pressed on. Warnings such as the following went unheeded: "The disposal of radioactive and toxic wastes needs immediate laboratory and field study. The disposal of contaminated waste, if continued for decades, presents the gravest of problems. This is one of the areas of research that cannot be indefinitely postponed."

The nuclear threat to this nation from the Soviet Union was thought to be so great that issues of environment, safety, and health were viewed as unimportant relative to weapons research and development. Weapons production was the DOE's primary mission requirement and formed the basis for the nuclear and national security strategy.

Moreover, weapons research, development, and production shaped the overall employment strategy for research and development (R&D) and production facilities within the DOE weapons complex. Here the best and the brightest employees were hired. In hiring, the emphasis was placed on: the recruitment of employees who held Masters and Ph.D's, at a minimum; the recruitment of the top 10% of graduates at the top 10% schools in the country, and pay for scientists and engineers which was comparable to benefits and compensation packages provided by Fortune 500 companies. AEC/DOE Contractor employees found great job security in the weapons complex. Turnover rates traditionally have been very low. DOE contractor employees enjoyed the employment relationship. Employees found that good pay and benefits, job security, and service to their country was an attractive combination for a long-term relationship.

The Recent Past

Clearly, the decade of the 80's was one where great strides in weapons technology were made. The weapons R&D program in the United States was the premier program in the world. The DOE was willing to pay the price--both in terms of human resource cost and environment, safety, and health considerations.

When former Secretary of Energy, Admiral James Watkins, took the helm at DOE in 1989, he found that the Nation's ability to produce nuclear material in support of the strategic deterrence mission was almost completely paralyzed due to environmental, safety, and health problems raised both by the Congress and outside environmental groups. He found no long-range plans in place for clean up of radioactive waste at DOE facilities. In addition, along with safety, and health problems, Secretary Watkins also found that different facilities throughout the weapons complex had been allowed to "atrophy" with no firm plans for modernization. DOE facilities across the nation included 17 principle and 100 secondary weapons factories. The problem of nuclear waste management and disposal had been put off for so long that comprehensive data regarding their status was seemingly impossible to generate. The problems facing the DOE seemed so immense that it would take 50 plus years and multi-billions of dollars to arrest the problem.

Additionally, charges were made that America's weapons program had produced billions of gallons of contaminated water and millions of tons of contaminated soil with the waste from its bomb building plants.

To his dismay, Secretary Watkins had these two major issues to contend with: environmental, safety, and health problems coupled with weapons plants that were old and whose useful life was short term.

In order to deal with this situation, DOE top management had little choice but to move forward and begin cleaning up some facilities. Plants and major DOE sites, such as the Hanford facility, the Fernald Plant, and the plant in Idaho, are now designated under the Environmental Restoration Waste Management Program. At this time, no further use of these facilities for defense programs is contemplated unless there is a national emergency.

The Current Situation

For the first time since 1945, the U.S. is not building any nuclear weapons. The declining nuclear threat has allowed the DOE to plan for a significantly reduced nuclear weapons complex.

The above mission change sounds simple enough. However, the change is not without its problems, particularly with regard to workforce issues. It has been reported to Congress that "This enormous redirection of the DOE Complex will cause great turbulence in the lives of workers and their communities--unless we plan well for this change." Not only does this mission change have a great impact on DOE, it is also important to note that this mission change has a great impact on the Department of Defense, (both military and civilian), and the defense industry, e.g., aerospace, conventional weaponry suppliers, etc.

The DOE employs approximately 27,000 employees in weapons production. Those numbers are expected to decline in the next five to ten years to perhaps one half of current levels. Overall DOE employs 130,375 contractor employees at all other DOE sites. Of this total, 45,000 employees work in weapons production. It has been reported the DOE expects to employ 30,000 or more employees in Environmental Restoration and Waste Management by 1995! Consequently, as the defense program and production requirements decline, EM mission requirements (and funding) are in a steep upward

trend. Caught in the middle of this drastic change in mission requirement and program funding are employees whose demographics and job skills may not meet the new environmental mission requirement.

The Weapons Complex Reconfiguration Study

In January 1989, the DOE reported to Congress its intent to reconfigure the nuclear complex. The DOE had the following primary objectives:

1. re-activate three reactors at Savannah River shut down since 1988 for safety concerns;
2. maintain a back-up reactor at Hanford;
3. site two new production reactors, each of a different design; and
4. work to resume all plutonium production operations at Rocky Flats as soon as possible.

Changing world conditions and new agreements between the U.S. negotiators and leaders from the former Soviet Union allowed DOE and DOD to re-examine defense requirements. New guidance and a new framework emerged from the Weapons Complex Reconfiguration Study (WCRS) of February 1991. The WCRS dictated a strategy for a nuclear weapons complex that was smaller, less diverse, less expensive to operate, and more responsive to future weapons requirements.

It was evident the new strategy would require a reconfiguration of the weapons plants in terms of consolidation and relocation of production functions and the combination of some research, development and testing (RD&T) functions with a production capability. This simply means that National Laboratories will be fulfilling some production requirements. DOE's new goals and objectives are to establish a weapons complex that is smaller, more efficient, and less costly to operate. More importantly, it will also be designed to operate in a manner that protects worker and public health and safety considerations for the worker, the public, and surrounding communities.

