Medical costs continue to rise

Premiums required to cover 2003 employee medical costs have increased slightly more than 20 percent from 2002 to 2003. BWXT Y-12 covers 88 percent of the cost of medical insurance, and employees cover 12 percent. In 2002, total medical costs for BWXT Y-12 were $44.3 million. The 20 percent increase in cost for 2003 means an $8.9 million increase for BWXT Y-12.

Because the company operates on a set budget, this increase in medical costs will decrease the funds available to spend on meeting mission requirements. However, increasing medical insurance costs are not unique to Y-12. Nationally, companies are experiencing increases of 15 to 30 percent. Therefore, in FY 03, like many U. S. companies, BWXT Y-12 will be evaluating the total medical program and looking at ways to control future cost growth.

What drives medical costs?

The BWXT Y-12 medical premium cost is composed of two parts. The first part is the company’s payment to the insurance carrier to cover management of the network, i.e. processing of claims, taxes and profit. Those costs are controlled closely, and for 2003, this component is less than 3 percent of the total premium. The second part, or 97 percent of the premium, actually pays for our medical claims.

Medical claims costs are impacted by four items that make up what is known as “medical trend.” The first component is medical inflation. Today, medical inflation runs 4 to 5 percent per year, or more than double the inflation rate of the Consumer Price Index.

The second and largest component of medical trend is utilization. Utilization equates to the number and types of services used by the plan participants. Use of more expensive drugs and procedures drives up utilization costs dramatically.

Medical technology costs, over time, account for the third component of medical trend. These medical technology costs include the development of new medical procedures and the expense of new equipment used to diagnose and treat illnesses. For example, 15 years ago, there was no laser surgery. Today, laser surgery is widely used for everything from eye surgery to gallbladder surgery. While the procedures are much improved, the development and use of medical technology is not without cost impacts.

The fourth piece of medical trend is cost shifting. When the government refuses to pay or cuts Medicare coverage, those costs are shifted to private insurance carriers such as BWXT Y-12.

With regard to the 20 percent increase in cost for 2003, more than half (12 percent) is tied to utilization, 4 percent is medical inflation, and the balance results from technology costs and government cost shifting.

Controlling costs

When there is a change in our company’s medical plans, premiums are impacted. The graphic above shows cost changes in the BWXT Y-12 hourly medical plan since 1993, and the salaried plan is very similar. It is obvious when plan changes were made. In 1994, the company implemented new drug plans; in 1996 and 1997, mandatory managed care was implemented; and in 2002, increased deductibles and annual copayments were instituted.

As BWXT Y-12 begins the process of evaluating the company’s medical plans for possible changes in 2004, the company will look at ways to control future cost increases. Because utilization and technology costs are factors within the company’s control, those areas will be examined specifically.

For more information, contact One Call at 574-1500.
Market impacts on the pension plan

The plan
Several people have asked how the BWXT Y-12 pension plan is performing in light of the downturn in the stock market. The plan is well diversified, but the combination of historically low interest rates, decreasing values in our investments and recent benefit enhancements have had a negative effect. Let’s look at some of the factors that impact our pension’s assets, liabilities and surplus.

On the asset side, lower interest rates mean that new bonds being purchased for the portfolio now pay a lower rate of return than those that have matured. Assumptions about the total return on the portfolio must be adjusted downward. The pension plan is caught in an actuarial “double whammy” as lower interest rates increase the size of its liabilities, just as its asset values are decreasing.

Benefit changes
The recent increase in the benefit formula for active and retiree populations has increased the amount of our liabilities for the life of the plan by approximately 15 percent.

Equity markets
The markets are contracting now for several reasons, but the two most important reasons are: (1) the “bursting” of the bubble in technology, media and telecommunications stocks and (2) a crisis of confidence in analysts’ research and recommendations, as well as a lack of trust in executive management and outside auditors of many publicly held companies.

