

NEWSLETTER

For SRS Retiree Association Members

September 1998

DOE Responds to Question About Retiree Health Benefits Under New SRS Management

The Board is pleased to report to SRSRA members that Mr. Gregg Rudy, Manager, DOE Savannah River Operations Office, has provided the following written reassurances regarding retiree benefits under a new or replacement contractor. The following are direct quotes taken from Mr. Rudy's correspondence:

"To answer your question specifically, there should be no immediate effect on retiree benefits as a result of a change in contractors. The Department of Energy (DOE) would continue to reimburse retiree benefit costs of the contractor in the same manner and amount as today. Looking beyond the anticipated change in ownership this year, we do not foresee any significant changes in retiree benefits in the near future. The benefit structure is generally in balance with industry."

"Stability and parity in retiree benefits have been and will continue to be a key consideration in preparing and supporting budget requests."

"With respect to specific retiree medical benefits, I can tell you DOE has no plans to influence the current program which provides pre-1998 retirees standard benefits and post-1998 retirees basic benefits at no cost. Prime benefits and post-1998 standard benefits are available for the cost differential. Current budget projections support continuation of this policy."

It is very positive to receive this assurance from DOE; however, members should not overlook Mr. Rudy's comment that *"we do not foresee any significant changes in the near future."* Obviously, DOE has left room to possibly make changes in the future. This statement again emphasizes the need for a strong SRS Retiree Association (SRSRA).

The current policy of Standard medical and dental benefits at no cost to pre-1998 retirees was obtained only after a very aggressive campaign through writing to and meetings with members of the congressional delegation and senior WSRC management by members of the SRSRA.

The decision to contact DOE regarding future retiree benefits came only after the Westinghouse Electric Company in their communications stated that decisions regarding benefits at Savannah River would be made by DOE after sale of the WSRC contract.

DOE's reply is appreciated and SRSRA looks forward to working with DOE and site contractor management on retiree issues in the future. The Board would also like to express its appreciation to the members of the congressional delegation in supporting the SRSRA in our efforts to retain our level of benefits after the sale of Westinghouse Electric Company. Senator Hollings was particularly vocal in publicly supporting our position.

A Word from the Chairman

Greetings!

The SRS Retiree Association (SRSRA) is now nine months old, has a membership of over 460 retirees, and continues to grow as more retirees are becoming aware of the organization and its mission. This new organization has made significant progress since its inception and is currently involved in pursuing the mission of the organization and dealing with the issues that affect WSRC and BSRI retirees. The mission statement of the SRSRA that was adopted in February 1998 by the Board of Directors and the current issues are as follows:

Mission

“The mission of the SRS Retiree Association is to maintain the pensions and benefits given at the time of retirement and support current and future missions of the Savannah River Site.”

Issues

Reinstatement of Site physical examinations or their equivalent.

Reinstatement of premium-free Prime Choice medical coverage.

Maintain premium-free Standard dental coverage.

Maintain pensions on an inflation-adjusted basis.

Maintain contributory and non-contributory life insurance programs with no increase in premiums or reduction in coverage.

Ensure that successor contractor(s) will honor the commitment and understanding that the SRS Retiree Association has with current contractor.

Our organization continues to work closely with our South Carolina and Georgia congressional delegations to keep them apprised of our initiatives.

We welcome your comments, your interest and your participation in the SRSRA as we work to build a strong and effective organization.

*Thomas W. Greene
Chairman*

ELECTION OF 1999 SRSRA BOARD MEMBERS

There will be openings for new board members on the 1999 Board of Directors. New board members will be elected at the annual meeting in March 1999. Board members are expected to attend Board meetings each month and to volunteer to serve on special committees. You are urged to get more involved with our organization as a member of the Board. The strength, effectiveness and future of our organization depends on the quality of our Board. The Board of Directors elects the Executive Committee. **If you are interested in having your name submitted to the Nomination Committee, please send a letter expressing your interest to Tom Greene, P. O. Box 5686, Aiken, SC 29803 or E-mail: srsretirees@scescape.net.**

**Members & Spouses Invited to Attend October 13 Presentation
By WSRC Health Benefits Representative**

Recently postcards were sent to each member inviting members and their spouses to attend a presentation by John Felkel, WSRC Health Benefits Representative, on Tuesday, October 13, 1998, at 10:00 a.m., at the Knights of Columbus Hall in Aiken, SC. Ms. Judy Merritt, the WSRC Account Manager for Blue Cross/Blue Shield (BC/BS) will also be present. A question and answer session will follow the presentation. This session has been scheduled to occur during the benefits enrollment period for calendar year 1999, which will be held from October 1 through October 16, 1998. If you are unable to attend this session, you may forward questions to the SRSRA by writing to the SRSRA or to our e-mail address as shown on the top of the first page of this newsletter. BC/BS will be asked to respond directly to you regarding your question(s).

