

SRSRA NEWSLETTER

For SRS Retiree Association Members

Bob & Pat Stokes, Editors

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SRSRA Annual Meeting Highlights!!!

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VICE CHAIRMAN'S LETTER

I am happy to report that our Chairman, Dave Cowfer, and his wife, Doris, have made it back to Aiken. Doris has made remarkable progress since her fall when she broke her neck. However she still has a way to go to make a full recovery. Helping her continues to be Dave's number-one job.

We held our Annual Meeting on Monday, April 17. Representative Gresham Barrett from South Carolina was our Keynote Speaker. He gave an inspiring and upbeat talk about the Site and repeated his support for our efforts to retain the pension benefits we received when we retired. Letters of support for retiree pension benefits were read from Senator Lindsey Graham, Senator Jim DeMint, Senator Johnny Isakson, Representative Charlie Norwood and South Carolina Governor Mark Sanford. Jeff Allison, the Department of Energy Manager at the Savannah River Site gave a short talk on the plans for the site contract rebid that is now in the initial stages. In his talk he gave the rationale for having two separate contracts – one for Maintenance and Operation and one for Liquid Waste and Associated Programs. Mr. Allison said he expected that our pension benefits would be preserved under the new site contracts. This was very good to hear.

Robert Pedde, President of Washington Savannah River Company, gave an update on site programs. He was proud to announce that most of the programs were on schedule and several were completed ahead of schedule and below budget. He also outlined a reorganization designed to mirror the division of effort under the proposed new site contracts.

Pres Rahe, CEO of Washington Energy and Environment Group, gave an overview of the recent growth and success of the group and plans for the future. He emphasized that the group has been very successful in

winning bids for DOE contracts and said he expects to be successful in the ongoing rebid of the Savannah River Site Contract.

I thought the meeting was very successful in terms of the support we received from invited guests who attended the meeting or sent letters to be read at the meeting. The only disappointment was the meager attendance by the members of the SRS Retiree Association. We have over 900 hundred current members, and nearly 800 of those are in the CSRA, yet only about 150 attended the meeting. I would like to think that this is a reflection of your confidence in the Board of Directors of the SRS Retiree Association to maintain our benefits; but I believe that, when we are talking about a significant portion of our retirement income, potentially much higher out of pocket costs for medical treatment and prescription drugs, and reductions in our life insurance, we all should be interested in the showing our support for the retiree organization. Although the words we heard from our Keynote Speaker and guests were encouraging, we have a long way to go before the new contracts are in place and all of our retirement benefits are spelled out in detail. As we have seen in the recent contract rebid at Los Alamos and new contracts at Hanford, there are many details that need to be worked out and often “substantially equivalent” benefits doesn’t always mean a “status quo” for retirees. During the rebid process I anticipate that we will need to call upon our congressional delegation for additional support. It is great that we can tell them we have over 900 dues paying members, but it would be even better if they or their representatives saw and reported that our Annual Meeting was filled to overflowing.

I can assure you that your Board will make any changes necessary to make the Annual Meeting better serve your needs. We need your input on this. Whether you attended the meeting or not, if you have any suggestions for improving interest in the meeting, send me an email at nicksrsretiree@bellsouth.net. We will implement as many as we can and look forward to seeing many more of you at our 2007 Annual Meeting.

Nick Kuehn, Vice Chairman
Savannah River Site Retiree Association

MEDICARE PRESCRIPTION DRUG COVERAGE OPTION

SRSRA RECOMMENDS KEEPING YOUR CURRENT WSRC/BSRI PRESCRIPTION DRUG COVERAGE. DO NOT ELECT THE MEDICARE PRESCRIPTION DRUG PLAN D PROGRAM.

As was stated in your WSRC 2006 Health Choice enrollment booklet, the WSRC drug benefit is at least as good as Medicare Part D. The WSRC Team plan meets the Medicare standard for “credible coverage”. This is important for two reasons: (1) For almost every possible prescription cost scenario, it is less expensive to stay with the WSRC prescription drug program; (2) Even if WSRC revises its prescription drug plan in the future and it can no longer claim “**equal to or better than**” Plan D, you can sign up for Medicare Part D with no financial penalty as long as you act within 63 days of that WSRC change.

As part of the Health Choice Booklet for 2006 enrollment, WSRC Benefits personnel mailed all retirees information they need concerning prescription drug benefits provided under the current WSRC/BSRI Health Benefit and how those benefits compare to the new Medicare Part D. Pay close attention to pages 11 and 12 of that booklet and particularly the note at the bottom of page 12. **Also, WSRC mailed out a letter to its retirees that lists specific prescription drug Questions and Answers that may help you decide the proper choice for you. Review both documents carefully!**

FY-06 PENSION SHORTFALL

Question from Annual Meeting: Why did WSRC/DOE make large payments to the Pension Plan?

The basic answer is that currently the WSRC Pension Plan is not fully funded, however, the reasons why are somewhat more complex.

BACKGROUND

Pension Plan funds are invested in marketable securities to cover the future cost of benefits paid to participants. Plan liability is calculated each year using actuarial procedures to determine the present value of the current liability of the plan using Internal Revenue Service (IRS) mandated discount rates (part of the accounting rules).

