



COMMUNITY REUSE ORGANIZATION

*two states, one future*



2011  
ANNUAL  
REPORT

# 2011

## Foundation for the Future



Two years of service as Chair of the Savannah River Site Community Reuse Organization (SRSCRO) reinforces my strongly held belief that non-profit organizations are not revolutionary; they are evolutionary. Successful non-profits do not just rise out of nowhere; they are built over time, with the proper blend of strategy, tactical actions, organizational development, and operational excellence applied at each stage of their evolution.

Strategic thinking, planning, and actions reflect the SRSCRO's ability to take into account the big picture of the nation and our region, to recognize patterns and trends, to foresee issues, and to work toward positive outcomes. Gaining the right balance between strategic, tactical, and operational decisions is more of an art form than a science. Finding the correct balance takes thoughtful experimentation, learning, and adjustment. I think the SRSCRO has achieved the balance necessary for progress.

Last year, I noted several initiatives or tactical actions the SRSCRO would be undertaking in 2011. These included:

1. An updated Economic Impact Study of SRS;
2. New and enhanced regional training programs under the Nuclear Workforce Initiative;
3. Efforts to raise awareness of local issues and needs with local, state and Federal elected officials; and
4. White papers on timely topics, like the need for SRS infrastructure improvements.

In this annual report, you can read more about these accomplishments.

As we prepare for the next two years, the SRSCRO Board has developed a blend of six strategic and tactical priority actions. These include:

- Enterprise SRS & Other SRS Missions
- Nuclear Workforce Initiative
- Public Policy Positions
- SRS Asset Revitalization
- External Expectations and Relationships
- Regional Economic Blueprint

These actions lay a strong foundation for the future of the SRSCRO. I am very confident that the SRSCRO Board, under the 2012-14 leadership of Dr. Marc Miller, will be up to the task as the SRSCRO continues to evolve and grow as an organization. To the SRSCRO Board, I say thank you. It has been an honor and a privilege to serve with you, and to serve as the SRSCRO Chair these past two years.

The SRSCRO is a dynamic action-based organization. Much of this tribute goes back to the foundation set by all those who have worked so hard for the SRSCRO - past Chairs, Board Members, staff, and stakeholders. The foundation for the future has been set, and the future SRSCRO will evolve to meet the challenges ahead.

J. David Jameson, Chairman

## SRS Infrastructure Improvements

"We can't keep going in our old facility."

"It's less expensive to work in a modern, safe facility than to try to heat old buildings and "shore them up."



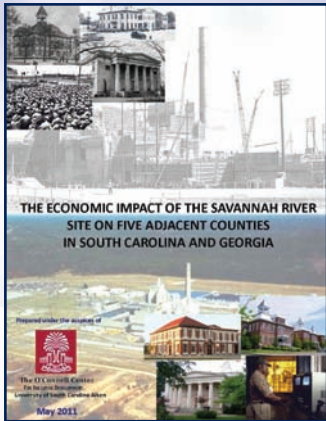
At SRNL, recent annual infrastructure expenditures have been less than one percent of the replacement value of the Lab's facilities, woefully below the national standard. The current SRNL infrastructure spending rate is shortening the expected service life of facilities and degrading their performance.

These were things said by Thomas D'Agostino, Under Secretary for Nuclear Security and Administrator, National Nuclear Security Administration (NNSA) during a 2011 trip to the Y-12 National Security Complex in Oak Ridge, TN. But they could just as easily apply to the Savannah River Site (SRS), especially when it comes to site infrastructure.

SRS is not a closure site. It has clearly defined future missions extending well into this century. In the near term, those missions center on tritium production, solidification of liquid waste into a vitrified glass form for permanent storage and disposition of excess weapons plutonium by converting into Mixed Oxide Fuel suitable for use in nuclear power reactors. In the longer horizon, SRS can lead national efforts in nuclear non-proliferation and in resolving complex issues related to closing the back end of the nuclear fuel cycle through reprocessing.

