The Y-12 National Security Complex has received the top government award for excellence in the use of small businesses as subcontractors. Bob Waters, BWXT Y-12 manager of procurement, accepted the award at a Small Business Administration conference in Washington, D.C., on September 19.

Named for the president under whom the Small Business Administration was founded, the Dwight D. Eisenhower Award of Excellence was developed to recognize large business contractors that have excelled in their use of small businesses as subcontractors. This is the first time any large contractor in Oak Ridge has won the award.

Dennis Ruddy, BWXT Y-12 president and general manager, said he is delighted that BWXT Y-12 was selected for this prestigious award, which is “based on stellar performance in the socioeconomic program. It is the highest recognition you can receive from the federal government for excelling in your small business program activities.”

The letter of notification from the U.S. Small Business Administration stated that BWXT Y-12 “has been judged to be the most outstanding of all Services companies nominated from the U.S. Small Business Administration portfolio of 2500 large contractors.”

**Strategic plan outlines company’s vision**

When someone asks you what you do for a living, it’s pretty easy to give an answer—“I’m a pipe fitter,” or “I’m an engineer.” But if someone asks you how your job pertains to the bottom line of the company, what do you say? Can you tell people how your job fits into the company’s vision of being able, agile and affordable?

“I challenge all employees to read the new strategic plan and identify individual and departmental initiatives their jobs can fulfill to support BWXT Y-12’s goals,” said Dennis Ruddy, BWXT Y-12 president and general manager.

Not that you can open the strategic plan and find your job or even your division noted in the pages. As you read the plan, you will realize that it is a comprehensive document that addresses the company’s missions, visions, goals and the strategies or major approaches used to achieve our goals.

The plan is broader in scope than previous plans and will position BWXT Y-12 to continue its role in the future of the Nuclear Weapons Complex. Ruddy pointed out that the first two years of the company’s efforts were committed to resolve specific problem areas, most notably infrastructure reduction, maintenance, operability of facilities, employee safety and safeguards and security. While improvements remain, Ruddy says those activities are a part of the fabric of the site’s management. Now the company’s vision has moved to a broader view of becoming able, agile and affordable.

While the company will be managed according to the plan, it is not a static document. It serves as the highest-level planning document by which other plans will be prepared. During the next few months, the strategic plan will be broken down into a separate tactical plan, which will have the more detailed milestones. Employee input for the tactical plan will be solicited in upcoming weeks through the individual organizations.

You should be receiving your copy of the plan in the mail. It also is located on Y-12’s internal Web. If you do not receive your copy of the strategic plan, contact Larry Rackstraw (576-7849, ara@y12.doe.gov).

**Y-12 receives Eisenhower Award of Excellence**

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Able, agile, affordable. Some of you may have heard these three words circulating around Y-12. How many more times will you hear these words, and what do they mean to you, you ask? These are the three major components to running a successful business, and they apply to Y-12. The definition of able is having sufficient skill or resources to accomplish a task. We need both the skills and the resources necessary to do our jobs at Y-12. If this means additional training or evaluating how something is currently being done, we need to do what is necessary to have those requirements in place.

The second word, agile, is defined as having the ability to move quickly and easily. I don’t think we can get agile in this business without technology. Technology is the only thing that enables us to grow. If we’re using the same tools the way they did in the 1940s and 1950s, we’re not going to get to where we need to be. We have a technology plan and a vision for Y-12 and that is being reflected in the reorganization. Our emphasis has to be on technology and that involves an investment in our future.

The last word in this trio is affordable. This word can mean different things to different people. What is affordable? Affordable to one person may not seem so to someone else. What it means to Y-12 is to conduct our business like we would manage our own households. That means prioritizing needs based on the urgency, necessity and advantages to be gained. This prioritization is tough at times, because you may have three or four really worthwhile items to be considered, but the money to choose only one or two of them. We collectively have to make those tough decisions.