At the beginning of each year, an Actuarial Valuation is completed, by an actuary, comparing the calculated liability with Plan assets. If the value of the plan assets exceeds the current liability no contribution is required, however, if plan assets are not sufficient to cover the calculated present value of current liabilities, the plan is required to make cash contributions in accordance with ERISA (Employee Retirement Income Security Act) requirements. The result of these contributions to meet ERISA requirements may or may not result in the plan being "fully funded", depending upon a variety of actuarial factors.

RECENT EVENTS

During much of the 1990's, WSRC Plan assets were sufficient to cover plan liabilities with minimal contribution requirements. DOE contributions to the Plan through the mid-1990's were made from a Group Annuity Contract (GR-409) that DOE had established and funded with Connecticut General Life insurance Company (CGLIC). This annuity, an asset owned by the Federal Government, was originally maintained to make annual contributions to the Dupont corporate-defined contribution benefit plan on behalf of the employees working at SRS. Later in the 1990's, GR-409, also known as the CIGNA account, had grown to almost \$649M and was utilized to offset DOE's budget. This DOE action had the concurrence of other government organizations.

However, starting about 2000, events have occurred which resulted in the Pension Plan requiring some significant contributions.

Those events included:

- Low returns on Plan assets during the 2000-2002 stock market down turn. The Plan has a target to earn an average yearly return of 8.5% on investments. During the downturn, the Plan had a negative return on investments in two of the years and below target returns in the other year.
- Historic low discount rates (as discount rates, used to measure current liabilities, fall it increases the level of contributions that are needed to meet ERISA requirements).
- Additional contributions - The amount of contributions for a plan year is generally the amount needed to fund benefits earned during that year plus that year's portion of unfunded liabilities that are amortized over a period of years (such as benefit changes resulting from plan amendments). Additional contributions are required for an employer-sponsored defined benefit plan if the value of plan assets is less than 90 percent of the plan's current liability. Despite past contributions of \$366M (in addition to the initial contribution of \$246M at Plan inception in 1989), pension benefits paid of \$232M and growth of plan assets through investments of \$650M, WSRC will still be required to make a large contribution

to the Plan in FY06. A significant portion of this increase over the FY05 contribution is from the additional contribution automatically triggered by the Plan asset/liability gap falling below 90% in both 2004 and 2005. Contributions to the Plan were \$82.8M in FY04 and \$84.6M in FY05.

Other events that have contributed to the need for increased contributions:

- Increase in PBGC (Pension Benefit Guaranty Corporation) premiums. PBGC charges each qualified defined benefit pension plan a premium for each participant in the qualified plan. These premiums are collected to help pay benefits to participants whose Plans were defaulted on by the Plan sponsor and have been taken over by PBGC. Examples of plans that have been taken over by PBGC include airlines, steel companies, automotive parts suppliers, etc. The annual premium has been increased by \$11 from \$19 to \$30 per participant.
- Reductions in force have resulted in a substantial increase in employees retiring with the Optional Retirement benefit. These layoffs add to the cost of the Plan primarily because these employees who elect to retire under Optional Retirement schedule have a smaller benefit reduction than the Early Retirement schedule, and they have retired earlier than actuarially predicted. This also reduces the funds that the Plan had planned to invest. Over 1,800 employees left the Site in 2005, with about 1,300 eligible for immediate pension payments.

STATUS OF PENSION PLANS IN THE DOE COMPLEX

In the recently released DOE Contractor Policy, DOE N 351.1, it was stated that: "Currently, the majority of Contractor Defined Benefit pension plans have accrued liabilities that exceed the value of assets in the plan trust funds, although the plans continue to have assets sufficient to meet all current obligations". The basic explanation to this DOE statement is that the majority of DOE contractors have pension plans that are not fully funded. According to newspaper articles, DOE had incurred \$11.6 billion in unfunded liabilities for contractor retirees as of the 2005 fiscal year. Even the Los Alamos Plan, considered the best in the DOE complex, is reported to be under funded by over \$50M. Of the DOE contractor pension plans, the only plan that we are aware of that is fully funded is at Oak Ridge (OR). The OR Plan has carried a surplus for many years that enabled their Plan to weather the recent stock market downturn, and they were successful in keeping DOE from taking the surplus and using it for other non-retiree site OR programs.

SRSRA WORKING TO ASSURE THAT RETIREE BENEFITS REMAIN RESPONSIBILITY OF SITE M&O CONTRACTOR

There is an Appendix to the primary contract between the Site Contractor and DOE. This Appendix (Appendix A), contains contract language that governs overall SRS personnel programs and cost allowability and provides for the DOE cost reimbursement of approved personnel programs. Appendix A includes contract language that would govern how retirees and funds for their pension plan would be handled in the event of contractor turnover.

Currently, Appendix A has been interpreted to read that, if WSRC(WGI) does not retain the SRS contract as a result of the Rebid competition, retiree pensions and the funds for their pensions would remain with WGI. This current Appendix A contract situation is very similar to what occurred when DuPont left SRS in 1989. In that case, both retirees and their pension funds and other benefits stayed with DuPont.

We brought this contract language to the attention of both DOE and WSRC. *After reviewing the*

applicable contract language, local management of both organizations agreed with our assessment of the contract. We want to stay completely under the DOE umbrella and not be a separate pension plan in the WGI house. The SRSRA has lobbied for the M&O to continue to be responsible for retirees and their pensions and medical programs. Keeping the pension with the Site contractor keeps us more visible to DOE and should be important for medical benefits that come out of the annual budget. The Rebid strategy seems to imply that is now what the DOE wants, but we are uncomfortable that we have not heard anything about the DOE forging new contract language with WSRC/WGI. We strongly support a new contract clause that would clearly identify that retirees and their benefits would contractually stay with the M&O contractor. This contract language becomes an issue only if WSRC (WGI) does not win the rebid of the M&O contract.