Approximately 55 percent of the pension plan’s assets are invested in the equity markets. All sectors have been hit, whether the stock is small or large cap, domestic or international, or growth or value.

Surplus
With declining assets and rising liabilities, the “surplus” between the two becomes squeezed. It was expected the percentage of the surplus of assets over liabilities in the pension plan to decrease from 157 percent at Jan. 1, 2001, to an estimated 128 percent at Jan. 1, 2002. As of June 30, 2002, the surplus had declined even further, to approximately 124 percent.

What has not changed for employees and retirees is the continuing commitment by BWXT Y-12 to pay each participant’s pension benefit as promised.

Successful year for Public Tour Program
Friends of Oak Ridge National Laboratory—or FORNL—volunteer tour guides and other public tour ambassadors for the Department of Energy Oak Ridge Facilities Public Tour were honored Nov. 7, with a luncheon at the Sagebrush Restaurant in Oak Ridge. Shown (standing from left to right) are Susan Davis, East Tennessee Technology Park tour coordinator; Kaye Johnson, FORNL and ORNL American Museum of Science and Energy director; Jack Russell, Jim Weir, Joe McGrory, Gerald Slaughter, John Bigelow, FORNL tour guides; Jane Miller, BWXT Y-12 tour coordinator; Ken Cowser, FORNL tour guide; Lissa Clarke, AMSE tour coordinator; Donna Powers, ORNL tour guide consultant; Don Trauger, Dick Raridon, John Griess, FORNL tour guides, and Marilyn McLaughlin, ORNL tour coordinator. Seated are Danny Castleberry, Keith Adkins, ORNL bus drivers and John Murray, John Moyers, Bill Yee and Grady Whitman, FORNL tour guides. The public tour program is offered from April through September.

Rockets soar against breast cancer
Y-12’s Atomic City Rockets soared on Saturday, Oct. 19, during the Komen Race for the Cure in Knoxville. Susan Spangler of Finance and Business Management and Natalie Crippen of Complementary Work were co-captains for the BWXT Y-12 team. According to Spangler, the team had 47 registrants and raised $1,505.

Y-12 was well represented at the finish line, too. Rich Illick of Technical Computing finished third in his age bracket and 32nd overall. Kay Bradley, also of Technical Computing, placed third in her age bracket, as well.

The Komen race series is the largest series of 5K runs/fitness walks in the world. Money raised by Komen Race for the Cure funds breast cancer research and breast health initiatives.

Once funding for the Manhattan Project was authorized by President Franklin Roosevelt in December 1942, the floodgates were opened on the largest construction project in world history. In fact, 60 years later, we, as a nation, would be hard-pressed to achieve similar results.

Original plans called for the military reservation in Oak Ridge to house approximately 13,000 people in prefabricated housing, trailers and wood dormitories. By the time the Manhattan Engineer District headquarters were moved from Washington, D.C., to Tennessee in the summer of 1943, estimates for the town of Oak Ridge had been revised upward to 45,000 people.
Savvy sleuthing—the acoustic monitor

Boyd Bivens of Manufacturing was identified with a hearing impairment that prevents him from hearing certain glove box alarms. After meeting with Industrial Safety and Industrial Hygiene representatives, Bivens and Robert Packett, his supervisor, determined that Boyd could not operate any glove box without a “hearing buddy” who could hear the alarms. Even though this practice was initiated, neither Bivens nor Packett considered it a satisfactory long-term solution.

Next, Packett met with Roger Lawson (Technology Development), who took the challenge for corrective action—a device that Bivens could use and transport easily among work locations. Lawson researched the device in periodicals, gathered data and determined that the best one for Bivens would cost approximately $5K, including parts and labor.

Lawson bought the chosen sample, and Maintenance personnel designed an easily transportable carrying case. Bivens began using the device immediately, and it has proven successful and effective after many months of service. As a result, Bivens now works independently, and his work restriction has been eliminated. Kudos to Bivens, Packett and Lawson for inspirational, cost-effective detective work!