WSRC has advised that this will be a passive enrollment, which means that if you do not wish to change your present choices, you will not have to take any action. However, if you wish to change your level of coverage (for example; to change from Standard to Prime coverage), you will have to make a telephone enrollment according to instructions that you will receive from the Site.

Part-time Work Opportunities for Retirees with WSRC Team?

WSRC and the SRSRA have been discussing the possibility of retirees being eligible to work part-time for the WSRC Team without interrupting their pension checks. Current provisions of the WSRC/BSRI Pension Plan provide for pension payments to be suspended if the retiree is reemployed, even as a Temporary or Limited Service Employee (LSE). Although this provision could possibly provide minimal increase in pension benefit for the retiree, in the vast majority of the cases it would not be beneficial to the retiree. Therefore, WSRC has agreed to investigate an amendment to the pension plan that would permit retirees to work as LSE's without having to suspend their pensions. This amendment would have some restrictions as to the total number of hours a retiree may work during the calendar year. The Board understands that WSRC has requested their pension plan consultants to explore this change.

If WSRC is able to effect this change to the pension plan, the SRSRA will communicate with retirees to determine how those interested in part-time work may register their interest with the Site. Of course, employment possibilities are always subject to funding and the Site's needs for specific skills and backgrounds to fill their openings.

Status of the New Contractor at the Site - Mike French

As many of you are aware, the Westinghouse Electric Company (WELCO) announced its divestiture in June to a joint venture of Morrison/Knudson (M/K) and British Nuclear Fuels Limited (BNFL). The companies will pay \$238 million in cash and assume about \$950 million in liabilities and other obligations of the Westinghouse businesses. While M/K took a majority ownership stake in the Westinghouse businesses to appease government officials re the "foreign entity" issue, it is picking up just 17% of the tab. M/K is paying \$138 million in cash and assuming just \$30 million in liabilities, with BNFL paying the balance. BNFL is owned by the British government while M/K is an Idaho-based US engineering and construction company. We understand that there were some interesting discussions regarding the latter within the ranks of a certain friendly government "across the pond"! M/K has indicated that it will be focusing on the government services side of the business, including SRS, while BNFL will concentrate on the commercial sector. WELCO hopes to have the sale finalized by the end of the year, but many feel that to be overly optimistic recognizing that several different agencies have to approve the sale.

Two pieces of relatively good news have come out of the sale. Firstly, the *Westinghouse* name will be retained, with Charlie Pryor remaining President and CEO of WELCO. Secondly, it appears that there will be no imminent, major changes at WSRC/BSRI. However, the SRSRA Executive Committee will remain vigilant regarding the latter, particularly in relation to any proposed changes to retiree benefits.

In other Westinghouse-related developments, the Bettis Atomic Power Laboratory contract with the US Navy and DOE which Westinghouse had held since the early 1950's was placed for bids. The government decided to compete this contract which was due to expire on September 30, 1998. As a result of the bidding process, Bechtel National was selected to be the new contractor, however, Westinghouse has filed a protest with the Government which must be answered in 100 days. Westinghouse will continue to operate Bettis for the Government until the Government Accounting Office issues a decision on the protest.

SRSRA Speaks Out on the Plutonium Mission

The SRSRA supported the Plutonium Mission at the public hearing on Pit Disassembly & Conversion at the North Augusta Community Center on August 13, 1998. The SRSRA Board had previously voted at its Board Meeting on August 4, 1998, to support this critical third element of the Department of Energy Plutonium Disposition Mission - The Pit Disassembly and Conversion. The meeting was well attended with more than 500 community leaders and other interested persons in attendance.