Under the current pension plan the DOE has guaranteed that they will fully fund the plan. This was their guarantee to the Department of Labor (DOL) so that DOE could divert over \$640 million from an account that was originally established to fund pension programs to instead pay for current operations (1996 vintage move by DOE/DOL). So, the answer to the question raised at the Annual Meeting is " yes" we would still be under the DOE umbrella even if we remained with WGI. But we strongly believe that future funding of our pension plan would be more secure if we remain part of the much larger Site Pension Plan and not be a separate plan with WGI if they do not win the M&O rebid. We want to avoid the "out of site is out of mind" syndrome. It is our position to stay up close and personal to both DOE and the current/ future Site M&O contractor as the best strategy to protect all retiree benefits.

SRSRA 2006 ANNUAL MEETING MINUTES

Charlie Miller welcomed the members to the 2006 Annual Meeting and introduced Aiken Mayor and SRSRA Board Member, Fred Cavanaugh, who introduced U. S. Representative Gresham Barrett, the Keynote Speaker.

In his introduction, Fred noted that Gresham Barrett, whose interests include alternative energy sources and working to bring a next generation reactor to South Carolina, is a good friend to our community and SRS. He said that Gresham is a native of Westminster, South Carolina, wed to his high school sweetheart, and the father of 3 children. Before being elected to the U. S. Congress, Gresham, who is a 1983 Citadel graduate, ran the family business, Barrett's Furniture, and served in the South Carolina House of Representatives.

Representative Barrett thanked the Association for its invitation and said it was a pleasure to be with us. He began by noting that the current budget does not provide adequate funds for cleanup, but "we will be making our case to those who control the purse strings".

Mr. Barrett said he is grateful for what retirees have done and the contributions we continue to make. "We could not be the country that we are, nor enjoy the freedoms we enjoy without each and every one of you." He said we must maintain our commitment to the ones who have gone before and maintain our pension commitments as we have done in the past.

Mr. Barrett was one of six local political leaders who co-signed the January 19, 2005, letter authored by Senator Lindsey Graham. It was sent to DOE Secretary Samuel Bodman urging that the DOE, when writing the SRS draft Request for Proposal, treat the SRS retiree benefit package in a manner that is fair and consistent with practice at other sites such as the Los Alamos National Laboratory. (Other signers were Senator Saxby Chambliss, Senator Jim DeMint, Representative Charlie Norwood, and Representative Joe Wilson.) A January

25, 2006, letter from Senator Johnny Isakson to Secretary Bodman and a February 10, 2006, letter from Governor Mark Sanford to the Secretary echoed the same sentiment.

He believes the National Lab at SRS is a jewel and what is happening there will affect the entire nation. Among other things he noted the achievements in hydrogen technology. Also, if we are ever to “beat our weapons into plowshares,” then the MOX Facility must become a reality, and “the Administration is behind us”.

Recycling/reprocessing will be very important in the future. Current gas prices make us realize we want to be self-reliant, not energy dependent. We must recycle wastes and get back to nuclear energy. Recently, Mr. Barrett was happy to hear the former head of Greenpeace say nuclear is not such a bad thing if we want to meet our future needs.

The Modern Pit Facility is a new process to support new nuclear weapons. The Administration supports the Modern Pit Facility. An idea for the future will be the ability to disarm nuclear weapons by radio waves should those weapons fall into the wrong hands. In the meantime, we need to keep our country strong and be sure our weapons function properly.

Before concluding his remarks, Congressman Barrett read a letter of support to the Association from Senator Lindsay Graham. Finally, Congressman Barrett stated his belief that the SRS retirees are one of the best assets the community has, and he feels nothing is more important to the Third Congressional District than SRS. And, as always, the big picture is the security of our nation. He promised to continue his commitment to SRS and the retirees.

Fred Cavanaugh presented Mr. Barrett with a medallion of the Aiken fountain as a token of appreciation from the SRSRA.

Charlie Miller was happy to introduce Mr. Jeff Allison, the DOE SROO Manager, as our next guest speaker.

Mr. Allison expressed his appreciation at “being given a few minutes on the agenda”. He told the retirees “your Board of Directors is very active in meeting with me on a quarterly basis” and we have established a good working relationship.

Regarding the current contract acquisition process, he noted the contract will be split into two sections:

- An M&O contract that will account for approximately 60% of the award
- A Liquid Waste contact that will account for the remaining 40%

He noted that both halves need to be aware of retiree pension and medical benefit concerns. He said that the key players in the acquisition are all aware of the retirees’ concerns. Mr. Allison further said he anticipates our medical benefits will remain the same under the new contract(s).

He commented on the Defense Board’s recent report on safety at the Site. This report was critical of DOE’s oversight. Mr. Allison said that safety is always paramount at the site and a corrective action plan to address the report’s concerns will be put in place.

Before closing, he iterated that he would keep the Board of Directors posted on the contract acquisition process.

