

## INSIDE

Pages 2 and 3

Employees ask; Kohlhorst answers

Pages 4 and 5

Your benefits, your rights

Page 6

The ties that bind: Mentor-Protégé partnership strengthens

Page 7

A 'towering' project keeps growing

Page 8

Tech transfer is good business

Volume 9, No. 1

January 2009

[www.y12.doe.gov/news/times.php](http://www.y12.doe.gov/news/times.php)

P.O. Box 2009

Oak Ridge, TN 37831-8245

B&W Technical Services Y-12, LLC, a partnership between Babcock & Wilcox Technical Services Group Inc. and Bechtel National Inc., operates the Y-12 National Security Complex.

### Managing Editors

Amy Alley:  
[alleya@y12.doe.gov](mailto:alleya@y12.doe.gov)  
Heidi Spurling:  
[spurlingh@y12.doe.gov](mailto:spurlingh@y12.doe.gov)

Layout/Design  
Lisa Harris

### Contributors

Ellen Boatner  
Ken Davis  
Beth Eckerman  
Kathy Fahey  
John Holbrook  
Jamie Loveday  
Brett Pate

Gail Powell  
Elaine Ruth  
Ray Smith  
Maureen Williams  
Donna Watson  
Lisa Xiques



Beth Schaad and Darrel Kohlhorst welcome John Glenn (center), former U.S. senator and NASA astronaut, to Y-12 as a member of the congressional commission.

# Commission helps shape NATION'S STRATEGIC POSTURE

Senior managers at the Y-12 National Security Complex and the National Nuclear Security Administration Y-12 Site Office welcomed the Congressional Commission on the Strategic Posture of the U.S. to the site in early January. The 12-member commission is gathering information about the nation's nuclear stockpile and programs at the design laboratories and production facilities.

The commissioners will use the information to formulate recommendations to Congress about long-term U.S. security strategies, including the role of nuclear weapons.

The group began work in spring 2008 and has already toured the Western Nuclear Weapons Complex (NWC) laboratories and interviewed members of Congress and government agencies.

Congress created the bipartisan commission, also known as the Perry Commission (William Perry, former Secretary of Defense, is chair), through the National Defense Authorization Act of 2008. Many members are former managers and scientists at NWC facilities and congressional leaders with knowledge of the complex. Commissioner John Glenn, former senator and NASA astronaut, said that the production sites "are a significant amount of unique brainpower that must be preserved as a national asset."

Some of the other members include James Schlesinger, vice chair and former Secretary of Energy and Secretary of Defense; John Foster, director emeritus of Lawrence Livermore National Laboratory; Lee Hamilton, former congressman and vice chair of the 9/11 Commission and the Iraq Study Group; James Woolsey, former director, Central Intelligence Agency; and Morton Halperin, former Deputy Assistant Secretary of Defense for International Security Affairs.

While at Y-12 the group toured Building 9212 and the Highly Enriched Uranium Materials Facility.

# What's on your mind?

In part 2 of *The Y-12 Times* question-and-answer series with President and General Manager Darrel Kohlhorst, the remaining five questions from employees are shared. Randomly selected employees were asked to submit a question of general interest to all employees for Kohlhorst to answer. He answered the first six questions in the December issue.

**Q. Why do the working-level employees at Y-12 not share in the yearly cash bonuses that are given to the managers? —Shirley Marion, Procurement Operations**

A: We review compensation for all jobs annually, and based on the markets we operate in, and with DOE's approval, we adjust our salaries accordingly. How we pay these salaries varies by position and responsibilities. As an employee's role and responsibilities increase, pay can become a base salary with a possible bonus (possible only if performance merits).

Employees in positions where their efforts and decisions significantly affect Y-12's performance may be rewarded with a bonus. This is not just managers but individual contributors as well. Usually these individuals are in roles where their Y-12 duties may extend well beyond the work week.

Many times, planned weekends are interrupted, family events are canceled and even vacations are rescheduled. From time to time, recognition of individuals or teams who go above the call of duty, or achieve beyond what's required, will be rewarded with a bonus. Each and every bonus is only awarded for performance.



**Q: The notion of leadership as expressed in the context of a successful initiative cannot reside in just one person. It must take root in the very fabric of an organization. There are pockets of demonstrated successes (like Lean) within Y-12. The question is how is Y-12 going to expand and build on these successes to create a site-wide continuous improvement culture? —Linda Williams, Productivity and Process Improvement**

A: You're right. Leadership is displayed at every level in an organization. It becomes a behavior that is both recognized and rewarded. The value of leadership is always highest in periods of challenge. Today, we're being challenged to meet our missions and transform despite a decline in budgets.