PROTECTING SENSITIVE INFORMATION

To all BWXT Y-12 employees

Now that all BWXT Y-12 employees have completed, or are in the process of completing, their annual ethics refresher sessions, I would like to take this opportunity to highlight several very sensitive areas that our employees should keep fresh in their minds while we conduct our daily business, both professional and private.

Remember that, in addition to protecting classified data, there are various types of information that are considered business sensitive, proprietary or subject to the Privacy Act and should be protected as such. This information includes, but is not limited to, technology information and scientific developments; medical, personnel, or security records of individuals; proprietary business information; anticipated procurement requirements or pricing actions, including which subcontractors are being considered for award of subcontracts or which subcontractors have been awarded subcontracts; knowledge of criteria for selection of or the actual selection of DOE-NNSA contractors or subcontractors in advance of official announcement; and DOE-NNSA programmatic operations.

It is not appropriate, unless required for completion of a specific contracted task, to provide subcontractors with information related to future company plans, nor is it appropriate to have discussions with them regarding our future procurements. It also is not appropriate to advise employees of subcontractors as to employment opportunities with other subcontractors. Any of these actions can lead to a vendor being disqualified from bidding on a matter.

We also must remain vigilant for Organizational Conflicts of Interest, especially concerning our vendors. A vendor should not be placed in a situation where it is evaluating competitors’ proposals or giving us advice on requirements that the vendor may later want to bid.

John T. Mitchell
Is your badge secure?

Everyone knows that employee photo badges are part of the security at Y-12. What we may forget, however, is that it is our responsibility to keep those badges secure. Each individual issued a Department of Energy photo badge is responsible for ensuring that the badge is worn properly, used only for official purposes and positively controlled.

The photo badge must be worn to identify that a badge holder has an official need to be present on DOE-owned or -leased property, including off-site locations.

The photo badge must be worn above the waist with the picture facing out, and the picture must represent your current appearance. If your appearance has changed, you must contact the BWXT Y-12 Badge Office (574-3285) to obtain a new photo badge.

Your badge is a valuable credential that permits access to the Complex. DOE badges should not be used for verification of employment, establishing credit or any other unofficial identification. Furthermore, badges should not be worn in public places.

Protect your security and the Complex. If your badge has been misplaced, stolen or lost, immediately report that fact to the Badge Office or the Plant Shift Superintendent’s Office (574-7172).

Need-to-know is key to protecting information

Had a bad day at work and just can’t wait to “vent” to your family or call a friend? Be careful what details you include in your conversations. Does everyone have a need to know the information? Calling friends on portable or cell phones can provide adversaries even more accessibility to these conversations.

Controlled information is protected on a need-to-know basis and includes Unclassified Sensitive, Privacy Act, Unclassified Controlled Nuclear Information and other categories of information that, although unclassified, must be protected from unauthorized access.

Do not discuss work issues, technologies, proprietary data or any type of controlled information in public areas, such as restaurants. Even the Y-12 cafeteria is off limits for these types of conversations. We must be vigilant in ensuring that no protected information is provided to anyone who might overhear our discussions and has not met the need-to-know criterion.