WSRC President, Mr. Bob Pedde, spoke next. He noted the site had recently reorganized, and Leo Sain and Bill Poulson (who has rejoined the site) have been named Executive Vice Presidents. Overall, the site's performance--when compared to a goal matrix it set—is ahead of or beyond schedule in many areas. The site continues to build on its safety reputation, and last year was one of the 12 safest companies in the United States.

Pres Rahe, President, Energy & Environment, Washington Group International, took the podium next. Mr. Rahe told the retirees that the Washington Group's activities fall into three major areas:

- 1) Management Services
- 2) E&E Projects
- 3) Consulting Services

He said that Washington Group has been “6 for 7” in DOE contract wins and is expanding its DOE market share. However, because of DOE budgets, Washington Group must look elsewhere for long-term growth. He sees future opportunities in homeland security, NASA missile launch facilities, military safety consulting, non-nuclear hazard operations, medical risks reduction, and commercial nuclear power.

Mr. Rahe concluded by advising the retirees they can be proud of what Washington Group has done in the community. He then mentioned, among other things, the Washington Center for the Performing Arts and financial contributions to the United Way, USC Aiken, Aiken Technical College, Hitchcock Rehabilitation Center, Habitat for Humanity, and the symphony and ballet.

Charlie Miller read letters from Congressman Norwood and Governor Sanford in support of SRSRA positions. In addition, representatives for other invited government guests who were unable to be at the meeting were introduced and read letters from Senators DeMint and Isakson. They also expressed their regret at being unable to attend the meeting and pledged their continued support to protect SRS retiree benefits.

After a brief intermission, Nick Kuehn, the SRSRA Vice-Chairman presented the State of the Association report and our path forward. Nick began with the SRSRA's prime objective, which is to maintain pension, medical and prescription drug, and life insurance benefits for retirees. He said he had been pleased to hear the support from Jeff Allison and the congressional delegation.

He wanted members to know that the main things we do are:

- ✓ Represent the interests of our members
- ✓ Provide a means to identify and communicate with SRS retirees (the Newsletter and the WebSite)
- ✓ Support, promote, and assist in the growth and development of the Savannah River Site (we are ambassadors for the Site to the overall community)

If you are wondering just what your Association did for you this past year:

- ✓ We have obtained letters of support from the South Carolina and Georgia Congressional Delegations and the Governor of South Carolina (these letters were sent to the DOE Secretary urging him to maintain our pension and health benefits as those at the Los Alamos National Laboratory were maintained)

- ✓ We provided important medical insurance information
 - Advice on the new Medicare Part D (drugs) Many corporations put their retirees on the new Medicare drug plan - Bob Pedde supported us and helped us retain our Blue Cross prescription benefits. Since the Blue Cross plan is equivalent to, or better than, the Medicare Part D plan, there will be no financial penalty should retirees decide to opt for the Medicare plan in the future.
 - Special Problems – Nick told the audience how the Association recently helped a retiree with a \$20,000 medical bill. After the retiree contacted the Board with this concern, a Board member pointed out an error the treating facility had made when the retiree agreed to the procedure. That error negated the retiree’s obligation to pay!
 - Generic Concerns – the Board investigates and offers advice on Blue Cross/Blue Shield and Medicare matters when several retirees approach the Association with a similar problem.
- ✓ Met with DOE and potential bidders on the Site contract (Mr. Allison noted in his remarks how important that is).
- ✓ Issued four Newsletters (these are packed with information—they are sent by e-mail if you have an address [otherwise by US Mail]—so be sure to give us your e-mail address and tell us if it changes)
- ✓ Upgraded our Web Site (we now have a Web Site Manager) – it is continually updated, but contains lots of historical information as well. Visit it at www.srsretirees.org
- ✓ We have increased our membership to more than 900 – number is key when dealing with the Congressional Delegation – in this case, size does count!

Nick then got into information on the SRS contract rebid. He said that, as already noted by Jeff Allison, DOE plans to have two primary contractors at SRS – a Maintenance & Operation (M&O) Contract and a Liquid Waste & Associated Support contract. (The RFP for the Liquid Waste & Associated Support Contract will be delayed for at least a year.) DOE issued a general SRS Recompetition Acquisition Strategy Summary in December 2005. It is only a page and a half long, but indicates pensions would remain the same. However, it does say DOE has a new plan to cover medical benefits.

At this point, Nick noted that WSRC/DOE has put over \$165 Million into the Pension Fund for 2006 and he understands the same amount will be put into the Fund in FY07.

Concerns currently facing the SRSRA include:

- 1) No mention is made of retiree benefits in the December 2005 SRS Recompetition Acquisition Strategy Summary. (The Los Alamos RFP did not include retirees either, so the retirees at that site were energized and got DOE to include them.)
- 2) The present contract would have retirees stay with WGI even if WSRC does not win the M&O contract. We don’t particularly like this, and DOE doesn’t either. The advantage is for us to stay with whoever gets the contract; that way our money (pensions) will continuously be funded by DOE in yearly budgets.
- 3) Medical benefits will be based on an, as yet, undefined DOE Policy. (Jeff Allison sounded optimistic about this—we hope he is right.)

Once again the Association’s prime objective is to maintain our pensions (these come from the pension fund); to maintain our medical and prescription drug benefits (these come from the Operating Budget); and to maintain Life Insurance Benefits for retirees (we recently learned that the Hanford contractor cut the retiree life insurance benefit to \$15,000. As you know, we currently have a life insurance benefit that starts at whatever our annual salary was at retirement and decreases over time.)