Even though, DOE recognizes SRS as the premier location for new initiatives in the areas of energy independence, innovative technology, nuclear security and nonproliferation, as well as environmental stewardship, the SRS infrastructure is approaching 60 years old with one third of its administrative facilities being *Continued on page 2*

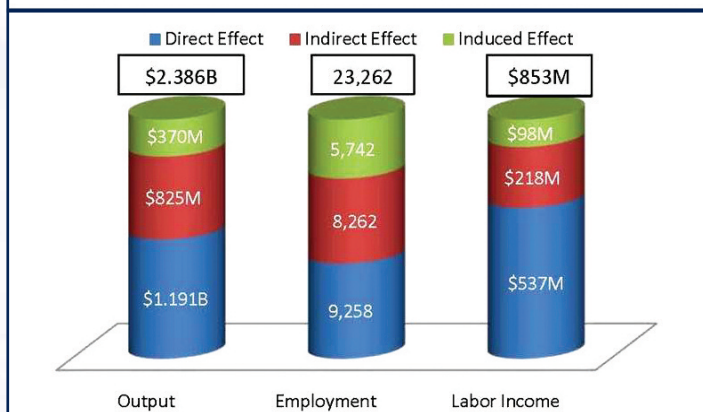
# SRS Economic Impact Study



The operations at Savannah River Site (SRS) create jobs, generate income, and contribute to the tax revenues across both South Carolina and Georgia. When economic multipliers are factored in, the economic ripple effect is enormous. Despite its significance in recent years, there has been little understanding beyond qualitative observations about the value of SRS's contributions to the region and what that impact means in quantifiable terms.

Consequently, the SRSCRO commissioned an Economic Impact Study to examine both SRS's value to the economy, as well as its overall impact on five SRSCRO counties, Aiken, Allendale, and Barnwell in South Carolina and Richmond and Columbia in Georgia. These counties were chosen because this is the area which comprises the SRSCRO's major area of influence as the DOE-designated Community Reuse Organization for the Savannah River Site. The SRSCRO believes this summary will be useful to decision makers and the general public when confronted by the multifaceted issues associated with a 198,000 acre site with complex and diverse projects and programs.

## Employment, Income, and Output Benefits of SRS



Employment, Income, and Output Benefits of SRS in the SRSCRO five-county area.

The O'Connell Center for Executive Development at the University of South Carolina Aiken led the study and assembled a team of experts particularly suited to this study. It included specialists from schools of business from two regional universities, Augusta State University and the University of South Carolina Aiken; the school of business from a regional HBCU (Historically Black Colleges and Universities), Claflin University; and an expert in economic impact and new mission planning. The purpose of this study was to determine the economic impact the Savannah River Site (SRS) has on a five-county region in South Carolina and Georgia for a one year period – Fiscal Year 2010.

## Key Points about the Economic Impacts of the Savannah River Site

- SRS employs 10,967 highly skilled technical personnel with an average salary of approximately \$85,000 per year. Furthermore, 9,258 SRS workers reside in the five-county region.
- This study estimated the employment multiplier of SRS in the local economy as 2.513, which means that every worker hired by SRS from the five-county area creates additional 1.5 jobs in the region. In 2010, the 2.513 employment multiplier increased the 9,258 SRS jobs held by employees living in the five-county area to a total of 14,004 additional jobs. This brought the total jobs created by SRS in the five-county region to 23,262, once direct and indirect effects are taken into account.
- The replacement factor of one SRS employee reveals that a loss of one job at the Site will require local economic developers to create nearly two and a half additional jobs to compensate for the loss of one SRS position.
- The economic impacts reported by the current study are ongoing, and stay in the area for an additional twelve months due to the economic spill down effect.
- Every \$100 million change (up or down) in SRS spending results in an approximately \$50.6 million change in SRS expenditures in the five-county region, and plus or minus 466 SRS employees from the region. The total employment impact of a \$100 million change in SRS expenditures is 989 jobs and a \$101.4 million negative or positive impact on output

A copy of the study can be found on the SRSCRO website under the "Community Issues" tab.

**Continued:** SRS Infrastructure greater than 45 years old. Spending for infrastructure repairs/replacements has declined considerably as budget pressures increased and funds were needed to support direct mission activities.

These two elements, aged infrastructure and under funding, have resulted in a large volume of deferred maintenance and the need for capital improvements. Appropriate planning and funding for SRS infrastructure will ensure that long-term investments are made to meet the priority needs of SRS missions. Priority attention needs to be made now to maximize SRS contributions and potential in the years ahead.

Major initiatives of national importance continue at SRS in spite of the aged infrastructure. However, needed improvements in SRS infrastructure will only enhance and expand SRS' role in the nation's nuclear issues and energy future.

SRS has all the assets required in people, land, expertise and community support to continue to play a key leadership role in America's nuclear complex and energy future through the 21st Century and beyond. SRS leads the DOE complex in safety and is situated in the most nuclear-

friendly community in the United States.

To spur consideration and discussion of the need for infrastructure improvements, the SRSCRO prepared a White Paper outlining some of the important considerations and recommendations for action.