Who to call for security questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Information</td>
<td>Sheila Riepe</td>
<td>574-3616</td>
</tr>
<tr>
<td>Security Operations</td>
<td>John Woods</td>
<td>241-3555</td>
</tr>
<tr>
<td>Classification/Technical Information</td>
<td>Virginia Williams</td>
<td>241-2715</td>
</tr>
<tr>
<td>Escort Agreements/Medical Exceptions</td>
<td>Charlotte Clark</td>
<td>576-6798</td>
</tr>
<tr>
<td>Foreign Nationals</td>
<td>Christy Woodson</td>
<td>241-8185</td>
</tr>
<tr>
<td>Clearances/PSAP</td>
<td>Peter White</td>
<td>574-6298</td>
</tr>
<tr>
<td>Foreign Ownership, Control, and Influence</td>
<td>Linda Clawson</td>
<td>576-5304</td>
</tr>
<tr>
<td>CMPC Manager</td>
<td>O. J. Sheppard</td>
<td>574-1594</td>
</tr>
<tr>
<td>Physical Security</td>
<td>Steve Combs</td>
<td>574-2584</td>
</tr>
<tr>
<td>Security Systems</td>
<td>Bud Hockett</td>
<td>241-4688</td>
</tr>
<tr>
<td>Assessments/Issues Management</td>
<td>Ron Gainey</td>
<td>241-1640</td>
</tr>
<tr>
<td>Protective Force—WSI-OR</td>
<td>Gary Brandon</td>
<td>574-3290</td>
</tr>
<tr>
<td>Badges—WSI-OR</td>
<td>Gary Skeen</td>
<td>574-3342</td>
</tr>
</tbody>
</table>

What’s wrong with this picture?

Remember . . . don’t leave your badge in a vehicle or anywhere it could be seen or stolen.

Walking the talk

Security is a way of life at Y-12 and has been since the 1940s. But who is responsible for security? The protective force? Safeguards and Security? The National Nuclear Security Administration?

Historically, security at the Complex has been managed in a top-down fashion, which focused responsibility on a few. Integrated Safeguards and Security Management seeks to reverse that trend and make security everyone’s responsibility.

ISSM is not a standard but rather a set of principles and a formal methodology for integrated security management at all levels of the Complex. This system relies on personal responsibility and inclusion of security in all work practices.

ISSM core functions

1. Define the scope of work.
2. Analyze the threat.
3. Develop and implement security measures.
4. Perform work within measures and controls.
5. Provide feedback and continuous improvement.
Security responsibilities for subcontractors

Before you hire a subcontractor for that “rush” project, ensure that all security requirements are met. Subcontractors and consultants are subject to the same security requirements as Y-12 employees. Cleared personnel must complete initial and comprehensive security briefings before beginning work. Both of these briefings occur before receiving a Department of Energy photo badge and include a discussion of responsibilities and access requirements.

All cleared subcontractors and consultants must complete an annual security refresher. Sponsoring organizations should ensure that subcontractors are informed and reminded of this requirement. Failure to complete this training may result in loss of access to the Complex and/or loss of clearance, which can cause costly delays in work.

In addition to the annual refresher, subcontractors may need assistance with other security requirements, such as reporting lost badges, contact with foreign nationals, protection of government property, travel to foreign countries and computer security rules. Because security conditions and access requirements can change with little time for notification, it is essential that the sponsoring organization and technical contact serve as the communications channel for this information. For more information, contact Ron Paige at 574-8337.

True or false?

Once a document has been determined to be unclassified, it will always be unclassified.

False. Remember that project you worked on 20 years ago—the one the boss just asked you to update? Just think of the changes you have seen and experienced over the last score of years. What impact will those changes have on your project? Chat with an Authorized Derivative Classifier or the Classification Office to determine whether any elements of the project may now be classified.

From a classification standpoint, it's important to consider all information in an e-mail before responding to or forwarding the message.

True. Before you hit the send button to answer that e-mail, read the entire message (including the forwarded messages). When answering the message, have you provided the last piece of the puzzle that causes the message to now be classified? Be sure to check with an ADC or the Classification Office if you have even the slightest doubt or concern.
Service Anniversaries

December

51 years
Manufacturing: Junious M. Turley

35 years
Business and Information Systems: Wallace R. Johnson
Engineering and Technology: Clark E. Hamilton
Quality Assurance: William L. Bolinger

30 years
Human Resources: Vicki S. Wilson
Manufacturing: William B. Galyon and Teresa A. Holland

25 years
Business and Information Systems: R.T. Harris
Engineering and Technology: Larry G. Rice
Facilities, Infrastructure and Services: Pamela K. Johnson, Richard S. Lewis and David Nix
Project Management: David N. Mosby