If we will apply these three words to all that we do, we will become more efficient and capable to carry out our missions. You need to look at everything you do in your particular area, and if something does not meet these three objectives, then maybe a particular work or administrative process needs to be changed or even eliminated. Along with other programs and initiatives being implemented, we can work together as a team to improve Y-12 and become able, agile and affordable.

NPP builds innovation into packaging designs

The Y-12 Nuclear Packaging Program, part of the Directed Stockpile Work Program Office, has got it down pat when it comes to designing and maintaining Type B packagings (containers) used to transport radioactive and fissile materials.

To meet new challenges from increasingly stringent regulatory requirements, NPP introduced Kaolite into the latest Type B packaging design, the DPP-2. Kaolite, an insulating material, can be cast, has low thermal conductivity and can endure high temperatures. Tests conducted at the National Transportation Research Center demonstrated the DPP-2’s ability to withstand damaging conditions similar to those of a worst-case transportation-related accident.

DPP-2, designed by Y-12 Engineering, uses Kaolite in the outer drum and top plug. NPP has been actively involved in the early design and testing of this packaging. Another Y-12-designed packaging, the ES-2100, also uses this insulating material.

In the past eight months, NPP has conducted or overseen tests on ES-2100, DT-20 and DPP-2 packagings that have included 30-foot drop, crush, puncture, water and thermal tests. All of the packagings have passed the tests successfully.

Steven McClanahan, NPP manager, credits a knowledgeable, hard-working staff with the program’s accomplishments. “The staff understands the four cornerstones of NPP’s success: safety, quality, cost and schedule. Keeping these in mind is how we have experienced our success.”

For more information about the Nuclear Packaging Program, look under N on the alphabetical index link on the YSource home page or go to https://www-internal.y12.doe.gov/packaging/files/default.htm.
Working with the National Aeronautics and Space Administration, the Y-12 National Security Complex is developing spacecraft technology for long-term interplanetary exploration. The initial mission will be to explore three of Jupiter’s moons.

The icy moons Europa, Calisto and Ganymede are thought to hold the most promise for life in the solar system and form the core of the study for the Jupiter Icy Moon Orbiter mission.

A small nuclear reactor, generating upwards of 100 kilowatts of electricity, powers the spacecraft’s mission systems and provides ion thruster propulsion for the 370-million-mile, 8-year trip.

Over the next year, Y-12 will be working on the first phase of a four-phase project.

Y-12’s primary role is to assist NASA in the engineering and fabrication of the radiation shield for the space reactor. This shield protects the orbiter’s science payload and electronics from the intense radiation generated by the reactor.

“Y-12’s heritage with these programs and the unrivaled and, in many cases, unique capabilities to engineer, handle and fabricate components made of nuclear and exotic materials contributed to Y-12’s selection to work with NASA on this mission,” said Kevin Finney, BWXT Y-12 manager of Applied Technologies.

More than a decade ago, Y-12 was involved in a series of NASA programs related to the nuclear space program. The first local hard drive for, in this case, a vibration analysis gage,” said Curt Holmes of Technical Computing.

“The operating system and application software for the vibration gage were downloaded from a remote computer, and the real-time data from the vibration analysis testing were captured and stored on a logical drive at a remote classified computing facility. The result is a secure local workstation without hard drives or media-writing capability. It’s a clean environment when you start and it’s clean when you stop,” Holmes said.

The technology can be applied to a wide range of work at Y-12. “We started with the most difficult application and completed it successfully, so we know we can use this for other applications. We believe there is potential for significant savings,” noted Holmes.

Diskless technology has several benefits in sensitive manufacturing facilities like Y-12. It can eliminate the use of removable write-enabled storage devices from personal computers, workstations and factory floor systems. Networking, remote computers and remote disk systems will enable an enterprise-wide secure environment with a significant improvement in operational efficiency by moving computer security issues away from the local workstation to a remote, certified, classified computing facility.