So, what have we done about these concerns? The Board has clearly defined our objectives to maintain benefits. We have communicated our objectives to DOE and potential contractors. We have obtained Congressional and State-Elected Officials support for our position by the letters mentioned earlier. We are staying abreast of contract rebids at other DOE Sites. Whenever it is issued, we will review the draft RFP and comment on it to DOE. If need be, we will request additional Congressional support. Finally, we will work to ensure the final contract meets our objectives so benefits will be equivalent to those we have had in the past.

Nick thanked the audience for its attention, and turned the podium over to Stan Smith for the Treasurer's Report. Before presenting the figures, Stan noted that the Association's fiscal year runs from July 1 to June 30; but for the meeting, he reported from March 1, 2005, through March 31, 2006. (That report is not included in these minutes. A later report, done for this newsletter, is included on page 14 of this newsletter.)

Jim Morrison took the podium to conduct the nomination and election of the Board of Directors. Jim explained there are 30 Board Members. They are elected for 2-year terms. Fifteen are elected at each annual meeting. This year we have one additional nominee to fulfill the final year of a BOD member who was unable to fulfill his BOD commitment.

Those nominated and elected for this year were:

John Church*	Elizabeth Friar	Sid Curry*
Randy Clarke*	Sam Goforth*	Stan Smith*
Dave Cowfer*	Carl Hirst*	Ed Somers
Andy Cwalina	Frank Langford*	Bob Stokes*
Mike French*	Charlie Miller*	Leo Zimmerman*

Ken Cooper (was elected to serve the 1-year unexpired term of the Board member who had to resign)

*Indicates Incumbent

There were no nominations from the floor. A motion was made and seconded that the slate be accepted. The slate was accepted by acclamation.

Nick thanked the members for their attention and their attendance and closed the meeting.

Editors' note 1: For those of you who did not attend, you missed a session that much planning and effort went into; a session that was fact-filled and would have well been worth your time. The Board cannot stress too strongly that we speak more forcefully as a group than we do as individuals. Friends—our pensions, health, and life insurance benefits are important to all of us. One reads and hears daily how these benefits are being eroded in present-day America (General Motors and Delta Airlines are recent prime examples). We implore you to support your organization; attend the meetings; read the Newsletter; get your friends to join; respond when your help is requested to write letters to newspapers, Government officials, etc.; volunteer for community service projects when the Association asks you.

Editors' Note 2: The day after the Annual Meeting, both the Aiken Standard and the Augusta Chronicle did better jobs reporting this year's event. Their pictures and location of the news were much improved over previous years and perhaps the press release developed by the BOD for them helped get the better result. The

Standard reported that Gresham Barrett said "his meetings with DOE leaders in Washington,. DC, have led him to believe current retirees would maintain their benefits packages under a new operating contractor of the facility"... Per the Aiken Standard "That message was almost immediately followed by (Jeff) Allison, DOE SROO Manager, delivering the same news."

GOOD NEWS REGARDING RETIREE BENEFITS

On May 5, subsequent to the SRSRA Annual Meeting, DOE held a press conference about future benefits for its contractors' employees and retirees across the Complex. DOE has informed its contractors, including WSRC, it has decided that it will no longer pay for pensions for newly hired workers. The decision is intended to cut costs and ensure the predictability of future retirement obligations. The move covers contractors employing about 100,000 workers on DOE's behalf and 100,000 retirees and/or their dependents. Those workers and retirees will continue to qualify for current existing benefits. That includes us! For all new hires, the Department will pay for contribution retirement plans similar to a 401K. A WSRC press release in response to the DOE announcement follows:

DOE Contractor Benefit Reimbursements Policy

On April 27, the Department of Energy announced a new policy regarding contractor pension and medical benefit plans. The new policy has raised questions from both contractors and employees from around the DOE Complex, and I wanted you to know that WSRC is working with the Department to answer these questions, particularly as they pertain to WSRC Team employees and retirees.

The intended goal of the new Contractor Benefit Reimbursements Policy is for DOE to be able to better predict and manage costs through defined contribution plans versus the current defined benefit plans. At the same time, the DOE has acknowledged the work of present and former employees and has provided for the continuation of their established benefit plans. WSRC's overall benefit program, including the pension and medical benefit plans for current employees and retirees, is in compliance with the newly issued DOE guidelines. In a benefits survey completed last year, the WSRC benefit plans were two percent above the average of the companies surveyed, and therefore, well within the \pm five percent DOE benchmark requirement. This does not mean that there will never be changes to the present WSRC benefit programs. As industry practices change in the future, changes in the WSRC plans might be needed to keep the present programs competitive and in compliance with DOE guidelines. What is important to understand is that the new DOE policy supports the continuation of the WSRC/BSRI Pension Plan and retiree medical program for present employees and retirees, which has been the concern most expressed by our workforce.

It's clear that there will be a new defined contribution plan for future hires, although it's too early to speculate on the details of such a plan. Further, once such a "future hire" plan is developed, DOE is proposing a one-time option for current employees to elect to opt out of the current program, and into the new one. It's too soon to say how that might work, although you can be sure that such an offering would be preceded by an employee education plan, so that anyone considering such a decision would have all the information necessary to make an informed choice.

As soon as additional information becomes available on DOE's Contractor Benefit Reimbursements Policy, I will communicate it to you.