After the WCRS was completed, the Nonnuclear Consolidation Plan (NCP) was then commissioned. It was completed in September 1991.

Reconfiguration of the weapons complex is being addressed in two parts: (1) Nuclear Consolidation and (2) Nonnuclear Consolidation. This paper only speaks to part 2, Nonnuclear Consolidation and the impact on the weapons plant from a DOE Albuquerque perspective.

The results of the NCP recommended the following preferred alternatives for nonnuclear reconfiguration:

1. Relocate most of the activities of the Mound Plant located in Dayton, Ohio, and the Pinellas Plant, located in Largo, Florida, to the Kansas City Plant, located outside Kansas City, Missouri; to the Sandia National Laboratory in Albuquerque, New Mexico; to the Los Alamos National Laboratory in Los Alamos, New Mexico; and to the Savannah River Plant, in Aiken, South Carolina.
2. The Nonnuclear work from Rocky Flats would be relocated to the Kansas City Plant. The Pantex Plant would continue in its present role, but would expand its mission requirements for weapons dismantlement.

Inevitably, the transfer of mission production requirements from Mound, Pinellas, and Rocky Flats means plant closures at some future date.

The preferred option, if carried out to its fullest intent, also means that those plants identified for production cessation in the near term, and eventual decommissioning and decontamination in the long term, will undergo a significant transition from weapons production, and all of its inherent environmental, safety, and health issues, to the new emerging mission of environmental restoration and waste management.

This drastic change has an impact not only on mission requirements, but more significantly on worker requirements. Compounding this situation is concurrent downsizing by other major industrial firms (e.g., IBM, Military (officers and enlisted), Sears, and General Motors). The challenge and difficult task is to reduce the impact on employees and communities located where facilities are planned for closure under the preferred option.

A high level of concern over the workforce at defense nuclear facilities has been shown by members of Congress. They want to ensure fair treatment to employees; provide assistance to communities affected by the reconfiguration effort; and provide continuing medical coverage for employees whom some insurers may perceive as having pre-existing conditions resulting from exposure to toxic waste and chemicals.

Some workers may not be employable once they are on lay off lists as firms in the public or private sector downsize. As a result, the job market will be extremely competitive. Many organizations seem to be playing a waiting game by implementing a hiring freeze while the new administration defines its economic policy.

These conditions have prompted the DOE to attempt to help employees be retrained for placement within the plant or for job placement outside of the plant. In addition, DOE is in the process of developing a nationwide job vacancy posting system in the event employees wish to transfer to another DOE location.

Reconfiguration of the nuclear weapons plants, the potential adverse impact on long-term dedicated employees, changing mission requirements and congressional concerns prompted the DOE to begin developing strategies and recommendations addressing human resource issues. These recommendations have been developed by DOE over the past ten months in coordination with M&O contractor human resource professionals. These recommendations are outlined in the Nonnuclear Reconfiguration Implementation Plans (NRIP).

The NRIP consists of five volumes:

Volume I	-	Master Plan
Volume II	-	Project Management System
Volume III	-	Facility Plans
Volume IV	-	Human Resource Plans
Volume V	-	Environmental Restoration/Waste Management Plan

Volume IV, the Implementation Plan for Human Resource has considered all aspects of the downsizing and transition of the nuclear weapons plant. The Master Plan contains the following information:

The *Human Resources Plan* is Volume IV of the *Nonnuclear Reconfiguration Implementation Plans*. It was prepared by the Industrial Relations Branch at the Department of Energy's Albuquerque Field Office in coordination with the Human Resources

Reconfiguration Team, which consists of HQ, field, and donor/receiver plant human resource professionals. The team was formed to address human resource recommendations that will affect the work force if nonnuclear reconfiguration occurs. This volume provides information about:

