Chairman Warner, Senator Levin, and members of the Committee, thank you for the opportunity to appear before you today to discuss the Administration’s priorities for nuclear weapons, threat reduction programs, and DOE’s environmental cleanup program. Before I start, I also want to thank all of the members for their strong support for our critical national security activities.

Let me first address national security programs under the National Nuclear Security Administration (NNSA). NNSA’s FY 2006 budget request supports three fundamental national security missions:

- assure the safety and reliability of the U.S. nuclear weapons stockpile;

- reduce the threat posed by the proliferation of weapons of mass destruction; and

- provide reliable and safe nuclear reactor propulsion systems for the U.S. Navy.
NUCLEAR WEAPONS PROGRAMS

Our Nation continues to benefit from the security provided by safe, secure, reliable and effective nuclear forces. In this, I am pleased to report that for eight consecutive years, the Secretaries of Defense and Energy have reported to the President that the nuclear weapons stockpile remains safe, secure and reliable. I will join the Secretary of Defense soon in my first such assessment. This assessment is based not on nuclear tests, but on cutting-edge scientific and engineering tools, and extensive laboratory and flight tests of warhead components and subsystems. Each year, we are gaining a more complete understanding of the complex physical processes underlying the performance of our aging nuclear stockpile.

The FY 2006 request supports the requirements of the Stockpile Stewardship Program consistent with the Administration’s Nuclear Posture Review (NPR) and the revised stockpile plan submitted to the Congress in June 2004. Over $1.4 billion in FY 2006 is requested to support the Directed Stockpile Work that will ensure the operational readiness of the nuclear weapons in the nation’s stockpile. Our request places a high priority on accomplishing the near-term workload and supporting technologies for the stockpile along with the long-term science and technology investments to ensure the capability and capacity to support ongoing missions. We are requesting $4 million to restart the Robust Nuclear Earth Penetrator study and $14 million in FY 2007 to complete the study.

In our FY 2006 budget, $2 billion is focused on scientific and technical efforts essential for certification, maintenance and life extension of the stockpile which has allowed NNSA to move
to “science-based” certification and assessments for stewardship. Specifically, $491.7 million provides the basic scientific understanding and the technologies required for the directed stockpile workload and the completion of new scientific and experimental facilities. This includes $70.3 million for the Microsystem and Engineering Sciences Applications (MESA) complex which will enable us to continue a path of completion in FY 2010. We will continue our efforts to maintain the ability to conduct underground nuclear testing and complete the transition to the 18-month test readiness posture that is mandated by Congress.

With a request of $660.8 million for the Advanced Simulation and Computing Campaign, we will be able to remain on schedule to develop experimental and computational tools, and facilities and technologies necessary to support continued certification of the refurbished weapons and aging weapons components without underground nuclear testing. As we enhance our computational tools to link the historical test base of more than 1,000 nuclear tests to computer simulations, we can continue to certify whether the stockpile is safe, secure and reliable without resorting to nuclear testing. This will also include bringing on-line in FY 2006 a 100-teraflop system that will provide the supercomputer capabilities and three-dimensional modeling required for stockpile certification.

In the Inertial Confinement Fusion Ignition and High Yield Campaign, the $460.4 million request is focused on achieving ignition of a controlled fusion reaction at National Ignition Facility in 2010 to create temperatures and pressures found only in stars and exploding nuclear weapons. We are asking for $141.9 million to support construction of the National Ignition Facility to meet this goal.
The Pit Manufacturing and Certification Campaign request of $248.8 million continues work on reestablishing the ability to manufacture and certify the W88 pit by 2007, planning for future pit types, and planning for a Modern Pit Facility.

In FY 2006 we are requesting a total of $2.1 billion for NNSA’s facility operations and infrastructure recapitalization programs which provide for the operation of existing facilities, remediation and disposition of excess facilities, and construction of new facilities to enable NNSA to move toward a more supportable and responsive infrastructure.

With a request of $1 billion, the NNSA security program will protect weapons, materials, information and employees, and provide emergency response assets, including first-responder teams, in the event of a nuclear emergency. Funding for these programs increased significantly since FY 2001 to permit implementation of upgrades and improvements to our facilities resulting from recent revisions to the design basis threat for the DOE complex.

Beginning in FY 2006, the Budget request reflects the transfer from the Office of Environmental Management (EM) of funding for legacy cleanup and waste management activities at most NNSA sites. In FY 2006, NNSA will execute the Environmental Projects and Operations Program at the total requested level of $222.3 million (of which $47 million is funded in the Facilities Operations request for newly generated waste at Lawrence Livermore National Laboratory and Y-12 National Security Complex) to manage the environmental restoration, legacy waste disposition, and decontamination and decommissioning activities at NNSA sites.
(Kansas City Plant, Lawrence Livermore National Laboratory, Nevada Test Site, Sandia National Laboratories, Pantex Plant and the Separations Process Research Unit in New York).