The DOE directive that that is referenced above and which caused all the hubbub can be found at this web link:

<http://directives.doe.gov/pdfs/doe/doetext/neword/351/n3511.pdf>

SRS HERITAGE FOUNDATION/MUSEUM

The D&D Program is resulting in loss of buildings, facilities, materials and equipment that have historical value and need to be preserved. The SRS Heritage Foundation, Inc., was founded to preserve some of the materials, equipment etc. for use in explaining the contributions of the Site in winning the Cold War. In addition to the Museum containing exhibits, the non-profit Foundation will provide educational programs and publications promoting understanding of the sciences and enhancing tourism. The Foundation Board of Directors guides this effort, with approval and support from DOE/SR and WSRC. Recently the Foundation has received over \$45,000 in donations, enabling it to request additional funding from other federal and private organizations.

Several major initiatives are being developed by the Foundation, the primary one at this point being the establishment of the SRS Heritage Center/Museum in Building 742-A at the Site. The security fence line will be relocated to permit public access to the Center from the nearby South Carolina Heritage Corridor. The Center/Museum will house classroom space and exhibits focusing on the heritage of the Site emphasizing the technical, ecological and sociological impacts at SRS. Preliminary design of the Center/Museum will begin later this year. In addition, public tours of C Reactor, surrounding support buildings, and other facilities are being planned for the future.

Likewise, it is intended to publish a series of papers/monographs illustrating aspects of the history of the SRS. We invite retirees to submit papers – maximum 6-10 pages long – covering a single aspect, technical or general, with coverage to be narrower rather than broad. For those interested, we recommend that you provide a one page summary to Mike French via the SRSRA P.O. Box. Finally, if you are interested in joining the Foundation, please contact either Walt Joseph at 803-648-5634 or Todd Crawford at 803-652-3856.

WSRC and WGI EMPLOYMENT OPPORTUNITIES

We have been asked if members of the SRSRA are interested in temporary assignments at WSRC or Washington Group International. Since late February 2006, a representative of your association, Charles Sessions, has forwarded retiree resumes to WSRC and WGI for their consideration. We will continue to do so for the foreseeable future. Resume length has been specified at 2-4 pages. Job descriptions of available work have not been submitted to the Retirees Association at this time, nor has any feedback been received about the resumes submitted to date to Human Resources at WSRC (our point of contact). If you would like to be considered for such employment opportunities, please send your resumes to the address at the top of this page, Attention: C. E. Sessions, or else you can email him at: CESessions@bellsouth.net.

SRS ACTIVITIES

SRNL Becomes Corporate Laboratory

The U.S. Department of Energy has designated the Savannah River National Laboratory as the DOE Office of Environmental Management's (EM) "Corporate Laboratory." As the EM Corporate Laboratory, SRNL will

apply its unique expertise and applied technology capabilities to assist DOE sites across the nation in meeting cleanup requirements. EM's mission is the accelerated risk reduction and cleanup of the environmental legacy of the nation's nuclear weapons program. The program is one of the largest and most diverse and technically complex environmental cleanup programs in the world and includes responsibility for the cleanup of 114 sites across the country.

Defense Waste Processing Facility

The Savannah River Site's Defense Waste Processing Facility (DWPF) recently celebrated a major event – ten years of safe and successful radioactive operations. Since March 1996, over 2,000 stainless steel canisters have been filled using a process that mixes radioactive liquid waste with glass, yielding a contained glass form that protects the environment. As a part of this process, over two million gallons of SRS radioactive sludge (from SRS waste tanks) has been processed and 10 million curies of radioactive nuclides immobilized in glass. These radioactive waste-glass filled canisters are currently being temporarily stored onsite pending future transport to the Yucca Mountain Federal repository and final storage .

Naval Fuels Facility

After three years of planning and deactivation, demolition of Building 247-F (Naval Fuels Facility) has been safely completed. From 1985-1989, 247-F took uranium feed stock and converted it to a form suitable for use as fuel in United States' Naval vessels. In 1989, the facility was shut down because its services were no longer needed. This facility once covered nearly 100,000 square feet in SRS's F Area. The decontamination, decommissioning, and demolition project was scheduled for completion by November 2006, a schedule that once seemed extremely demanding. SRS workers completed the task eight months early. 247-F demolition created nearly one million cubic feet of debris. Transporting these materials to their ultimate destination – SRS's Waste Management Facilities – took 78 flatbed trucks, 55 intermodal containers (railroad boxcar size containers 20 and 40 feet long), and more than 1,000 rolloff pans. “You have done something never done before at SRS,” project manager Bill Stephens wrote in a congratulatory letter to his crews. “You have completed the deactivation, decommissioning and demolition of a nuclear facility, and you accomplished all of this with a positive safety attitude and team spirit like I have never seen before. You should all feel proud of this accomplishment.”

Modular Repackaging System

The new Modular Repackaging System (MRS), located in the Solid Waste Management Facility (SWMF) in E Area has begun radioactive operations. The MRS consists of two 16-foot inert atmosphere gloveboxes. This new process line provides the capability to process, and dispose of, higher radioactive contaminated transuranic TRU waste. SRS has a large volume of legacy transuranic (TRU) waste that has to be repackaged, characterized and shipped to the Waste Isolation Pilot Plant (WIPP) in Carlsbad, N.M. The majority of the legacy waste was packaged in 55-gallon drums during the 1980s before the WIPP disposal path was available. Before it can be shipped to WIPP, prohibited items – such as liquids and aerosol cans – must be removed from the waste in the drums. The MRS provides that capability for the higher radioactive contaminated waste. Before, SWMF was limited to remediating drums with low levels of radioactive waste.