In addition, the production data are captured in real time during the actual factory floor operation, enabling electronic data capture, backup and retrieval.
Plan Participants and Beneficiaries

The 2002 benefit plans report has been prepared in accordance with instruction from the U.S. Department of Labor and is required by the Employee Retirement Income Security Act of 1974. This report summarizes the annual reports of the benefit plans provided by the sponsoring employers, BWXT Y-12, L.L.C., (Employer Identification Number: 54-1987297) and UT-Battelle, L.L.C. (Employer Identification Number: 62-1788235.) The report is written in language specified under regulations prepared by the U.S. Department of Labor. The sponsoring employers offered benefit plans under three structures during calendar year 2002.

The qualified retirement and savings plans are multiple employer plans, with both employers participating and, under an administrative services agreement, BWXT Y-12, L.L.C., serving as the plan sponsor and plan administrator. Five health and welfare plans (The Group Health Plan, The Dental Assistance Plan, The Life Plan, The Special Accident Plan and the Travel Accident Plan) were provided under a Multiple Employer Welfare Agreement, with an administrative services agreement that has BWXT Y-12, L.L.C., serving as the plan administrator. The individual companies sponsored separate health and welfare plans for Long-Term Disability, Employee Assistance, Education Assistance, Cafeteria Plan and a Severance Plan for Salaried Employees.

Complete annual reports for all the offered plans have been filed with the Internal Revenue Service as required by the Employee Retirement Income Security Act of 1974.

Summary Annual Report—Multiple Employer Plans

Retirement Program Plan for Employees of Certain Employers of the U.S. Department of Energy Facilities at Oak Ridge, Tennessee (The Retirement Plan)

The following is a summary of the annual report for the Retirement Plan for 2002.

Basic Financial Statement

Benefits under the plan are provided by group annuity contracts and separate trust investment accounts. Plan expenses were $159,089,000. These expenses include $146,068,000 paid to participants and beneficiaries and $13,021,000 in administrative expenses. A total of 23,792 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets after subtracting liabilities of the plan, were $2,357,901,182 as of December 31, 2002, compared to $2,579,464,442 as of January 1, 2002. During the year, the plan experienced a decrease of $202,338,000. The plan had a loss of $43,249,000, including earnings and losses from investments. During the year, the plan transferred $19,225,000 to other pension plans. The plan has contracts with the Metropolitan Life Insurance Company and the Prudential Insurance Company of America that guarantee the liabilities of all participants retiring before July 1998. The assets of the plan are invested in separate accounts of the insurance companies or in separate trust accounts in accordance with the contract terms.

Minimum Funding Standards

An actuary’s statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards.

Your Right to Additional Information

Participants have the right to receive a copy of the full annual report, or any part of it, upon request. The items listed below are included in that report:

• an accountant’s report,
• assets held for investment,
• insurance information,
• actuarial information regarding the funding of the plan and
• transactions in excess of five percent of plan assets.

Savings Program for Employees of Certain Employers of the U.S. Department of Energy Facilities at Oak Ridge, Tennessee (The Savings Plan)

This is a summary of the annual report of the Savings Plan for 2002, including basic financial statements.

Benefits under the Savings Plan are provided by a trust fund. Plan expenses were $50,729,000; including benefits paid to participants of $49,686,000 and administrative expenses of $1,043,000. A total of 10,686 were participants in or beneficiaries of the Plan at the end of the plan year, although not all these persons had yet earned the right to receive company matching contributions.

The value of plan assets as of December 31, 2002, after subtracting liabilities of the plan, was $989,337,000 compared to $1,032,785,000 as of January 1, 2002. During the year, the plan experienced a decrease in net assets of $43,448,000. This decrease includes the unrealized appreciation or depreciation in the value of the plan assets; that is, the difference between the value of plan assets at the end of the year and the value of assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of $7,281,000, including employer contributions of $16,971,000; employee contributions of $45,837,000; realized and unrealized gains and losses of -$91,136,000; and other earnings from investments of $35,609,000.
Your Right to Additional Information
Participants have the right to receive a copy of the full annual report, or any part of it, upon request. The items listed below are included in that report:
• an accountant’s report,
• assets held for investment and transactions in excess of five percent of plan assets.