The Department plans to transfer environmental activities at the Los Alamos National Laboratory (LANL) and the Y-12 National Security Complex from EM to NNSA in future years, with the transfer of LANL expected in FY 2007.

**Responsive Nuclear Weapons Infrastructure**

Overarching all these activities is our response to the Nuclear Posture Review (NPR) to create and maintain *a responsive nuclear weapons infrastructure*—a key element, along with strike forces and missile defenses, of the Administration’s “New Triad” of strategic capabilities. Of the many concepts advanced by the NPR, and refined in subsequent assessments, one of the most important is the recognition that a robust defense research and development and industrial base—which includes a responsive nuclear infrastructure—is as important as the forces themselves in achieving our defense goals.

By “responsive nuclear weapons infrastructure,” we refer to the resilience of the nuclear enterprise to unanticipated events or emerging threats, and the ability to anticipate innovations by an adversary and to counter them before our deterrent is degraded—all the while continuing to carry out the day-to-day activities in support of the stockpile. Unanticipated events could include complete failure of a deployed warhead type or the need to respond to new and emerging threats.
The elements of a responsive infrastructure include the people, the science and technology base, and the facilities and equipment to support a right-sized nuclear weapons enterprise. But, more than that, it involves a transformation in engineering and production practices that will enable us to respond rapidly and flexibly to emerging needs.

Our current infrastructure must be improved to be able to respond more rapidly to new requirements or to newly discovered safety and reliability problems of our future stockpile. A near halt in nuclear weapons modernization over the past decade has taken a toll on our ability to be responsive. For example, we have been unable to produce certain critical parts for nuclear weapons (plutonium parts, some secondary components) for many years. But we are on a path to redress key shortfalls. We have restored tritium production with the irradiation of special fuel rods in a Tennessee Valley Authority reactor, and anticipate that we will have a tritium extraction facility on-line in FY 2007 in time to meet the tritium needs of our stockpile. We are restoring lost uranium purification capabilities at our Y-12 plant, and modernizing other capabilities, so that we can meet demanding schedules of warhead refurbishment programs. We have taken steps to recruit and retain a strong workforce with the right skills for the focused mission. Finally, we are devoting substantial resources to restoring facilities that have suffered from years of deferred maintenance.

Our basic strategy will be to apply out-year savings from the reduced refurbishment workload associated with a smaller stockpile to finance, in part, this responsive infrastructure. Among other things, we must achieve the scientific goals of stockpile stewardship, continue facilities and infrastructure recapitalization at our labs and plants, proceed with the design and construction of
a Modern Pit Facility to restore plutonium pit production, strengthen test readiness and transfer knowledge to the next generation of weapons scientists and engineers who will populate this responsive infrastructure. If we can employ a responsive infrastructure to produce new or replacement warheads on a timescale in which geopolitical threats could emerge, or in response to stockpile technical problems, then this will enable consideration of further reductions in non-deployed warheads and thereby meet the President’s vision of the smallest stockpile consistent with our nation’s security. We will need continued support from Congress for this important effort.

National Ignition Facility

The National Ignition Facility (NIF) at Lawrence Livermore National Laboratory is an essential component of the Stockpile Stewardship Program and of a responsive nuclear infrastructure. Our FY 2006 budget requests $141.9 million for NIF construction. The NIF’s 192-laser beam facility will be capable of achieving the temperatures and pressures found only in stars and in exploding nuclear weapons. Achieving thermonuclear burn is a critical process in all our nuclear weapons, and NIF ignition is our only means to directly access it in the laboratory which, in the absence of underground testing, is essential to assessing the potential performance of nuclear weapons. For that reason, our Inertial Confinement Fusion (ICF) program activities are focused on the goal of ignition. As stated in the “Defense Sciences Board Report on the Employment of the NIF,” dated October 2004, NIF ignition will allow progress on the “most important remaining issue in weapons physics.” Execution of the first ignition experiment in 2010 is a high priority for NNSA and the Department. Consistent with this objective and with planned
budgets, we are updating plans for the NIF project and ICF ignition programs. I look forward to providing you with a revised plan by June 30, 2005, which describes our proposed path forward.