One of our key strategies is a strong productivity program. Productivity offers us many tools to help us look at our day-to-day tasks and make them more efficient.

Every division needs to share their successes and improvements so that everyone can see this program is not limited to the production areas. Our site is working to make continuous improvement the way of business at Y-12.

Let me add a personal note. Reducing costs does not mean fewer jobs at Y-12. Reducing costs in an area means we can give someone the opportunity to move to another job where we have more work than the current staff can do.

Annually, we add up all the work we need to do but for which we don't have sufficient resources to staff the work. This work totals about 1,000 employees. In other words, if we could become so efficient that 1,000 employees would be freed up, we could complete all the work our customers want done. As big of a task as that sounds, it's only about 20 percent more efficient.

Working harder is not the answer; working smarter is. That's what our productivity focus is all about—helping us examine everything we do, why we do it and how doing it differently could lead to a better way of doing it.





**Q: Being a relatively new employee with approximately one year of service and having recently made a commitment to Y-12 and the area by purchasing my first home in Oak Ridge, I was wondering, with economic insecurity currently wreaking havoc in the United States, what, if anything, makes you confident that the Y-12 National Security Complex will persevere through these difficult times? —Zach LeVasseur, Analytical Chemistry**

A: One of the strengths and weaknesses of Oak Ridge is that \$3 billion in funding comes from the U.S. Department of Energy. For real stability, Oak Ridge needs diversity in industry.

As a strength, the federal government has given Y-12 long-term, enduring missions that continue to be funded. It's important that the National Nuclear Security Administration designated Y-12 as the Uranium Center of Excellence. As long as there is a Nuclear Weapons Complex, Y-12 will have that mission.



**Q: What are the future plans for Bear Creek Road? —Charlie Irons, Production Facility Planning**

A: Bear Creek Road will essentially stay intact until we begin work on the Uranium Processing Facility (UPF). At that time, Bear Creek will no longer be a through road. The most likely scenario is that a bypass will be built north of Bear Creek Road, going around the affected area. Funding for this scenario has not been secured but will be addressed as we move forward.



**Q: I was with a large aerospace corporation for 18 years, but because of budget cuts, the corporation closed the facility where I worked. What is the long-term security of my job at Y-12? —Phillip Boggs, Buildings and Laundry Services**

A: I also started in the aerospace industry and know firsthand what an up and down industry it is. Y-12 has the great fortune of an enduring mission and a long-lasting product. We see many people retiring with 35 to 50 years of service. Now, there were many ups and downs during that 35 to 50 years, but there were also many extended periods of job stability.

Y-12 performs a needed mission for the U.S., and—although we expect a funding decline during the next five years—because of our mission, we expect Y-12 to continue on for many decades.

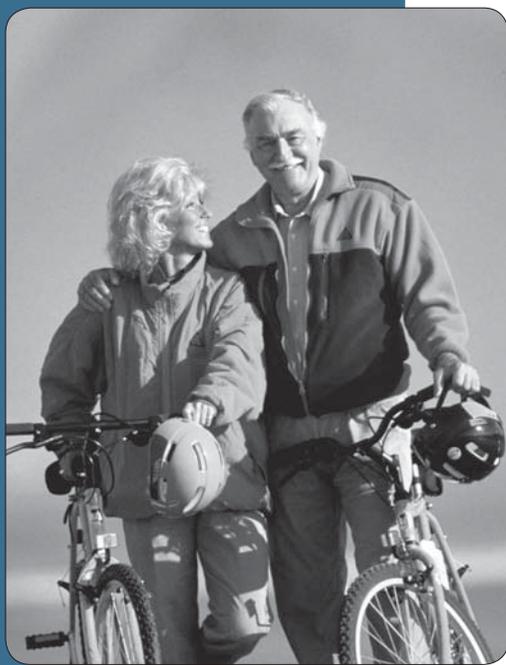
“Y-12 performs a needed mission for the U.S., and—although we expect a funding decline during the next five years—because of our mission, we expect Y-12 to continue on for many decades.”