Multiple Employer Welfare Agreement (MEWA)
Under this agreement, the participating employers jointly offer health and welfare plans including health, life, special accident, travel accident and dental. Insurance policies for the plans included in the MEWA are held in trust by the Oak Ridge Insurance Benefit Trust. This is a summary of the plans included in the MEWA.

Group Welfare Benefit Plan
The health plan operates under contracts between the participating employers and various health care providers, which include true insurance contracts (premiums paid for services provided) and other insurance arrangements that require that the participating companies will supply funds for the payment of all claims due under the terms of the contracts, up to a specified maximum determined each plan year. For the plan year ended December 31, 2002, the maximum (CIGNA Option 1 Plan) was $64,910,989. The companies share the cost of the group health plans with the participating companies by charging premiums to the employees.

For the plan year ended December 31, 2002, the total premiums paid were $23,302,207, the total claims paid were $115,833,549 and administrative expenses were $23,302,207, the total claims paid were $115,833,549 and administrative expenses were $23,302,207, the total claims paid were $115,833,549 and administrative expenses were $23,302,207, the total claims paid were $115,833,549 and administrative expenses were $23,302,207. Employees provided $27,650,912 of funds to pay these premiums, claims and expenses and $112,473,430 was provided by the employers. The financial statements of the Group Health Plan also reflect the postretirement benefit obligations of the employers. This obligation represents the present value of future benefits to be paid to covered participants. The benefit obligation is determined by the plan actuaries. As of December 31, 2002, the benefit obligation was $1,122,653,670 as compared to the benefit obligation at January 1, 2002 of $929,808,091. The increase in benefit obligation of $192,885,579 is attributed to a change in benefit obligation of $192,885,000 and a decrease in claims incurred but not yet reported of -$39,421,000.

Plans Maintained Separately by the Sponsoring Companies BWXT Y-12, L.L.C.
In addition to the multiple employer plans above, BWXT Y-12, L.L.C. sponsors the following plans: Special Medical Plans for LMUS Retirees, Long-Term Disability Plan, Cafeteria Plan, Employee Assistance Plan, Educational Assistance Plan, Prescription Drug Plan (financial data included in The Group Health Plan) and The Severance Plan for Salaried Employees. BWXT Y-12, L.L.C. has committed itself to pay certain claims incurred under the terms of these plans.

Annual reports are filed for each of these plans.

UT-Battelle, L.L.C.
In addition to the multiple employer plans above, UT-Battelle, L.L.C. sponsors the following plans: Prescription Drug Plan (financial information is included in The Group Health Plan), Cafeteria Plan, Long Term Disability Plan, Employee Assistance Plan, Educational Assistance Plan and The Severance Plan for Salaried Employees. UT-Battelle, L.L.C. has committed itself to pay certain claims incurred under the terms of these plans. Annual reports are filed for each of these plans.

For more detailed information
To obtain a copy of the full or partial annual reports for the insurance plans, retirement program plan or savings program, write to Plans Administrator: BWXT Y-12, L.L.C., 104 Union Valley Road, Oak Ridge, TN 37831-6497. Copying costs are 25 cents per individual page; $4 for the complete insurance plans; $5 for each savings plan annual report; and $10 for the entire retirement program plan annual report.
With regard specifically to the retirement program plan and savings plans, participants have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, a statement of income and expenses of the plan and accompanying notes or both.
For each participant requesting a copy of the full annual report, these two statements and accompanying notes will be included as part of that report. The copying cost previously mentioned does not include a charge for duplicating these portions of the report because they are furnished without charge.
Participants also have the legally protected right to examine the insurance, savings or retirement program plan annual reports at the main office, located at 104 Union Valley Drive, Rm. 126, Oak Ridge, Tenn., and at the U.S. Department of Labor in Washington, D.C.
Participants also may obtain copies from the U.S. Department of Labor upon payment of copying costs.
Requests to the Department of Labor should be addressed to: Public Disclosure Room, N4677, Pension and Welfare Benefit Programs, Frances Perkins Department of Labor Building, 200 Constitution Avenue, N.W., Washington, D.C. 20216.
**Desktop management improved**