**Safeguards and Security and the Design Basis Threat**

Securing our people, our nuclear weapons and weapons-usable materials, our information, and our infrastructure from harm, theft or compromise is my highest priority. The job has become more difficult and costly as a result of two factors: the increased post-9/11 threat to nuclear warheads and associated fissile materials coupled with the primacy of “denying access” to these key assets—a much more rigorous security standard than “recapture/recovery.” This is reflected in NNSA’s FY 2006 budget request of $1 billion for the security program, of which $740 million is for Safeguards and Security to continue the steep upward trend in resources allocated to implement the Design Basis Threat (DBT) at all sites and facilities with nuclear materials. Our FY 2006 budget request ensures implementation of the 2003 DBT requirements and postures the Department to respond to the emerging specificity of the 2004 DBT requirements. The 2004 DBT, approved in October 2004, established the high-level safeguards and security requirements from which the site-specific parameters are being finalized. As we implement 2003 DBT requirements by the end of FY 2006, we will ensure that the specific actions are consistent with the 2004 DBT requirements so we can meet our goal to implement the 2004 DBT by FY 2008.

Funds in FY 2006 will be used to, among other things, upgrade protective forces weapons, training and equipment; harden storage structures; improve earlier detection and assessment of intrusion; consolidate nuclear material; and install additional delay mechanisms and barriers around critical facilities in order to protect our facilities against an evolving threat. Let me be clear, we will do what needs to be done to sustain our protective force readiness and our ability
to secure the complex. Funding for Safeguards and Security in NNSA has increased by almost 400 percent during this Administration, which is a strong indicator of the priority the Congress and the Administration place on our security mission.

**NON-PROLIFERATION AND THREAT REDUCTION PROGRAMS**

Let me now turn to nuclear non-proliferation and threat reduction programs. Acquisition of nuclear weapons by rogue states or terrorists is a grave threat to the United States. Our ability to counter this threat requires a comprehensive approach to threat reduction and nuclear nonproliferation. The DOE’s nuclear nonproliferation programs, implemented through the NNSA, are structured around this premise. The Administration is requesting $1.64 billion to support activities to reduce the global weapons of mass destruction proliferation threat, about a 15 percent increase over comparable FY 2005 activities. (Projects include shutting down two plutonium reactors by 2008, completing security upgrades in Russia by 2008, expanding the Megaports program, and expanding research and development to improve materials detection. All these efforts are directly related to homeland protection.) This increase demonstrates the President’s commitment to prevent, contain, and roll back the proliferation of the nuclear weapons–usable materials, technology, and know-how. The Department works with more than 70 countries to secure dangerous nuclear and radioactive materials, halt the production of new fissile material, detect the illegal trafficking or diversion of nuclear material, and ultimately destroy surplus weapons–usable materials. This multi-layered approach is intended to reduce the incentive for terrorists and rogue states to obtain WMD and limit terrorists’ access to these deadly weapons and materials. I would now like to provide a status update on a number of the Department’s key nonproliferation programs.
The FY 2006 Fissile Material Disposition budget request is $653.1 million, about $550 million of which is for Plutonium Disposition and $103 million of which is for U.S. uranium disposition. The Plutonium Disposition Program (also known as the MOX program), the Department’s largest nonproliferation program, provides for the disposal of 68 metric tons (MT) of surplus Russian and U.S. weapons-grade plutonium by fabricating it into mixed oxide (MOX) fuel for use in reactors. Although significant technical progress has been made on the U.S. MOX facility, delays resulting from an impasse with the Russian Federation on procedures to protect U.S. contractors from liability during work in Russia are forcing this program to restructure its planned schedule and funding requirements. We believe that we are close to resolving the liability issue. We have submitted a potential path forward that provides adequate liability protection for the United States and that we believe will satisfy Russian concerns. We will meet with Russian officials this week to discuss the details. We currently plan to begin site preparation activities in South Carolina and Russia in FY 2005. The United States was originally scheduled to begin construction of the MOX Fuel Fabrication Facility in 2002. The delays caused by the liability dispute have made this project more costly and more difficult to manage, but the Department remains committed to completing our plutonium disposition mission, both in the United States and Russia.

The Global Threat Reduction Initiative (GTRI), announced last May, represents the Department’s latest effort to identify, secure, recover, and/or facilitate the disposition of vulnerable nuclear and radioactive materials that pose a threat to the United States and the international community as quickly and expeditiously as possible. Since the creation of GTRI,
we have had a number of successes. Under our radiological threat reduction program, we have completed security upgrades at more than 130 facilities in countries such as Russia, Uzbekistan, Indonesia, Poland and Panama have on-going activities in South America, Central America, Africa, Asia and Europe. We have had two successful shipments since last May to repatriate Russian-origin highly enriched uranium from Uzbekistan in September and from the Czech Republic in December. The FY 2006 budget request of $98 million for GTRI supports the ambitious completion dates and program objectives set by the program.

