Savannah River
Nuclear Solutions, LLC
A Fluor Daniel Partnership

Emerging Issues With U.S. DOE Prime Contractors

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March 3, 2009

Waste Management Conference 2009

Phoenix, Arizona

Approaching Today's Topic

Issues facing Savannah River Site – may be common to us all to some degree

- Transition
- Interfacing and integrating
- Human Capital
- Managing and sustaining growth
- Funding drivers and issues

The Savannah River Site

- About 310 square miles
  - Fourth largest DOE site in the United States (behind Nevada Test Site, Idaho National Laboratory and Hanford Site)
  - About the size of the District of Columbia
- SRS workforce: Approximately 11,000
  - Prime contractor (about 55 percent)
  - DOE-SR and DOE-NNSA
  - Other contractors
- Main customers
  - DOE-EM
  - NNSA-DP
  - NNSA-NN
  - States of South Carolina and Georgia

SRS Value Streams – "The Whole Elephant"

Unparalleled anywhere

- Nuclear reprocessing and/or packaging for disposal
- Nuclear material storage
- Tritium excellence
- SRNL – applied science
- Cleanup progress, techniques, and experience

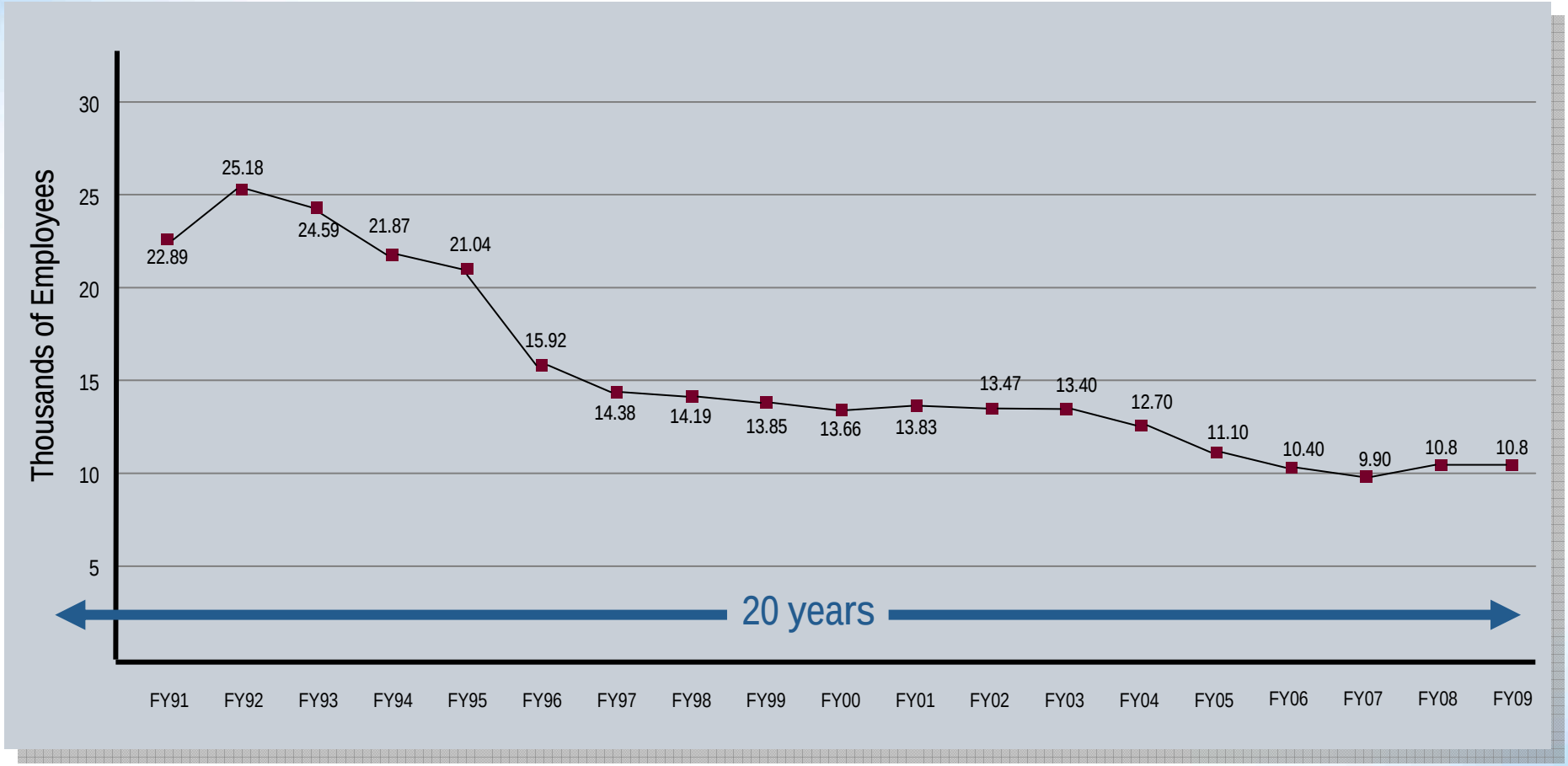
- Enabled by:
  - Geography and geology
  - Experienced workforce
  - Proven procedures and culture
  - Unique facilities
  - Involved and progressive stakeholders
  - Congressional support
  - Entrenched nuclear culture