- **Retention** - Retention programs, e.g., retention incentives should be provided for those employees with clearly defined critical skills for continuing production requirements, transferees, or environmental restoration and waste management (EM) program specialists.
- **Reductions In Force** - Budget driven reductions in force tend to complicate other downsizing efforts tied to reconfiguration. However, the enclosed human resource recommendations should accommodate downsizing efforts whether driven by funding or work shortages. DOE's preferred option is voluntary reductions using a severance package with reasonable incentives to ensure retention of critically skilled employees for either Defense Programs (DP) or EM missions.
- **Relocation** - Relocation expenses are normally reimbursed for exempt employees. Under reconfiguration, it may be necessary to transfer part of the nonexempt work force, particularly those people with critical skills. These expense payments are therefore extended to nonexempt employees, regardless of whether they are members of a bargaining or nonbargaining unit. In addition, as a means of minimizing the adverse impact of reconfiguration on employees, some relocation expenses can be reimbursed to nonexempt non-critically skilled employees who are reemployed at another DOE facility.
- **Training/Retraining** - Although information regarding specific training requirements for both the DP and EM missions are in the formulation stage, AL believes that training/retraining per se may not be as large an endeavor in the near term as was anticipated. Established programs within donor/receiver plants currently address most of the environmental, safety, and health training requirements from an operational standpoint. However, work will continue to address training requirements for the ongoing DP mission and the transition to EM, e.g., job skill requirements, staffing and funding levels, etc.
- **Recruitment** - To meet Secretary Watkins' objective of minimizing the adverse impact on employees who are displaced because of reconfiguration, every effort will be made to provide priority placement opportunities at other DOE/contractor locations. A DOE job vacancy database project is underway to provide timely announcement of job vacancies to employees who have been laid off or affected by a reduction in force.
- **Outplacement** - Substantial outplacement services will be provided by each donor site or other sites affected by a reduction in force. Donor plants will be required to provide these services to affected employees for at least 12 months.
- **Labor Relations** - The human resource recommendations are applied as an overall framework to meet contractor needs. Because their primary purpose involves employee needs, current collective bargaining arrangements may not address or include any of these HR recommendations. The HR recommendations therefore are subject to negotiation.
- **Compensation and Non-Pension-Benefits Portability** - A major concern is the portability of compensation and benefits for critically skilled employees who are transferred with a technology to a receiver plant. Earned service at the donor plant will be credited at the receiver plant. Benefits at the receiver plant will be based on length of service. If the new salary is above the range, a red circled rate will be established for at least two years or until the range catches up with the established salary. On the other hand if the new salary is below the range, an immediate adjustment to range minimum will be made.
- **Pensions and Postretirement Benefits** - Transferred employees will have all vesting and eligibility services from donor and receiver sites combined for pension consideration. We are recommending that employees be given a prorated pension benefit credit for their service under the donor contractor as well as the receiver.
- **Legal and Regulatory Requirements and Implications** - A list of legal and regulatory requirements is provided as reference and additional information. The governing documents, however, are Appendices A to the Management and Operating contracts at both the donor and receiver plants. These appendices contain advanced understandings for personnel cost reimbursement.

In the process of transition from defense programs production activities to environmental restoration and waste management, the work force dynamics and skill mix requirements will be a very important consideration which is addressed by the implementation plan. During this process, it will be necessary for donor plants to continue with their DP mission in a deactivation mode while at the same time performing surveillance and maintenance activities for the EM mission. It will also be necessary to identify employees "in excess" positions who must either be subject to reductions in force or trained/retrained for placement within the organization or outside of the organization.

The human resource guidelines have been developed as a framework for contractor use at both donor and receiver plants. They are structured to address the multitude of concerns that will develop as a result of the reconfiguration of the weapons complex. The focus of these recommendations has been on critically skilled employees. Critically skilled employees are those who are essential for continuing nuclear/nonnuclear capability in the weapons plant and who have been identified as candidates for transfer with respective technologies from a donor plant.

These guidelines have also been developed to allow members of collective bargaining units, who perhaps are in critically skilled positions, to be treated through the normal negotiation process in a manner consistent with the treatment of exempt and nonbargaining employees.

The HRRT has initiated efforts to identify funding requirements and work force profiles associated with nonnuclear reconfiguration. These implementation plans provide initial data generated by the HRRT in collaboration with program and project managers who are addressing transfer of technology and equipment.

Issues pertaining to the human resources plan include:

- Funding/Budgets

  Categories of employees with critical skills have been identified. Projections of funding and are being refined to provide the most accurate information possible.

  Budget-driven reductions-in-force and early retirement programs may have a long-term impact on the work force capability by allowing employees with critical skills to be released from employment before they are identified and placed in protected classifications.

- Legal

  Identification of employees with critical skills and application of recommendations to them may be viewed as discriminatory. There may be legal challenges to the identification of those employees and the enhancements those employees receive, even though there are bonafide business reasons for both.

- Labor Relations

  Unions may not be receptive to the application of some of the recommendations for employees with critical skills, especially in terms of seniority.

- Employees

  Employees with critical skills may be unwilling to relocate or be retained because of uncertainty about their future, in spite of the enhancements proposed.

- Mission

  Contractors may be unable to fulfill mission requirements as a result of budget reductions and employee turnover that results from the lack of stability in the nuclear weapons complex.

The DOE has committed itself to assist employees in every reasonable and practical way to utilize and retrain the current workforce to carry out the new mission requirements; to transfer workers to other DOE sites; or to provide training opportunities that enhances knowledges, skills, and abilities. Placement services outside of the plant will be coordinated with Federal, State, and local entities.

DOE has also committed resources for Displaced Worker Health Benefits. The DOE wants to ensure that displaced workers continue to have access to adequate health care and monitoring. Health insurance coverage is provided to employees for a period of three years after date of employment termination.

This preferred option has dramatic impact on today's weapons plant workforce. From a human resource perspective, the fundamental shift in weapons program production activities, and the transition at "donor" plants from a defense program mission to an environment restoration and waste management mission, requires attendant human resource strategies to address the needs of a highly specialized workforce. The strategy must not only ensure a minimal impact on employees as a result of reconfiguration, but also address other concerns regarding continuing nuclear capability, identification of job skill requirements for the environmental management mission, and continued defense program production requirements.