For more than a decade, the United States has worked cooperatively with the Russian Federation and other former Soviet states to secure nuclear weapons and weapons material that may be at risk of theft or diversion. To date, we have provided security upgrades at more than 75 percent of nuclear sites at which we have done cooperative work. By the end of FY 2006, we will have completed upgrades on 100 percent of the Russian Navy nuclear fuel and weapons sites. We have begun work with the Russian Strategic Rocket Forces and aim to complete upgrades by 2007. The primary challenge in coming months will be to gain access to the remaining, and most sensitive, Russian nuclear facilities that contain large amounts of fissile material. In addition to securing material at the source in Russia, the FY 2006 request provided a significant increase for securing nuclear material outside the former Soviet Union. In another global initiative, we are deploying radiation detection capabilities at five additional major seaports in FY 2006 to pre-screen cargo containers destined for the United States for nuclear and radiological materials. The International Material Protection and Cooperation FY 2006 budget request of $343.4 million supports meeting all of the accelerated completion dates and objectives.
The Elimination of Weapons Grade Plutonium Production (EWGPP) will shut down the three remaining plutonium production reactors in Russia at Seversk and Zeleznogorak. These reactors currently produce approximately 1.2 metric tons of weapons-grade plutonium per year, enough to produce nearly a bomb a day. The plan is to dismantle and replace these reactors, which supply energy to local communities, with fossil fuel plants by 2008 in Seversk and 2011 in Zheleznogorsk. The first validated estimate of total program cost—$1.2 billion—was determined January, 2004. After extensive negotiations with Russia, we have achieved $200 million in cost savings. Also, with the authority provided in the FY 2005 Defense Authorization Act to accept international funding, we have successfully solicited a $20 million contribution from the United Kingdom and will continue to seek additional contributions from the international community to complete the Zheleznogorsk project. The FY 2006 budget request of $132 million fully funds the Seversk project to completion.

The Nonproliferation and Verification Research and Development Program is also set to receive a major boost in FY 2006. Any approach to preventing proliferation and, subsequently, a nuclear terrorist attack against the United States or allies requires that the United States possess the technical means to detect the proliferation of nuclear materials as quickly as possible. For years the Department’s Nonproliferation research-and-development has been flat-funded. The FY 2006 budget request of $272.2 million—an increase of 21.5 percent—will boost R&D in the area of nuclear detection technologies including new-generation miniaturized detectors with increased sensitivity.
Finally, a significant component of the Administration’s approach is to prevent the diversion of weapons of mass destruction (WMD)-related material, technology and expertise to and from states of proliferation concern. Through a variety of export control and safeguards cooperation activities with foreign governments, through efforts to engage scientists in the former Soviet Union and states in which WMD programs have recently been terminated, and through interactions with international bodies such as the International Atomic Energy Agency and Nuclear Suppliers Group, we are tightening the control of the most dangerous technologies and materials to prevent proliferation. The FY 2006 budget request for Global Initiatives for Proliferation Prevention and Nonproliferation and International Security is $118.1 million.

We need to remain cognizant of the linkage between a future that encourages broader use of nuclear energy in meeting rising energy demands worldwide and one that places a premium on nonproliferation and counter-terrorism performance. No one nation can address these future challenges alone. No single nation has a monopoly on nuclear technology or on the ideas or proposals that will mitigate the threats posed by proliferation and terrorism. We will continue to welcome the contributions and proactive cooperation of others who share our vision of a nuclear future that is better protected from the dangers of theft or diversion of sensitive nuclear materials and technologies. All of us share an obligation to work together to reduce the threat posed by high-risk, unsecured nuclear and radioactive sources and materials.

**NAVAL REACTOR PROPULSION PROGRAM**

Also contributing to the Department’s national security mission is the Department’s naval reactor propulsion program, whose mission is to provide the U.S. Navy with safe, militarily effective
nuclear power propulsion plants and ensure their continued safe, reliable and long-lived operation. Nuclear propulsion plays an essential role in ensuring the “forward presence” of the Navy around world to respond anywhere America’s interests are threatened. The program has a broad mandate, maintaining responsibility for nuclear propulsion from cradle to grave. Over forty percent of the Navy’s major combatants are nuclear-powered, including aircraft carriers, attack submarines, and strategic submarines, which provide the nation’s most survivable deterrent. The Administration is requesting $786 million to support the program’s ongoing work on power plant technology, reactor safety, materials development and servicing and evaluation.