—Darrel Kohlhorst

## More information

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Plan Sponsor Babcock & Wilcox Technical Services Y-12, LLC, P.O. Box 2009, MS 8267, Oak Ridge, TN 37830, 54-1987297 (Employer Identification Number), 865-574-9110. You also 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, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying

(cont. on pg. 5, blue bar)



# 2007 BENEFITS SUMMARY 2007

## Retiree

This is a summary of the annual report for the Group Welfare Benefit Plan, Retirement Program and Savings Program for employees of certain employers at the U.S. Department of Energy facilities in Oak Ridge, Tennessee (Employer Identification No. 54-1987297, Plan No. 009) for the period January 1, 2007 to December 31, 2007. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

## Welfare

### BASIC FINANCIAL STATEMENT

The value of plan assets, after subtracting liabilities of the plan, was \$993,985,085 as of December 31, 2007 compared to \$1,003,846,180 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$9,861,095. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of \$193,095,358. This income included employer contributions of \$138,265,877 and employee contributions of \$64,690,576. Plan expenses were \$202,956,452. These expenses included \$10,073,156 in administrative expenses and \$192,883,296 in benefits paid to participants and beneficiaries.

### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are in that report:

1. An accountant's report; and
2. Insurance information including sales commissions paid by insurance carriers.

### BASIC FINANCIAL STATEMENT

Benefits under the plan are provided in whole from trust assets of \$200,287,858. These expenses include administrative expenses and \$168,465,927 in benefits paid to participants and beneficiaries. A total of 14,700 participants and beneficiaries of the plan at the end of the year. All of these persons had yet earned their full retirement benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$3,258,201,885 as of December 31, 2007 compared to \$3,113,889,517 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$144,312,368. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. During the plan year, the plan had total income of \$193,095,358. This income included employer contributions of \$138,265,877 and employee contributions of \$64,690,576. Plan expenses were \$202,956,452. These expenses included \$10,073,156 in administrative expenses and \$192,883,296 in benefits paid to participants and beneficiaries.

### MINIMUM FUNDING STANDARD

An actuary's statement shows that the plan is fully funded to meet the minimum funding standards of ERISA.

### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are in that report:

1. An actuary's statement showing the plan's financial condition and the actuarial assumptions used in the statement;
2. Information regarding any contracts with insurance carriers;
3. Information regarding any contracts with investment managers;
4. Information regarding any contracts with service providers; and
5. Information regarding any contracts with other service providers; and
6. Actuarial information regarding the plan's funding.

# 2007 ANNUAL REPORT

## 2007 Summary of Findings

### Investment

provided by a trust (benefits funds). Plan expenses were included \$31,821,931 in administrative benefits paid to participants 19 persons were participants in or end of the plan year, although not ed the right to receive benefits. r subtracting liabilities of the December 31, 2007 compared to 2007. During the plan year the ts net assets of \$144,312,368. This epreciation or depreciation in the difference between the value of year and the value of the assets e cost of assets acquired during e of \$344,028,405, including e of assets and earnings from plan has contracts with MetLife mpany of America, which allocate

S that enough money was contrib- d in accordance with the mini-

### ADDITIONAL INFORMATION

a copy of the full annual report, he items listed below are in that

les commissions paid by insur-

mon or collective trust, pooled or 103-12 investment entities in

g the funding of the plan.

### Savings

#### BASIC FINANCIAL STATEMENT

Benefits under the plan are provided by a trust (benefits are provided in whole from trust funds). Plan expenses were \$108,991,986. These expenses included \$617,198 in administrative expenses and \$108,374,788 in benefits paid to participants and beneficiaries. A total of 11,735 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, was \$1,526,579,633 as of December 31, 2007 compared to \$1,457,831,483 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$68,748,150. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$177,740,136, including employer contributions of \$22,107,055, employee contributions of \$61,122,702, gains of \$119,141,371 from the sale of assets and earnings from investments of \$-34,720,964.

#### MINIMUM FUNDING STANDARDS

Enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

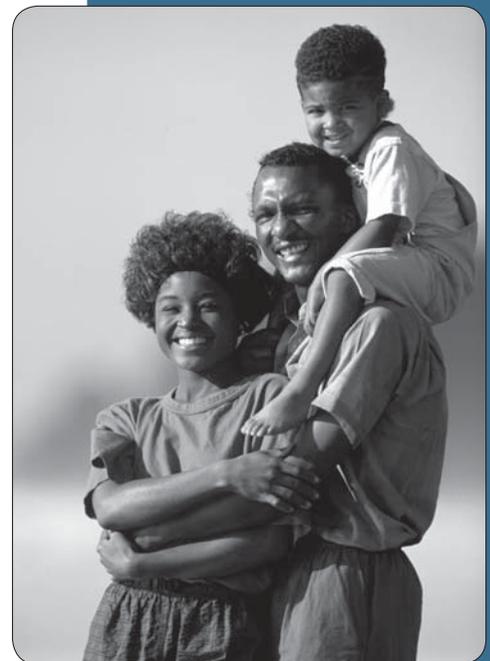
#### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are in that report:

1. An accountant's report;
2. Assets held for investment; and
3. Information regarding any common or collective trust, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

(cont. from pg. 4, blue bar)

notes will be included as part of that report. These portions of the report are furnished without charge. You also have the legally protected right to examine the annual report at the main office of the plan: Babcock & Wilcox Technical Services, Y-12, LLC, P.O. Box 2009, MS 8267, Oak Ridge, TN 37830, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: U.S. Department of Labor, Employee Benefits Security Administration, Public Disclosure Room, 200 Constitution Avenue, NW, Suite N-1513, Washington, D.C. 20210.