20 years
Directed Stockpile Work: William G. Reis
Facilities, Infrastructure and Services: Sylvia C. Sterling
Manufacturing: Benjamin G. Davis and Hudson T. Henderson
Program Planning and Integration: Edith M. Hummel
Quality Assurance: James M. Harvey

Expo volunteers recognized

More than 200 BWXT Y-12 employees enjoyed cookies, ice cream and punch at the Safety Expo Celebration on Oct. 22 in the Y-12 Cafeteria. Environment, Safety and Health organized the event to thank the estimated 450 individuals who assisted in planning and staging the Safety Expo on Sept. 18.

“It was purely an appreciation celebration—a time to get together, eat, talk, relax and have fun,” said Linda Caldwell, Safety Expo co-chair. “Everyone worked so hard over the last several months to pull the event together, and this was a collective thanks.”

More than 7,000 attended the second annual Safety Expo at Oak Ridge Mall. Approximately 5,000 attended last year’s Expo.

Medic Blood Drive Information for 2002

Medic blood drives at Y-12 through Nov. 18, collected 1,294 units from 714 donors. The graphic shows a breakdown of donations by county.

An ounce of prevention

As the saying goes, an ounce of prevention is worth a pound of cure. That’s precisely the philosophy behind Y-12’s new stretching program. According to John Peters of Safety, this program is one piece of the back injury prevention program recently established for the Complex.

Stretching, or flexibility training, helps balance muscle groups that might be overused during exercise or physical activity or as a result of bad posture. Flexibility is a joint’s ability to move through a full range of motion. There are many benefits from a good flexibility program.

First, a safe and effective flexibility training program increases physical performance. A flexible joint has the ability to move through a greater range of motion and requires less energy to do so, while greatly decreasing the risk of injury. Most professionals agree that stretching decreases resistance in tissue structures, thus decreasing the likelihood for injury by exceeding tissue extensibility (maximum range of tissues) during activity.

Static stretching involves a slow, gradual and controlled elongation of the muscle through the full range of motion and held for 15 to 30 seconds in the furthest comfortable position (without pain). Such stretching improves muscular balance and posture by realigning soft tissue structures, thus reducing the effort required to achieve and maintain good posture throughout daily activities.

Take time to stretch. You’ll feel better, stand taller and possibly prevent injury. Stretching just prior to beginning strenuous work has proven to be very effective in preventing injuries.

More information on the Stretching Program can be reviewed on the Safety Home Page under Bulletins/Guidance or by contacting John Peters (PBJ) at 574-2178.

Brenda Hunter of the Business and Information Systems organization leads employees in stretching exercises to kick off the new Y-12 stretching program. This is part of the back injury prevention program recently established by the Safety organization.
Why the switch to YSource?

By now, most employees have begun to explore YSource, the new “home for information and news at Y-12.” The new intranet was designed to bring information to users in a more intuitive manner and to provide users with new capabilities.

On YSource’s home page, you’ll notice three main tabs—News, Y-12 Community and How Do I? The News tab is actually the YSource home page, but in the interest of building community, YSource also offers the Y-12 Community page. The questions and answers available via the How-Do-I page enable Y-12ers to find job-related information quickly.

Eye-catching photos or graphics with captions now accompany a news story or serve as notices about programs or events. Organizations are encouraged to use this space to communicate initiatives or programmatic achievements. To submit images with captions, use the Comments link at the top of the page or contact WebSource (websource@y12.doe.gov, 241-2004).

The Inside Line still is available to employees through the News Page, and the Q and A forum now resides on the Community page. To publish an important announcement, click the Submit announcement link on the News page to access a Web-based submission form. Click the Submit a story link on the Y-12 Community page to open a similar form that allows you to upload an image along with a story.

The new design places increased emphasis on news and community building, which should be strengthened as visitors begin to use the convenient Web-based forms for submitting announcements, stories and photos. The collection of How-Do-I information, which is expected to grow, should quickly result in increased productivity and decreased frustration for employees. For more information, contact Matt Guilford (GM2) at 576-5535.