The SRSCRO Board of Directors adopted the following recommendations:

- We recommend that DOE place a high priority on addressing the aging infrastructure at SRS.
- We recommend that separate, new Federal funding be designated immediately for infrastructure improvements at Savannah River Site based on a priority plan established by the Site contractor(s) and approved by DOE;
- Finally, any funding for infrastructure improvements must not impede or impact the SRS mission or budget for DOE-EM's environmental cleanup mission, including the liquid waste remediation effort or the NNSA Defense Programs and nonproliferation missions at SRS.

A copy of the White Paper can be found on the SRSCRO website under the "Community Issues" tab.

# Public Awareness

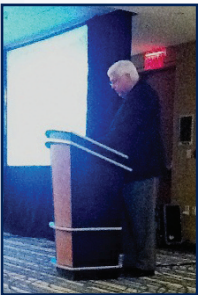
The Obama administration canceled plans to build a permanent underground nuclear storage facility at Yucca Mountain in Nevada. The Department of Energy formed the Blue Ribbon Commission on America's Nuclear Future (BRC) to find alternative storage options. The BRC toured the Savannah River Site (SRS) on January 6, 2011 and held a public meeting on January 7 in Augusta to hear from the local community on policies for managing the back end of the nuclear fuel cycle.



Community leaders answer questions at the Blue Ribbon Commission public meeting in Augusta, Georgia in January 2011

papers on January 7, Greater Aiken President and CEO J. David Jameson, speaking in his capacity as the chairman of the SRS Community Reuse Organization, said "The Savannah River Site Community Reuse Organization (SRSCRO), along with organizations and political entities in the region, are on record opposing the President's decision to abandon Yucca Mountain as the permanent repository for nuclear waste," said Jameson. "We will not support SRS becoming a permanent de

facto storage place for defense waste originally destined for Yucca Mountain. But we also recognize that SRS knowledge and capabilities in reprocessing of commercial spent nuclear fuel are unsurpassed. SRS has a proven track record as the "go-to" facility within the DOE complex when it comes to handling spent nuclear fuel."

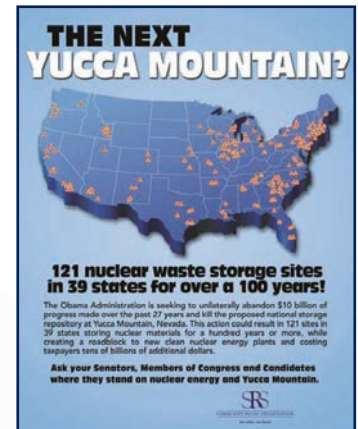


David Jameson presents remarks to the Blue Ribbon Commission at the October 18, 2011 public meeting.

The BRC submitted a draft report to the Secretary of Energy in July 2011 and is scheduled to submit a final report in January 2012. The BRC made the following key recommendations in its draft report:

- An approach to siting and developing nuclear waste management and disposal facilities in the U.S. that is "adaptive, staged, consent-based, transparent, and standards- and science-based."

- A new, single-purpose organization to develop and implement a focused, integrated program for the transportation, storage, and disposal of nuclear waste in the U.S.
- Assured access by the nuclear waste management program to the balance in the Nuclear Waste Fund and to the revenues generated by annual nuclear waste fee payments.
- Prompt efforts to develop, as quickly as possible, one or more permanent deep geological facilities for the safe disposal of spent fuel and high-level nuclear waste.
- Prompt efforts to develop, as quickly as possible, one or more consolidated interim storage facilities as part of an integrated, comprehensive plan for managing the back end of the nuclear fuel cycle.
- Stable, long-term support for research, development, and demonstration (RD&D) on advanced reactor and fuel cycle technologies that have the potential to offer substantial benefits relative to currently available technologies and for related workforce needs and skills development.
- International leadership to address global non-proliferation concerns and improve the safety and security of nuclear facilities and materials worldwide.



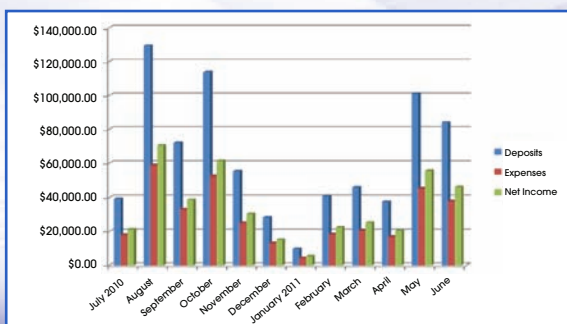
The SRSCRO newspaper ad to keep Yucca Mountain at the forefront of public policy debate.