## Program grows by **LEAPS** AND **BOUNDS**

Y-12's Mentor-Protégé Program (a way small businesses enhance their capabilities and create business relationships) is going strong. It celebrated the graduation of seven protégés, the signing of four new protégés and Y-12's first Historically Black Colleges and Universities (HBCU) day.

Recent program graduates were American Defense Services Inc., East Tennessee Mechanical Contractors Inc., Environmental, Safety and Health Inc., G2 Engineering & Management Inc., Haselwood Enterprises Inc., LeGacy Resource Corporation Inc. and MS Technology Inc.

Haselwood Enterprises was recognized by B&W Y-12 as the Woman-Owned Small Business of the Year and by the U.S. Department of Energy (DOE) as the DOE Small Business of the Year for its contributions to Y-12's missions.

Four new companies signed on as Y-12 protégés: Omega Consultants, Street Legal Industries Spectra Tech and Visionary Solutions.

The HBCU day brought B&W Y-12 representatives and participants from South Carolina State University, Tennessee State University, Southern University and A&M College, Fisk University, Alabama State University and Norfolk State University together to provide insight into each side of the mentor-protégé relationship.

Paula Cox, Safeguards, Security, and Emergency Services, said, "Working with HBCUs allows Y-12 to strengthen its foundation for a continued diverse work force while contributing to higher learning institutions within our region."

Engineering's Lynn Harkey agreed working with HBCUs is important. "The presentations showed there is some exciting research at these universities that has direct application to Y-12 tasks."



Y-12's Bruce Cox (top row, far right) and Paul Vanatta (bottom row, far right) recently met with other members of the American Gear Manufacturers Association (AGMA). The AGMA meeting was held at Y-12, home of the Oak Ridge Metrology Center, which includes the National Center for Gear Metrology (NCGM). NCGM provides primary-level calibrations of gear artifacts and serves as the National Metrology Institute for gear measurement in the U.S. Cox serves on the AGMA Gear Accuracy Committee.

## Two infrastructure projects one step closer

Two transformation projects (one construction and one demolition) recently received Critical Decision 1 approval to advance to the next stage in design and planning.

The new construction is for a third-party financed facility to consolidate emergency services within Y-12's Property Protection Area. The Complex Command Center will house the fire department, the plant shift superintendent's office, the technical support/emergency operations center and emergency management support. These functions are now scattered throughout the site in aging, outdated facilities. In November, a third-party lease was approved as the acquisition strategy for the new facility, and the cost estimate and schedule were also confirmed. Lawler-Wood has been named as the developer, and occupation is expected in 2011.

Secondly, the Integrated Facility Disposition Project (IFDP) sets forth a plan for environmental cleanup work at Y-12 and the Oak Ridge National Laboratory. IFDP includes the decontamination and decommissioning of 112 facilities at Y-12, totaling approximately 3.85 million square feet, and the remediation of 118 potentially contaminated soil and groundwater areas.

One of IFDP's challenges will be performing the large-scale decontamination and decommissioning without interrupting Y-12 site operations. IFDP is currently scheduled to begin in 2010, but it is not yet funded. The recent approval by the U.S. Department of Energy reaffirmed the mission need for the project, established the acquisition strategy and formed the basis for the request to proceed with preliminary design. It also established the preliminary cost estimate and schedule ranges for the project. The next step includes approval of the project's performance baseline and a notice to proceed with the first five-year scope. The submittal is expected in November 2009.

# Y-12's pedestals keep growing

## WHY ARE WE BUILDING NEW WATER TOWERS ANYWAY?

Y-12 needs improved water distribution and higher pressure to meet the potable water demands of new and current facilities. Analysis showed that it is more cost effective to build new tanks than to refurbish the old ones.

## HOW BIG ARE THE TOWERS?

From the ground to the top of the 2-million-gallon tanks is about 220 feet.

## WHY ARE THE TOWERS SO TALL?

The water is distributed through a gravity-fed system. Higher pressure—and therefore taller towers—is needed to improve available water pressure.