Interfacing and Integrating

Transition from single prime contract to an M&O contract, supporting a growing number of contractors and Federal agencies

- Issues
  - Integrated Site Priority List
  - Integrated Site schedule
  - Common communication process between site contractors
  - Inconsistent language and expectations in individual contracts
  - Rigid financial infrastructure that doesn't integrate easily with all contractors
  - Structure of MOAs
- We work seamlessly through the following framework, which is a work in progress
  - Organization – new and distinct
  - Governing documents
    - Contracts
    - Interface management policies and plan
    - Memoranda of Understanding
    - Service Level Agreements

Human Capital – SRS Employment



Human Capital

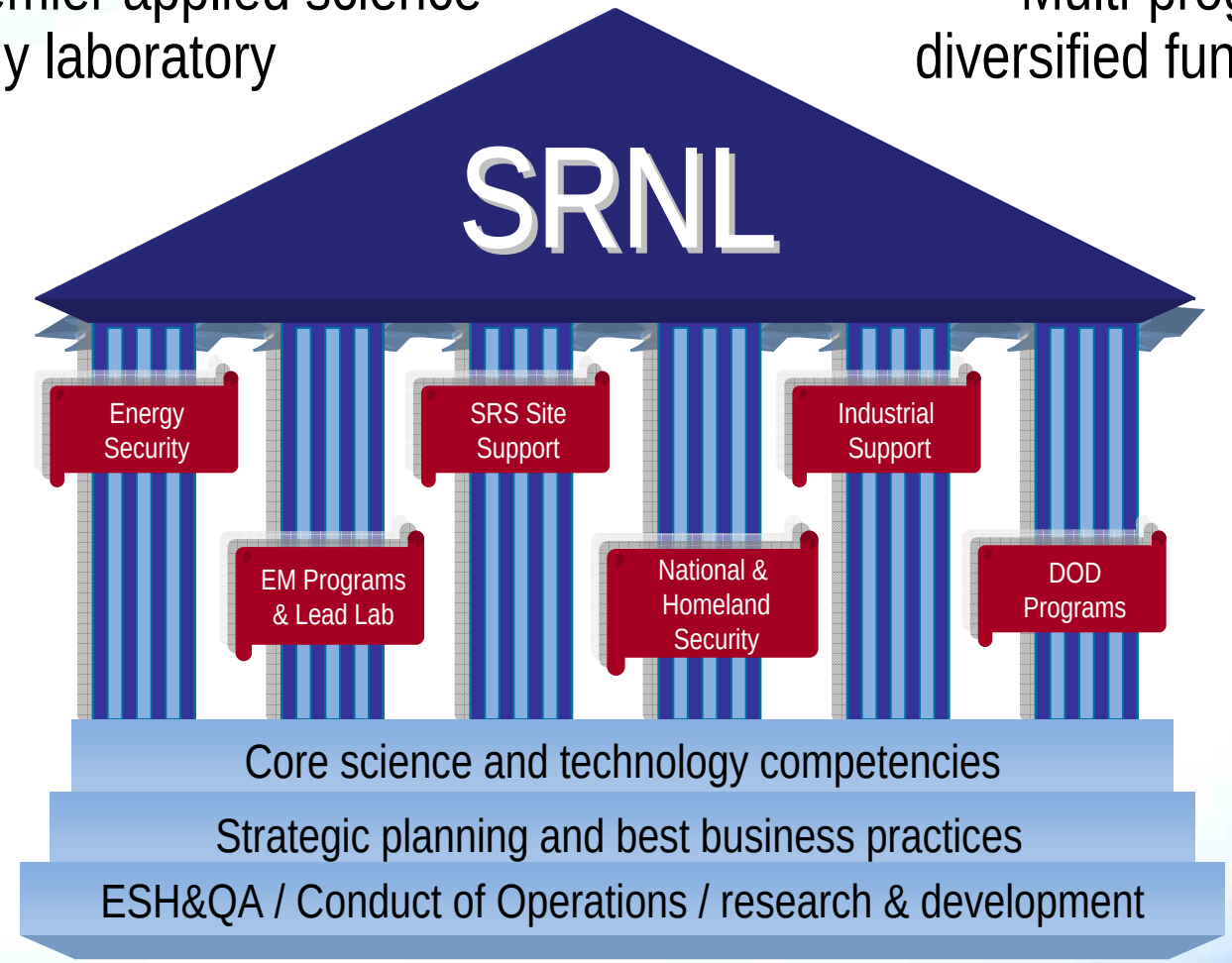
Securing a next-generation workforce

- Invaluable knowledge in the minds of the workers
- Average age of SRS workforce: 51
  - Over 60 percent of the current workforce is retirement eligible
- Challenges
  - Preserve the knowledge and experience that makes SRS unique
  - Selectively hire the talent that will secure SRS's future in the DOE complex
- Issues
  - Economy
  - Competition
  - Nuclear Renaissance

Managing Growth – SRNL Vision

Nation's premier applied science & technology laboratory

Multi-program lab with diversified funding sources

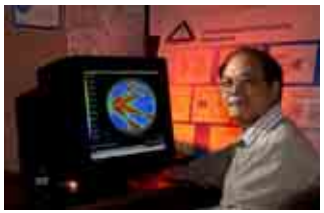


The DOE/EM Corporate Laboratory

Unique technical capabilities applied to reduce technical uncertainties in order to assist sites in meeting cleanup requirements by providing applied research and development in the areas of:

Managing surveillance and packaging of nuclear material

Characterizing processing, and stabilizing high-level radioactive waste



Supporting waste stabilization through modeling and flowsheet development

Monitored Natural Attenuation

Closing high-level radioactive waste storage tanks

Managing, storing, & processing spent nuclear fuel

Processing, packaging and transporting, and disposing of legacy nuclear materials

D&D of nuclear plants

Characterizing and cleaning up groundwater and soil

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EM Environmental Management