MEMBERSHIP

Our membership at this point in 2006 is 900+! That leaves us just below the highest number of active members (928 in 2005) that the SRSRA has ever had. But, it is still early in the year and you can help us do better as we strive to reach our goal of 1,000 members in 2006. We are well on our way to that goal so help us out by asking your SRS retiree friends and neighbors if they have joined yet. If not, hook them up to our website or have them send their information to the address at the top of this page. **Our new membership Chairman, Ed Somers, has promised to reach the goal by year end 2006. Please step up and help him achieve it!**

NEWSLETTER MAILING

We still experience incorrect e-mail addresses and bounced communications to our membership. If you have an active e-mail address, or have changed your address recently, and are not receiving SRSRA communications by e-mail please contact membership@srsretirees.org. Our e-mail program has allowed us to reach members more quickly; with quicker distribution of the Newsletter; and less cost of copying and mailing hard copies to nearly 600 people. Thanks to all of you who are receiving your Newsletter by e-mail.

SRSRA WEB SITE

WHEN IN DOUBT, LOOK TO THE SRSRA WEB SITE!! The SRSRA web site is intended to be a useful source of current information of special interest to all its members. Let us know if it is--or is not--meeting your needs!

The home page gives information about how to join the SRSRA; tells where the meetings of the Board of Directors take place; and invites any SRSRA member to attend those meetings. It also enables sending email to the BOD. In addition, the home page usually focuses on a topic of current interest to all members. For example, the current home page gives recent guidance (extracted from a previous SRSRA Newsletter) about the Medicare drug program. It also includes links to some government web sites that provide more information on that subject. The home page also provides access to the rest of the site.

We are continuing to revise, restructure and update the web site. If you have found useful links pertaining to any aspect of our focus on Retiree Benefits that are not already on our web site, please tell us so that we can add them to the site. Just send an email to: webmaster@srsretirees.org.

Medicare Drug Program Info on the Website:

Because of its significance to our recommendation on the Medicare Drug Program (Medicare D), the SRSRA webmaster has scanned the important information from the *Health Choice - Your 2006 Enrollment Decision Guide* into the web site. The important pages are 11 and 12 in the 2006 sign-up booklet. It establishes that the WSRC prescription plan is as good as, or better than, Medicare Part D. This is the information that you need to have if it is necessary for you to join the Medicare D program in the future. The important pages have been combined into one document, and it is included on the web site as a downloadable file. It is included on both the medical benefits and the Medicare pages of the website. The file can be printed out by any member with access to the web site.

BOARD MEETING DATES, TIME AND LOCATION

The SRSRA Board of Directors is meeting at 10:00 A.M. in the Conference Room of the Hampton Inn on Whiskey Road/Route 19 South near the Aiken Mall. The meeting dates for 2006 are: June 6, July 11, August 1, September 12, October 3, November 7, and December 5. Association members may attend and participate but may not vote on Board issues. If you plan to attend, be sure to contact a BOD member to confirm the meeting date and time have not changed.

TREASURER'S REPORT - Stan Smith, Treasurer

The following summarizes financial activities fiscal year to date:

Opening balance (7/1/05)	\$20,402
Income (7/1/05-4/30/06)	\$9,987
Expenses (7/1/05-4/30/06)	\$4,882
Balance (4/30/06)	\$25,507

The major expenditures since the last Newsletter were associated with publishing that letter, renewal of postal permit and PO Box, and the Annual Meeting.

ORA

There are many discount offers available through the ORA. With so many of our members still in the CSRA, we suggest you visit the ORA Off Site Web Page from your home computer and review what they have to offer. Go to: www.srs-ora.com .

VOLUNTEERS NEEDED – submitted by Joe Begic

SRSRA Member, Joe Begic, is the Chairman for the drive to increase the number of volunteers for the Meals on Wheels Program at the Aiken Area Council on Aging. He knows first hand, the number of organizations that have been helped by employees volunteering their time. Some of you are probably the volunteers he remembers. Now there is another opportunity for you as a retiree to support MEALS ON WHEELS. You can help by delivering meals to seniors in the area who are desperately in need of this service. Many of the Site's retirees live in Aiken or the surrounding areas, and the program could use at least 25 of them to give an hour of their time once a month to help feed a senior in the area. That service would be greatly appreciated. It would be a tremendous help to the Volunteer Program Coordinator when her current volunteers have gone on vacation, get sick, or cannot deliver a meal on any given day. If she had our support (by delivering meals) on a substitute basis, that would be great! She will provide the retirees with Route Sheets that show them how to get from one house to the next. In addition, coolers to carry the food in will be provided. It takes an hour or less to deliver the meals. Listed below are just some of the areas where seniors are being fed. They also feed seniors in Jackson, Wagener and North Augusta.

1. Aiken Area - 9 Routes that cover North and South Aiken;
2. Graniteville Area - 4 Routes,
3. Gloverville Area - 3 routes.

If a retiree is interested in participating, he or she can contact Judy Parker Keit at 803-648-5447; and she will explain the process to them.