To receive feedback on these recommendations, the BRC held a public meeting on October 18, 2011, in Atlanta, Georgia, as well as other cities across the nation. David Jameson, SRSCRO Chair, provided oral comments during the public comment period. In addition, Rick McLeod, SRSCRO Executive Director, testified to the U.S. House of Representatives' Committee on Science, Space, and Technology concerning these draft recommendations on October 20, 2011. This testimony included many of the same points provided in the Atlanta comments.

*A copy of these and numerous other documents and information related to the BRC can be found on the SRSCRO website under the "Community Issues" tab.*

## ASSET TRANSITION PLAN

### MONTHLY DEPOSITS - EXPENSES - FY2011



## Asset Transition Program

Through an agreement with the Department of Energy, the SRS Community Reuse Organization is the designated agency for donation of excess/surplus material no longer needed for Savannah River Site operations. During FY2011, the Asset Transition Program returned \$412,318 in net revenue to the SRSCRO.

This surplus material is first made available to organizations which create jobs, increase economic development capacity, or improve the quality of life in the two-state, five-county region. Recipients may be local governments, non-profit organizations or private businesses. Groups have 30 days after surplus material is made available to request items at very reasonable prices. After 30 days, if not claimed for economic development purposes, the material is then released to be sold to the public on the open market. Proceeds from sales are used to defray expenses in operating the program and for use in economic development projects in the region.

# Nuclear Workforce Initiative Accomplishments

Nuclear workforce development capabilities are expanding in our SRSCRO region as a result of the partnerships developed through the Nuclear Workforce Initiative (NWI®). These capabilities provide opportunities for local citizens to develop needed skills as four new nuclear power reactors will soon be built, two by Southern Company in GA and two by SCANA Corporation in SC. At the Savannah River Site, skilled workers are needed for the new Mixed Oxide Fuel Fabrication Facility and the Salt Waste Processing Facility.

During 2011, representatives from five area colleges who are working together in the SRSCRO's NWI® program, gathered to sign a



**Leaders from five colleges signed an MOU with the Department of Energy and the SRSCRO to partner on education initiatives.**

memorandum of understanding (MOU) with the Department of Energy (DOE) and the SRSCRO. The MOU affirms a cooperative partnership to expand education and training in science, technology, engineering, math and research to meet future Department of Energy workforce needs and national challenges. Dr. Inés Triay, DOE Assistant Secretary for Environmental Management signed the agreement in May 2011.

An unprecedented partnership was fostered through NWI® as these five area colleges collaborated and received a Department of Energy grant to train workers for existing and future nuclear-related and other high technology jobs. The programs are under development by Aiken Technical College, Augusta State University, Augusta Technical College, University of South Carolina Aiken and University of South Carolina Salkehatchie to ensure that local citizens have ample opportunity to successfully compete for jobs at government and commercial nuclear facilities.

A nuclear "boot camp" concept, NWI® Academy, was piloted during the summer at Aiken Technical College. The program is part of a regional plan to assist young adults in developing nuclear career pathways, a concept that grew from an NWI® committee meeting. Partnerships for the program included workforce development organizations, school districts, local industry and seed funding from the Bill and Melinda Gates Foundation. The program is designed to prepare students for successful enrollment in nuclear industry-related academic programs and will be expanded in 2012 to include a

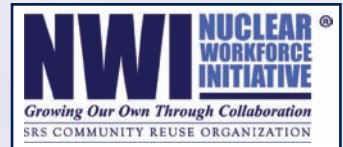
program offered by Augusta Technical College.

NWI® committees have been instrumental in maintaining a local dialogue on regional nuclear employment needs, including establishing connections between hiring employers and the SRS Transition Center for employees impacted by SRS workforce restructuring.

Awareness of the nuclear industry workforce needs and regional development capabilities has grown through the year as NWI® education and outreach activities expanded to multiple middle and high school teacher workshops, local leadership programs and professional organizations.

During 2011, registered trademark status was established for NWI® along with the tag line, Growing Our Own Through Collaboration®.

The linkages established through NWI® are working to bring together local resources and attract national resources that benefit the region's workforce development. For 2012, new initiatives are already underway including the development of nuclear industry-related Virtual Job Shadows for use by middle and high school students, celebration plans for National Nuclear Science Week and expansion of education programs.