## IS WATER STORED IN THE PEDESTAL?

No, water is only stored in the tank that will sit on top of the pedestal.

## HOW IS THE CONCRETE BEING POURED?

The tower pedestal is poured in 22 seven-foot vertical sections called lifts. Inside each tower, a working platform is raised to the pouring level. A crane inside the tower raises each section of the pedestal formwork to support concrete placement. When the height of the tower exceeds the reach of the concrete pumping truck, a temporary pumping arrangement will supply concrete mixture.

## WHAT COLOR WILL THE TANKS BE? WILL THERE BE A LOGO?

The tanks will be painted off-white. There will be no logo.

## HOW MUCH LONGER IS CONSTRUCTION GOING TO TAKE?

The subcontractor is scheduled to demobilize from the site about March 2010.

## DOES THE PROJECT INCLUDE OTHER WORK?

Work also includes new underground piping to connect to the current system, installation of backflow preventers, and refurbishment or replacement of older pipes.



Completion of the Potable Water System Upgrades is expected to eliminate \$25 million in deferred maintenance costs associated with Y-12's water distribution system.

## SERVICE



## ANNIVERSARIES

### January

#### 43 years

Engineering: Charles T. McLoughlin

#### 42 years

Budgets: James W. Cox

Quality Assurance: John B. Stephens

#### 41 years

Quality Assurance: Andrea K. Zava

#### 40 years

Production: Carl H. Linginfelter and

Danny H. Lowry

Resource Management: James E. Kincaid

#### 35 years

Accounts Payable, Travel, and Treasury:

Sharon S. Eason

Benefits Service Center: Pamela L. Williamson

Utilities Management: Joann C. Mathis

#### 30 years

Engineering: Dale A. Conatser

Production: Emmett W. Wade

Public Affairs and Communications:

Carol A. Trentham

Quality Assurance: David M. Williams

Resource Management: Steven R. Ellis and  
Diann T. Johnson

#### 25 years

Information Technology: Steven W. King

Plant Services and Programs: Ronald M. Clark

Production: Judy A. Cagle and Alvin D. Cofer

Projects: Walter W. Henderson

Safeguards, Security, and Emergency Services:  
William D. Beard

Utilities Management: Donald G. Garren

Waste Management: Jon T. Foust

#### 20 years

Facilities, Infrastructure and Services: Roy T. Boles  
and James F. Stoetzel

Legal: Celissa G. Hayes

Radiological Control: David E. Somers and

Carole A. Steelman

Safeguards, Security, and Emergency Services:

Willis L. Clements and Harold S. Hackler

In 2008, 244 employees celebrated  
30+ years of service.

Years of service	Number of employees
50	0
45	1
40	44
35	20
30	179

# Go red for women

Feb. 5

Join your co-workers and wear red on Feb. 5 to recognize heart disease in women.

Contact Mary Benton  
576-7251

P.O. Box 2009  
Oak Ridge, TN 37831-8245

PRSRT  
STD  
PAID  
U. S. Postage

Permit #36  
Powell, TN

## From Y-12's 'factory' to the marketplace



"Applied Technologies isn't just a bunch of PhDs playing in their laboratories," said AT's Kevin Finney. "These folks are working every day to improve Y-12's production areas in terms of safety, security and productivity."

Applied Technologies' (AT's) research is at the center of many of Y-12's R&D 100 Awards, licensing agreements, invention disclosures and patents, so it is no surprise AT's technology transfer efforts will expand in 2009.

"We don't invent stuff for the sake of invention," said Kevin Finney, senior director of AT. "Our folks have good ideas, so we'll continue to seek patents and tech transfer opportunities. Most of these innovations come out of work we do to support the factory [Y-12's production areas]."

As an example, Finney noted that researcher Ron Simandl developed SIMWYPES™ cleaning cloths so that surfaces and components could be decontaminated more quickly, easily and effectively. "As it turns out, there's a lot of commercial interest in the cleaning cloths," he said. He added that both Simandl and researcher Roland Seals have been promoting infrared heating for several production applications.

"We're also working on a cooperative research and development agreement with a commercial supplier of brake parts for big rig trucks to test the technology in their factory because it will save them time and money," Finney said.

Pushing Y-12 technologies into the marketplace is good business, he continued. "We're pursuing more areas to get Y-12 technologies out into the world because once a technology is commercialized, we can buy what we need on the open market, and we can learn from people who use it to make implementation smoother here.

"In many ways," he concluded, "AT is helping to define what the Y-12 of the future will look like and what missions will be done here."