BC/BS AND MEDICARE ITEMS of INTEREST

Medicare Part D and BC/BS Prescription Plan

A few SRS retirees have signed up for Medicare Part D coverage. As discussed in past newsletters, and as presented on the SRSRA website (see srsretirees.org/medical.html or srsretirees.org/medicare.html), the Officers and Directors of the SRSRA do not advise signing up for Medicare Part D coverage because the Medicare program is not better than the WSRC BC/BS Medical Plan. The WSRC Medical Plan costs you less and allows you access to any drugs prescribed by your medical provider.

As long as the current BC/BS programs meets or exceeds the Medicare Part D, it is very important to note that **THERE IS NO PENALTY FOR SIGNING UP LATER!** WSRC issued a notice to retirees that states that our Prescription Drug coverage under the WSRC Team Health Choice Plan does meet, or exceed, Medicare's standards for Medicare Part D. This notice was included in your *Health Choice - Your 2006 Enrollment Decision Guide* and is also available from the website if you have misplaced the one that you were sent (see page 13 of this newsletter). With this notice, if at any later time you do choose to sign up for the Medicare Part D coverage, you will pay the current premium and not be subject to any penalty or premium increase.

Past newsletters have presented graphically the case that the WSRC plan is better (costs less money out of your pocket) than the Medicare Part D plan.

Helpful Hints for Getting Your Health Care Expenses Reimbursed by Insurance:

Hint: Keep your SRSRA Newsletter handy. The information contained in the Newsletter can be helpful in resolving your medical benefits problems. The Newsletter contains the important phone and e-mail contacts that you can use to reach those people who can readily resolve your benefit problems.

Recently, a member called our Medical Benefits Chairman to discuss problems with getting properly reimbursed for prescriptions. BCBS did it fine for many years, and then recent reimbursements were improperly processed. The member had talked to two different BC/BS Customer Service Representatives and still had problems. Armed with the contact information in the Newsletter, the member wrote to Kaye Bozeman, BC/BS Major Service Representative, and explained his issue. BC/BS has been able to correct the errors. The SRSRA Benefits Chairman followed up with BCBS and with the member and has been assured the mix up has been resolved. The member does not use the Internet so the information in the Newsletter was vital to him in contacting the proper BC/BS representative to get resolution.

BC/BS SERVICE CONCERNS

We have many letters from retirees trying to get proper Blue Cross/Blue Shield reimbursement for their medical bills. Most of the problems occur when the retiree/patient lives out-of-state (i.e., no longer in SC). If you have records of BC/BS service problems to share with SRSRA members, please **send a letter outlining your case to both:**

And to:

John Church, Medical Benefits Committee
SRS Retiree Association
P.O. Box 5686
Aiken, SC 29804

Kaye Bozeman, Major Service Representative
I-20 at Alpine Road AV-100
Columbia, SC 29219

or e-mail your information to: KAYE.BOZEMAN@bcssc.com, or fax: 1-803-264-9353. You can also call toll-free at: 1-800-288-2227 x44452, or as a last resort, call her at 803-264-4452

BENEFITS CONTACTS

People Support Service Center (a one-stop service for most HR and payroll activities and questions).

- ◆ **803-725-7772 (local area SC and GA)**
- ◆ **800-368-7333 (long distance)**
- ◆ service-center@srs.gov (e-mail contact for this new service)

◇ **Life, Health, Dental**

Becky Proveaux PS Svc. Ctr. #
Rosalee Bennett PS Svc. Ctr. #
Wanda McGee 803-725-0531
Cindy McClintock 803-725-7004

◇ **Pension**

Pat Smith 803-725-7722
Viola Best 803-725-1900

◇ **Internal Medicine Partners** 706-792-5075
(Annual Physical Examinations)

◇ **WSRC/BSRI Savings Plan** 800-360-2747
<http://resources.hewitt.com/wsrc>

◇ **Westinghouse Corp. Pension** 800-581-4222

◇ **Safety Eyeglass Office**

Tom Cuny 803-557-4340

◇ **Blue Cross/Blue Shield of SC** 800-325-6596

www.southcarolinablues.com

Option 1 for Medical

Option 2 for Dental

Option 3 for Pre-Cert/Med Authorization

◇ **Medicare Helpline** 800-633-4227

◇ **Medicare Web Site**

www.medicare.gov

◇ **Value Options** (mental health & substance abuse assistance) 800-333-6557

Carolina Medical Review (CMR) is the Quality Improvement Organization for South Carolina's Medicare program. They have a variety of useful data available either at their web site <http://www.MRNC.org> or by calling the national 24-hour customer service number **1-800-MEDICARE (1-800-633-4227)**. There is a QIO in every state, and that listing is at: <http://www.medqic.org/content/qio/qio.jsp?pageID=4> Members on the Internet can also visit <http://www.medicare.gov>. If members have a state-specific question, the customer service representative at that number should be able to refer members to the state-specific Medicare number. (**The one for South Carolina is 1-800-583-2236.**) This may be a useful starting contact to resolve Medicare issues if the regular Medicare office of your state is not providing satisfactory service. For further information, contact:

Andrea Fuller, Outreach Specialist
Carolina Medical Review
250 Berryhill Road, Suite 101
Columbia, SC 29210
Telephone: 800-922-3089 (Toll Free); local 803-731-8225; Fax: 803-731-8687
e-mail: afuller@SCQIO.sdps.org
