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March 17, 2004

SENT VIA FACSIMILE

The Honorable Spencer Abraham
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Subject: DOE RFP's in Cleanup Contracts and Economic Diversification: Joint Goals

Dear Secretary Abraham:

The Energy Communities Alliance (ECA) is concerned with the deletion of community support as part of the request for proposals (RFPs) for the Environmental Management (EM) cleanup contracts at various U.S. Department of Energy (DOE) sites. This decision by DOE will mean additional jobs lost in many energy communities at a time when we are working to improve and diversify our economies.

In the past, the DOE has worked closely with communities, to ensure that EM cleanup contracts take into account the economic impacts of a DOE site in a community. Success of the DOE cleanup program hinges in large part on creating incentives for workers in communities to ensure that the site is cleaned up and for the workers to work themselves out of a job. The cleanup program is also dependent on communities working in concert with DOE to support risk-based cleanup levels, to mitigate the impact of the lost of jobs in these communities, and on identifying and implementing strategies to ensure that the facilities remain assets for the communities once the active remediation activities are complete. Without financial support for communities, what incentives do local communities have to help DOE accomplish this important and costly mission?

DOE is promoting aggressive cleanup schedules at many sites but is now reticent to take the final steps that have been integral to success at the various sites: providing incentives for contractors to work closely with the community to ensure cleanup and economic diversification goals match the community needs and expectations.

In previous EM RFPs, DOE included a requirement for the contractor to work closely with a community on economic development activities. The incentives for communities to support the EM program have always been dual for most communities contending with the

ECA CONCERNS REGARDING EM CONTRACTS

Page 2

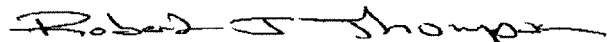
impacts of environmental contamination: (1) cleanup and (2) economic diversification. The new EM RFPs not only delete economic development requirements, DOE officials have verbally informed bidders at sites that *“these towns should not expect DOE and subcontractors to provide support for any economic development.”* DOE’s comments and deletion of any support for communities in RFPs are of great concern for energy communities around the country. Without DOE’s support for the community goals, communities will not be as willing to spend resources to support DOE’s missions. In most of the energy communities, the private and the public sector have stepped forward to work for economic diversification and DOE's contractors have been an important part of this effort. Having the communities lose this support is a real set-back to our economic diversification efforts, at a time when the efforts may need the most work. By cutting community support DOE may be cutting some of the greatest support that DOE has had in the past for its cleanup program which could end up increasing the cost of the EM cleanup program.

Additionally, DOE’s decision to request \$2.5 million dollars in fiscal year 2005 for the Worker and Community Transition Program effectively eliminates funding for community reuse organization and virtually kills funding for worker transition programs. This decision, coupled with the deletion in EM’s RFPs of any mention of economic development and partnerships with contractors is, fundamentally, unwise because this is precisely the time that communities and workers need DOE and its contractors to invest resources in transition programs. This is especially true for the EM closure sites, where other industry is not available to take up the severe drop in employment.

The Department must once again ensure that DOE works with local communities to promote cleanup and economic diversification during cleanup activities. Only then will DOE and the affected communities accomplish their shared goals.

Please contact me directly with any questions at 509-547-4011 or Seth Kirshenberg, Executive Director directly 202-828-2494.

Sincerely,



Robert Thompson, Chairman
Councilmember, Richland, Washington

cc: ECA Board of Directors
Senator Domenici, Chair Energy and Water Appropriations Subcommittee
Senator Murray, Co-Chair Senate Cleanup Caucus
Senator Crapo, Co-Chair Senate Cleanup Caucus
Congressman Hastings, Chair House Cleanup Caucus
Congressman Hobson, Chair Energy and Water Appropriations Subcommittee
Under Secretary Card, US Department of Energy
Assistant Secretary Roberson, US Department of Energy
Seth Kirshenberg, Executive Director