**Students attending the NWI Academy learned about skills and opportunities in the nuclear industry.**

## Educational Programs in Development Through DOE Grant Funding

- Aiken Technical College - Specialization Certificates in Quality Control and Nuclear Welding
- Augusta State University - Nuclear Science Tracks in Chemistry and Physics Degree Programs
- Augusta Technical College - Associates of Applied Science Chemical Technology Program and Comprehensive Career Development Program for Students Enrolling in Nuclear-Related Programs
- USC Aiken - Enhanced Biology Degree in Environmental Remediation and Restoration (ERRP)
- USC Salkehatchie - Expansion of Science, Technology, Engineering and Mathematics Coursework

## SRSCRO FY2011 FINANCIAL STATUS

### Summary Statements of Financial Position As of June 30, 2011

ASSETS		LIABILITIES AND NET ASSETS	
<b>CURRENT ASSETS</b>		<b>CURRENT LIABILITIES</b>	
Cash and Cash Equivalents	\$ 992,105	Accounts Payable	\$ 96,400
Investments	\$ 3,233,663	Accrued Expenses	\$ 1,537
Inventory	\$ 188,587	<b>Total Liabilities</b>	<b>\$ 97,937</b>
Grant Reimbursements Receivable	\$ 25,710		
Accounts Receivable	\$ 17,891	<b>NET ASSETS</b>	
Notes Receivable	\$ 15,477	Unrestricted	\$ 4,375,496
<b>Total Current Assets</b>	<b>\$4,473,433</b>	<b>Total Liabilities and Net Assets</b>	<b>\$ 4,473,433</b>

## MISSION

*The mission of the SRS Community Reuse Organization is to facilitate economic development opportunities associated with Savannah River Site technology, capabilities and missions and to serve as an informed, unified community voice for the five-county, two-state region.*

# SRSCRO BOARD OF DIRECTORS 2011

## South Carolina

**Danny R. Black, SC Representative at Large\***  
*Southern Carolina Alliance  
Congressional Appointment*

**Dr. Thomas L. Hallman**  
*University of South Carolina Aiken  
Congressional Appointment*

**Fred E. Humes**  
*Aiken-Edgefield EDP  
Aiken-Edgefield EDP Appointment*

**J. David Jameson, SRSCRO Chair \***  
*Greater Aiken Chamber of Commerce  
Greater Aiken Chamber of Commerce Appointment*

**Kathryn D. Justyn**  
*(Retired)  
Aiken-Edgefield EDP Appointment*

**Anna G. Loadholt**  
*(Retired)  
Southern Carolina Alliance Appointment*

**Anne P. Rice, SRSCRO Treasurer\***  
*University of South Carolina Salkehatchie  
Allendale/Barnwell County Council Appointment (Rotate)*

**William E. Robinson**  
*Southern Carolina Alliance  
Southern Carolina Alliance Appointment*

**Chuck Smith**  
*Edward Jones Investments  
Aiken County Council Appointment*

**Brian N. Tucker**  
*Greater North Augusta Chamber of Commerce  
Greater North Augusta Chamber of Commerce Appointment*

**Dr. Susan A. Winsor**  
*Aiken Technical College  
Congressional Appointment*

## Georgia

**Eddie C. Bussey, SRSCRO Secretary \***  
*State Farm Insurance  
Augusta Metro Chamber of Commerce Appointment*

**Sanford Loyd, GA Representative at Large \***  
*Sanford Loyd, CPA, PC  
Augusta Metro Chamber of Commerce Appointment*

**Dr. Marc D. Miller, SRSCRO Vice Chair \***  
*Augusta State University  
Congressional Appointment*

**Dr. Lisa L. Palmer**  
*Augusta Technical College  
Congressional Appointment*

**Susan E. Parr**  
*Augusta Metro Chamber of Commerce  
Augusta Metro Chamber of Commerce Appointment*

**Monty Philpot**  
*Georgia Health Sciences University  
Congressional Appointment*

**Troy V. Post, III**  
*Development Authority of Columbia County  
Development Authority of Columbia County Appointment*

**Tammy Shepherd**  
*Columbia County Chamber of Commerce  
Columbia County Chamber of Commerce Appointment*

**Walter C. Sprouse, Jr.**  
*Development Authority of Richmond County  
Development Authority of Richmond County Appointment*

**William R. Toole, SRSCRO Immediate Past Chair \***  
*W. R. Toole Engineers  
Augusta/Richmond Co. Consolidated Gov. Appointment*

**Mark J. Wills**  
*Georgia Bank & Trust/Southern Bank & Trust  
Columbia County Commission Appointment*

*\*Executive Committee Member*



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P.O. Box 696 | Aiken, SC 29802 | P. 803.593.9954 ext. 1409 | F. 803.593.4296

[www.SRSCRO.org](http://www.SRSCRO.org)