Reception For New DOE Secretary

On August 25, DOE Secretary Bill Richardson paid a visit to the Site, and a noontime reception was held in his honor in downtown Aiken. Members of the SRSRA board of directors were invited to attend and many of us had the pleasure of meeting him. Additionally, SRSRA Chairman Tom Greene was invited to be part of a roundtable of community leaders for a discussion with Mr. Richardson following the reception. These invitations were further evidence that both WSRC and DOE recognize that SRSRA has become an important force for retirees and site support. During his address, the Secretary indicated how impressed he was with the technologies he had been shown at SRS, plus the dedication of the employees, as well as the warmth and friendliness of the people in the surrounding communities. In a statement that has an additional impact on future missions, he confirmed that he will make the decision by the end of this year with regard to the selection of the preferred technology to produce tritium for use in nuclear weapons; i.e., either the accelerator (APT) or the commercial light water reactor (CLWR). In either case, significant funding will come to the site, with the larger amount being for the APT case, as once again SRS is the site of choice for this facility.

Congressman Graham Urges WSRC to Reinstate Site Physicals for Retirees

After discussions with the SRSRA, Congressman Lindsey Graham has sent a letter to the Site appealing WSRC's earlier rejection of reinstatement of Site physicals for retirees. Congressman Graham expressed concern that retirees, who may have had radiation or other potential hazardous substance exposures while working at SRS, now have physicals from doctors not experienced in these fields. He also felt that providing Site physicals to those retirees who were not generally exposed to radioactive or hazardous substances was very worthwhile since that would provide important references for comparison to those who experienced exposure and to residents in the local area.

In his letter, Congressman Graham also addressed WSRC's budget constraints by proposing a couple of options that would address both the cost issue and preserve annual physicals for WSRC/BSRI retirees by physicians who are familiar with those effects of hazardous and radiation exposure. Congressman Graham is currently awaiting a reply to his letter.

Although the SRSRA is committed to the restoration of Site physicals, members should not forget that currently annual physicals from private care providers are available under our existing coverage up to a maximum of \$225 per covered individual per year. Based upon the experience of members who have had such annual physicals, the cost for an individual on the Standard Plan would be \$20 for an office visit, plus 10% of laboratory tests, provided these tests are done at a free-standing laboratory. If the laboratory tests are performed in your doctor's office but on a separate visit from your physical examination, an extra \$20 office visit co-pay will probably be required. We have been told that vision screening (eye tests) and hearing tests are not reimbursed as part of these annual physicals. Our experience in the Aiken, SC, area is that the balance of the regular annual physical (excluding eye and hearing tests) can generally be obtained within the \$225 allowable limit when using doctors and laboratories who participate in the BC/BS network after paying the co-pays for tests and the office visit(s).

GM Retirees Lose Healthcare Lawsuit

In June, the US Supreme court refused to hear the appeal of 84,000 non-union General Motors (GM) retirees of an Appeal Court decision. As reported in the last SRSRA Newsletter, the US Court of Appeals for the Sixth Circuit held that despite verbal and written assurances from GM of free lifetime retiree health benefits, GM was within its rights to later begin charging annual deductible and co-payments, as well as canceling visual and hearing-aid coverage. The Circuit Court found the promises made to retirees was a qualified one: the promise was that retiree medical benefits were for life, provided the Company chose not to terminate or modify the plans, pursuant to clauses that preserved the Company's right to terminate or modify the Summary Plan Description (SPD's) under which those benefits were provided. The Court also found that oral communications or written statements to employees were irrelevant since they did not meet the test of modifying the post 1977 SPD's (descriptions were not required prior to 1977). The refusal of the Supreme Court to hear this case lets stand the decision of the Circuit Court and ends the hope of GM retirees for a judicial remedy for their loss of free lifetime retiree health benefits. According to an editorial in USA Today, the "One thing Congress can do is deny companies the right to promise any benefit while burying killer clauses. Those that reserve the right to amend a plan should not say anything "for life", "just" until we change our mind."

The Court's decision carries a clear message - retirees, you are on your own, don't look to the courts for help. One of the basic principles in the founding of the SRSRA was to work toward protecting the health care benefits of WSRC/BSRI retirees. The court's decision only reaffirms SRSRA's dedication to preserving those benefits.

Health Surveillance of Former DOE Workers at the Savannah River Site

Project #DE-FC03-97SF21513

July 31, 1998

During the past year, researchers at the University of South Carolina and the Medical University of South Carolina have been involved in a project to study the health of the former workers at the Savannah River Site through a cooperative agreement with the US Department of Energy. Phase I of this project was designed to study work-related hazardous exposures and to predict what adverse health effects may have been induced by any possible exposure to work-related hazards.