Several projects are under way to implement more centrally managed configuration control of access to and sharing of our individual desktop computers, and some of these projects will have a strong impact on desktops. The company is migrating the overall computing environment to Active Directory and the operating systems to Windows 2000.

Active Directory is the directory service for Windows 2000 Server. The service acts something like a phone directory and stores structured information about objects (servers, desktops, printers etc.) on the network and makes this information for administrators, users and applications easily accessible. Active Directory also provides better capability to manage the network, control access and automate more configuration and upkeep functions.

With Active Directory, network security also can be centrally managed. Group policy settings can be enforced on desktops without users having to understand or be concerned about proper configurations. For example, if you try to log in to the Y-12 network from off-site via any means other than a VPN connection, then the network will allow access to OAKRIDGE network resources only if you are validated as a legitimate user and your machine has Tivoli installed (or an approved Tivoli exception). If not, you will be placed in a “penalty box” and be unable to reach any network resource except the Tivoli registration.

Using Active Directory, we can assure the National Nuclear Security Administration, our management and any auditors that we maintain the required level of control and security for all information technology devices attached to our network with the added benefit of reducing the technology burden for users.

**All-Hands Meeting well attended**

More than 2,500 employees were on hand for the September 26 All-Hands Meeting held at the Expo Center in Knoxville. Dennis Ruddy, BWXT Y-12 president and general manager, presented updates on the “state of the plant,” including statistics and performance data for the year, and discussed future plans for Y-12.

If you were unable to attend the All-Hands Meeting, the session was videotaped. For information on viewing a videotape of the session, contact Alice Brandon (aim) at 576-2963. The presentation is also available on the Web at www-internal.y12.doe.gov/PR/presentation/allhands-2003-r.pdf.

**BWXT Y-12 sponsors Caryville library reading program**

Magic tricks. Appalachian songs and music. Live birds of prey. Crafts and games. Books to take you on adventures far and wide. What do all of these things have in common? They are all part of the BWXT Y-12-sponsored Caryville Public Library summer reading program.

About 45 Campbell County children participated in this year’s program, which included diverse guests. BWXT Y-12 sponsored naturalist Jay Rose of Kentucky’s Natural History Educational Company. Rose introduced the barred owl, screech owl, red-tailed hawk, great horned owl and Swainson’s hawk. Although the birds were tethered to prevent flight, library goers had the opportunity to see the raptors up close and personal.

Other featured performers included the fiddle-playing, toe-tapping Hominy Mamas who sang songs and told stories about Appalachia, a local magician and Ijams Nature Center.

Children participating in the program won prizes, including U.S. Savings Bonds, for reading the most books. The children read a total of more than 1,400 books during the summer.

Through the contributions of BWXT Y-12 and other local companies, Caryville hopes to produce good readers (and potentially good civic leaders!) for years to come.
Service Anniversaries – October

48 years
Safeguards and Security: Roderick F. Creigh

46 years
Quality Assurance: Donna S. Ferguson

43 years
Manufacturing: Marvin L. Sheffler

35 years
Administration and Purchasing: Patricia J. Ellis
Applied Technologies: Jonathan S. Bullock IV
Engineering: Willie L. Duke

Quality Assurance: Jerry S. Morgan, Paul H. Owens Jr.