Call for generations of Y-12ers

Are you part of a long line of Y-12 employees? We are looking for families with multiple generations of Y-12ers. If you or someone you know has this kind of family connection with Y-12, please contact Melissa Leinart, editor of the BWX Tymes at 574-1621 or Email (6ML).

Technology showcased at summit

The 2002 Tennessee Valley Corridor Regional Economic Summit was held in Johnson City, Nov. 7 and 8. The event took place at the Adelphia Centre, adjacent to East Tennessee State University. The summit was attended by more than 200 local, regional and national leaders, including four members of the U.S. Congress, and was kicked off via video address by Senator Bill Frist. Y-12's Robin White (pictured above) made a presentation, as did Congressman Zach Wamp, as part of the closing luncheon of the event. The Valley Corridor Summit, Inc., is a nonprofit organization dedicated to strengthening the Tennessee Valley Corridor’s science and technology vision through an annual economic summit series and multiple strategic partnerships.

YES holiday party continued

Carlie and Jessie Smallwood pose with Santa at the YES holiday party held at the Oak Ridge Mall.

Sam Justice, Sherman Bryant, Carol Materna, and Gary Gordon (left to right) enjoy the YES holiday party held at the Y-12 cafeteria.

QA

What date will exempt (monthly) employees be paid for the month of December?

The exempt payroll is scheduled to be paid on Dec. 20.
When Thomas Tallant was about 5 years old, his parents gave him a toy guitar—the kind with a crank on the side. Impromptu living room “concerts” led to serious guitar lessons by age 14. Today, Tallant, an editor with Communications Services, shares his musical craft with audiences as a member of the Knoxville Early Music Project.

Tallant co-founded KEMP in the spring of 1991. The group plays music from the Renaissance and Baroque periods (approximately 1500 to 1750).

“We formed the group because we wanted to explore Medieval and Renaissance music and play it on authentic instruments,” Tallant said. “Early music is a serious part of the classical music movement, which is an attempt to uncover lost music of the past and to understand how it was performed.”

A former classical guitar performance major at the University of South Carolina, Tallant plays the Baroque and Renaissance guitars and the lute, which resembles a guitar but has a distinctively different sound. Tallant, a member of the Lute Society of America since 1980, studies under a lute teacher in New York City and also attends the Lute Society of America’s biennial Summer Lute Seminar. Tallant said he “fell in love” with the lute on first sight.

“You have to do a lot of work to make the music live, to recover what it might have sounded like,” Tallant said. “There’s a lot of study involved—it’s not just picking up a piece of music and playing it.”

Once they’ve studied a piece of music, Tallant and the other three KEMP members invest several more hours in arranging programs to perform. The group performs year-round and meets once or twice a week to practice. Tallant practices one to two hours a night, not including music study time.

“Typical recital contains 14 to 18 pieces, each of which takes many hours to prepare,” Tallant said. “This is why KEMP works up one full-recital program a year. It takes three to four months to work up a new program.”

KEMP, with one studio-produced CD and two live-recording CDs to its credit, performs at a variety of venues.

Knoxville Early Music Project, or KEMP, performers are (from left) Thomas Tallant, Amy K. Porter, Ann Stierli and Martha Bishop. Tallant of Communications Services plays the theorbo (pictured), a type of lute with a neck extension added to enhance the bass range. Tallant also plays Renaissance lute and Baroque and Renaissance guitars.

Talented Tallant

“Talented Tallant” KEMP will perform a Christmas concert at the Laurel Theater near the University of Tennessee campus Friday, Dec. 13. The concert will be followed by a reception. For more information, contact the Laurel Theater at 522-5851.

In January, the group will be featured (along with some other East Tennessee-based groups) on Ellen Kushner’s “Sound and Spirit” radio program, which is aired on National Public Radio.

Upcoming Performances

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