Most of the work for the Phase I project has been completed and a preliminary report has been submitted to the Department of Energy.

It is anticipated that the cooperative agreement will be continued into Phase II during which former SRS workers will be offered any necessary medical screening to determine if there actually has been any ill health caused by work-related exposures at the SRS.

The research group is soliciting the help of all former workers at the Savannah River Site. Any comments or advice

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about hazardous exposures sustained at work would be useful. Also, if former workers have concern about their current health and questions about whether current health problems may be related to previous work exposures, the research group would be interested in discussing those issues. The research group can be contacted by calling Ms. Olivia Bibb at (803) 733-3295 at the University of South Carolina.

Medicare Meeting

On August 11, Ms. Barbara Sauls and Ms. Kristin Catalano of Medicare met with about 100 SRSRA members and their spouses to present details of the provisions of Medicare coverage and claims processing. After the presentation, a question and answer session was held. As a follow-up to one of the questions raised at the Medicare Meeting, attached are letters from BC/BS which provide guidance on the procedure to be followed once Medicare becomes your primary insurance and BC/BS is your secondary insurance. Please note that there is somewhat different guidance when using a South Carolina health care provider (doctor, hospital, clinic, laboratory, etc.) versus health care providers in other states. You may wish to show the appropriate attached BC/BS letter to the office personnel at your health care provider to assist them in processing your claim.

Committee Reports

Charter & Bylaws - Jerry Croom

Applications for income tax exemption with the Federal Government and incorporation in South Carolina are still in progress.

The bylaws require the chairman to appoint a Nomination Committee for nominating fifteen (15) people for two-year terms on the Board of Directors and for any one-year vacancies. Nominations are also taken from the floor at the annual meeting in March. The bylaws state if a director has more than three unexcused consecutive meetings or is absent forty percent of all meetings, it is considered the director has resigned.

If a member wishes to propose any bylaw changes, they must be provided to the Board of Directors at least seven (7) days before the annual membership meeting.

Membership - Gus Griffin

The Board of Directors voted on August 4, 1998 that annual membership in SRSRA will be from March 1 to the last day of February.

Currently there are over 460 paid members in SRSRA.

Retirees of WSRC and BSRI are eligible to join. Our data base of eligible retirees has been developed by word-of-mouth so please let me know of any retirees you think may be eligible but may not be in our data base. Call Gus Griffin, (803) 642-0303, Aiken, SC.

Treasurer - Ray Sabol

The retiree association continues to add new dues-paying members. The collection of dues is necessary to defray the costs associated with an active organization such as ours. Substantial costs are incurred in the printing and mailing of our newsletter to all paid members, mailings to our combined congressional and state members, to SRS and DOE management, and announcements of special meetings to the board of directors and executive members.

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Also, telephone calls are made to Washington, DC and other locations to assist us in our missions.

Other examples of these costs are: Knights of Columbus Hall monthly rentals, SRS News monthly advertisement for the association, and Aiken Standard newspaper announcement for the general meeting this past January, etc. No officer, director, committeeman or any other member is compensated for SRSRA duties.

Public Relations - Fred Cavanaugh

The Public Relations Committee has completed arrangements for SRS Retiree Association advertisement to be included in the SRS News on a monthly basis. The advertisement welcomes Westinghouse Savannah River Company and Bechtel retirees and survivors to join the SRSRA.

Arrangements were made for Chairman Tom Greene and Public Relations Committee Chairman Fred Cavanaugh to be interviewed by Jones Intercable in late September. The subject of the interview will be SRSRA and its mission, goals, objectives and results.

Annual Meeting - Dean Findley

The SRSRA annual meeting has been scheduled for March 9, 1999, 1:00 p.m., at the USCA Ethridge Center, Aiken, SC. Please plan to attend and encourage other WSRC/BSRI retirees to also attend.

Website - Jane Boyles

The site has been updated with a new look using Java script and a design theme that carries through all the site pages. Information has been added about the makeup of the SRSRA organization. Meeting minutes and newsletters are added as they become available. The site was used to help publicize the August 11, 1998 meeting about changes in Medicare. Please visit often at <http://www.scescape.net/~srsretirees> and give us your suggestions and your e-mail address. If you have questions or concerns for the executive committee or board of directors, please use e-mail address srsretirees@scescape.net.