30 years
Environment, Safety and Health: David L. Fahey
Manufacturing: Melinda W. Bryan

25 years
Administration and Purchasing: Sara K. Hayden, Connie R. Reeves, Gordon M. Ward
Applied Technologies: Janice B. Atwater, Donald T. Dice II, Charlene B. Ratcliffe

Environment, Safety and Health: Russell H. Harden III
Facilities, Infrastructure and Services: James T. Byrge, Guy T. Hamrick, Harold E. McKamey

Manufacturing: Alfred L. Duncan, Jeremiah Henderson, Verilyn F. Smith
Quality Assurance: Kathy A. Hensley, Wayne A. Randles
Safeguards and Security: Kathy H. Meng

20 years
Administration and Purchasing: Constance J. Collins, Michael R. Smith
Applied Technologies: Elizabeth B. Nickle
Engineering: William K. McElmurray

Facilities, Infrastructure and Services: Robert F. Bryan Jr., Marvin H. Crawford
Human Resources: Karen H. Tipton
Manufacturing: Barbara J. Owens
Quality Assurance: Vickie F. Belt

ISSM working group sponsors contest

The Integrated Safeguards and Security Management working group hopes to test your knowledge of ISSM with an awareness contest in October. Details will be posted on YSource, but plan your participation now because the first respondents will receive a gift. Bonus prizes will be allocated by division for award to the first respondents. All completed entries will be eligible for a drawing for 40 $50 gift certificates.

Remember ISSM pays dividends in the workplace, and your knowledge of ISSM may earn personal dividends in October.

Frist visits Y-12

Warren Willis (left) of Safeguards and Security, shakes hands with Senate Majority Leader Bill Frist during his recent tour of Y-12. Frist was also briefed by BWXT Y-12 and NNSA-YSO senior management.

Visitor Control relocating to Union Valley Road

Visitor Control offices will be relocated to 104 Union Valley Road to facilitate upcoming changes on Bear Creek Road.

Badging and Visitor Control functions will be provided both at the Union Valley Road site and at a satellite office to be located west of Checkpoint 20 at the west end of the Y-12 National Security Complex.

The moves will occur between September 26 and the end of October. More details will be provided at a later date.

After the relocation of the Visitor Control offices, traffic on Bear Creek Road will be limited to badged personnel in passenger vehicles. Please be alert to these changes and make appropriate arrangements for any unbadged visitors you may have visiting the site.

Singing for their breakfast

Dennis Ruddy sings for the crowd at the 2003 United Way celebration breakfast, which was held September 18 in the Y-12 cafeteria. His back-up singers are LaCrechia Lyons, left, and Mariam Asfour, friend of Brenda Hunter, BWXT Y-12 United Way chairperson. Checks totaling more than $660,000 were presented to representatives of the United Way of Anderson, Knox, Blount, Roane and Loudon counties. Also on hand at the celebration were some of the 38 children and grandchildren of employees who participated in this year’s coloring contest.
Great Smoky Mountains National Park visitors will benefit from work recently completed by some 28 BWXT Y-12 volunteers who worked a full day to build two accessible campsites in the Cades Cove campground.

This project, which was made possible by an annual $5,000 donation by BWXT Y-12 and a cadre of dedicated volunteers, continues an unprecedented eight-year partnership with the park.

Included in the sites are a large cement pad for RVs and vehicles, a curved sand-filled tent pad and a stand-up grill and accessible fire ring. In addition, a long curved and filled walkway was installed to connect the camping loop with the restroom and the nearby amphitheater parking area.

“We are very happy over the commitment that Y-12 has made to the park,” said Acting Superintendent Phil Francis. “And it is beyond words to truly express our appreciation for their continuing interest in working with us over the years on a number of projects.” He continued, “This project, like those before, once again demonstrated how well this group works with our staff on these collaborative efforts. Each person works hard and steady and things always go like clockwork.”

The team contributed more than 8,000 hours of volunteer time in stewardship of the park.

Other project accomplishments include total rehabilitation of Metcalf Bottoms and Cades Cove picnic areas, reconstruction of a greenhouse for propagation of native plants and installation of prototype campsites at Cosby campground. Without the annual donation and the volunteer labor, these projects could not have been accomplished.