safety ◇ performance ◇ cleanup ◇ closure

Managing Growth – Our Role in NNSA's Complex Realignment

Effective and efficient Tritium R&D production and packaging

- NNSA objective
  - Create a smaller, safer, more secure, and less expensive enterprise that leverages the scientific and technical capabilities of the workforce, and meets national security requirements
- SRNS approach – Reduce current footprint while integrating new Tritium R&D functions
  - SRNS has a proven capability for footprint reduction
  - SRS has a proven track record on assuming new missions
  - SRNL has a proven R&D track record
  - Tritium R&D will be accommodated in existing SRS footprint, thereby reducing the overall Complex footprint
  - SRS already has over 75 percent of the required Tritium R&D capabilities; implementation schedule for the remainder to be complete by 2012
- Result – more efficient, less complex footprint

Effective Funding

Common issue everywhere

- Pension
  - Contribution requirements complete against work scope
- Fuel
  - Prices up 38 percent (for coal)
  - Prices up 35 percent (for unleaded, diesel and ethanol)
- Planning, coordinating, executing

Outcomes

Enduring

- Operational excellence:
  - Safe, secure and effective operations to deliver Site products
- Operational efficiency
  - Continuous improvement for mature, modern business and management processes to produce efficient Site
- Productive, mature relationships
  - With DOE/NNSA and with stakeholders
  - Compliance, improvement, responsiveness

Products

- Nuclear materials
  - Reuse
  - Temporarily store
  - Package, ship, dispose
  - Reform – nonproliferation
- Liquid waste
  - Radionuclides to glass
  - Chemicals to saltstone
  - Tanks empty
- Environmental risk reduction
- Reduced and reused site active footprint
- Applied science from SRNL
- Nuclear renaissance

Summary: Preserving the Future of EM and SRS

- Many issues, much opportunity
- Align with new administration
- Renewed focus on environment and energy security
- Keep the momentum and progress moving forward
  - Work together
  - Meetings like this
  - Networking
  - Sharing lessons learned and best practices