Historian - Don Grogan

Earlier this year the position of Historian was created for SRSRA and Don Grogan was appointed to fill the position. The historian has two basic duties. First is to catalog and maintain Association permanent records of meeting minutes, correspondence, reports, newspaper articles and other documents considered to have long-term significance to the Association, Second is to prepare and publish a brief history of Association activities for each calendar year.

An initial draft for the 1997 history has been prepared and the final draft is scheduled for completion and publication in several weeks. Histories for 1998 and subsequent years will be published on a more timely basis.

The history will show that much was accomplished by SRSRA in its inaugural year and with continued strong leadership and dedicated membership support, each year's history will record increasing growth and accomplishment.

SRSRA Programs & Future Missions - Mike French

Future Missions at SRS

August 1998 was certainly an exciting month in the CSRA with regard to this subject. In the recently issued Surplus Plutonium Disposition Environmental Impact Statement (EIS), the Department of Energy (DOE) has selected SRS as the preferred site for location of at least two of the three new facilities required for this program. You will recall that DOE has determined that some 50 metric tons of surplus plutonium should be dispositioned. The first facility where SRS is the preferred site will convert non-pit plutonium materials (up to 17 tons) into a form suitable for immobilization for ultimate disposal in a geologic repository. The second facility - once again where SRS was selected as the preferred site - will be used to fabricate mixed oxide (MOX) fuel for use in commercial light water reactors. Proposals from teams to design, build and operate this facility were due to DOE by September 4. These two facilities alone will cost several hundred million dollars and employ many hundreds of people. The third facility will be used to disassemble and convert pits (a nuclear weapon component) into plutonium oxide for disposition. In this latter case, SRS and Pantex are designated as equally preferred sites. In the "totally unbiased" opinion of the writer, this latter decision makes very little sense, except from a purely political standpoint, because the Pantex site has no established plutonium infrastructure - and it would cost hundreds of millions of taxpayer dollars to create one there. In addition, with its current mission, it makes no technical sense to locate it at Pantex, and from an economic standpoint, it should be collocated with the MOX fuel fabrication facility.

DOE held a series of public meetings at locations around the Complex to review the draft EIS. The one for SRS was held August 13 in North Augusta, and a total of over 1100 people attended the two sessions, including federal and state legislators, local elected officials, civic and business leaders, site employees, as well as members of the public. Reportedly, this was the largest turnout ever at a public meeting on a DOE EIS. As usual, DOE was given a big "we strongly support" message for these future missions by the CSRA public.

Status of Current Programs at SRS

With Fiscal Year (FY) 1998 drawing to a close, attention is now being focused on the FY-1999 budget. Based on a recent DOE/SR briefing, I am pleased to report that the site is anticipating an increase of over \$83 million for FY-1999 to \$1.484 billion compared to the current year. This assumes that key Appropriation Bills will be approved by both Congress and the President during September. Based on this projected budget, DOE and WSRC do not expect any layoffs in FY-1999. On the contrary, we understand that there are a significant number of openings that the site is actively looking to fill. As mentioned in the previous paragraph, depending on which tritium production mode is selected later this year by Secretary Richardson, the site will request additional "supplemental" funding to proceed with the chosen project. This hopefully means even more funding for the site. With regard to the problems with the new In-Tank Precipitation (ITP) Facility, which was discussed in the last newsletter, significant progress has been made towards selecting a new, replacement technology. Over 130 different technologies were submitted for consideration. Following detailed evaluations, this number has been reduced to a "final four" with the selection of the winning technology scheduled to be made during October. Congratulations to all for the tremendous effort.

SEND US YOUR E-MAIL ADDRESS

The SRSRA urgently needs your e-mail addresses so that communications with the membership can be improved. The Organization currently has 89 addresses of members. We need to make sure that everyone who has an e-mail address is on our list. E-mail addresses will be handled in the most confidential manner. E-mail addresses should be sent to srsretirees@scescape.net.

LET US HEAR FROM YOU

The editorial staff welcomes your comments and suggestions about this newsletter and the SRSRA Organization.

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Don't forget the SRSRA Annual Meeting in March 1999 at the USCA Ethridge Center in Aiken - Looking forward to seeing you.

Dates to Remember

.....October 13John Felkel - SRS Retiree Benefits
.....March 9, 1999.....SRSRA Annual Meeting
.....To be determined.....Congressman Lindsey Graham