CLEANUP AND CLOSURE OF CONTAMINATED FACILITIES

Closely related to the Department’s nuclear defense mission is the cleanup of various sites around the country that have been contaminated through the years as a result of the development of our nuclear defense capability. Over the past four years, the Department has reformed the massive cleanup process for these sites to accelerate the timetable and save costs while continuing to safeguard human health and the environment.

I thank Chairman Warner, all members of this Committee, and in particular Senator Lindsey Graham, for their hard work to pass legislation embodied in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 which allows the Department to continue the vital cleanup at the Savannah River Site and the Idaho National Laboratory.

The Department of Energy’s Office of Legacy Management (LM) is working closely with the Office of Environmental Management (EM) in transitioning the three 2006 closure sites: Rocky
Flats, Colorado; Mound, Ohio; and Fernald, Ohio. In preparing the sites for closure, Environmental Management and Legacy Management have established transition teams consisting of subject-matter experts from different fields, such as environmental and regulatory compliance, community outreach, records management, and worker benefits. The goal of the teams is to have a seamless transition from Environmental Management to Legacy Management at closure. Closure consists of physical completion (the remedy is in place), contractual closure, and regulatory closure.

ENSURING A SEAMLESS SITE TRANSITION

Even after the extensive cleanup operation by the Department, some residual contaminations will remain at the sites (i.e., it is technically and financially infeasible to restore the sites to levels acceptable for unrestricted use.) In order to protect human health and the environment, these sites will require long-term surveillance and monitoring. As you know, in December 2003, under the direction of the Congress, the Department created a Legacy Management program to consolidate the Department’s legacy mission. The long-term surveillance and monitoring mission of “closed” sites falls under the scope of the Legacy Management organization. I should also point out that while Legacy Management is a young organization, the Department has been performing long-term surveillance and monitoring functions for many years.

The scope of all work to successfully complete site transition is captured in the site transition plan. The transition is managed like a project with defined scope, schedule and cost to guard
against unanticipated delays and cost overruns. Legacy Management expects to assume the programmatic ownership of these sites starting in FY 2007.

PROTECTING THE NATION’S INVESTMENT IN CLEANUP THROUGH EFFECTIVE LONG-TERM SURVEILLANCE AND MONITORING

The primary function of long-term surveillance and monitoring at these closure sites and other legacy management sites is to ensure protection of human health and the environment until the managed waste materials left on-site are no longer hazardous. The Office of Legacy Management provides a comprehensive and effective management approach to implement the four major elements to meet this primary function: site monitoring, maintenance, and reporting; institutional controls; information and records management; and environmental monitoring.

Site monitoring includes periodic inspections to verify that engineered structures and barriers constructed to isolate hazards from the environment are intact. Maintenance activities could consist of repair of structures, replacement of signs and markers, and routine maintenance of security features such as fencing. All site activities must be documented for the archives.

Institutional controls include zoning restrictions, use permits, well-drilling restrictions, and other restrictions administered under local government authority. Institutional controls that can be imposed by the property owner (typically DOE) include deed restrictions, easements and restrictive covenants that are based on state property law. The Office of Legacy Management ensures these restrictions are maintained over time through periodic review and assessment.
Information and records management consists of storing, preserving, and providing access to background and design information and to activity reports. This information is available for use by the general public and other stakeholders and must be maintained for the use of future generations long after the initial custodians are gone.

Environmental monitoring is conducted to verify continued remedy performance and to provide an early indication of any problems that develop. Environmental monitoring can include air monitoring, surface water and groundwater monitoring, vegetation monitoring, soil and sediment sampling and monitoring, and wildlife assessments.

**Economic Development Assistance**

The Rocky Flats, Fernald, and Mound community reuse organizations (CROs) have all received community transition grants in order to mitigate the impacts of downsizing at these closure sites. These grants have been used to create jobs in the communities or determine the future use of the site in the case of Rocky Flats. The Department considers the role planned for community and worker transition activities to be completed, and no additional funding has been requested.

**Property Transfer**

The Department is the fourth-largest federal land manager, conducting its mission at 50 major sites on 2.4 million acres across the United States. The Office of Legacy Management and the Office of Environmental Management have been working together to ensure successful transfer of property for alternative uses. For example, Rocky Flats is approximately 6,500 acres. After Environmental Management has successfully completed its closure mission, a majority of the
land will transfer to the U.S. Fish and Wildlife Service pursuant to the Rocky Flats National Wildlife Refuge act of 2001. Between 800 and 1,000 acres will be retained by DOE, specifically transferring from Environmental Management to Legacy Management for long-term surveillance and maintenance. Fernald is another closure site that Environmental Management and Legacy Management are working to complete environmental remediation and transition into long-term surveillance and maintenance.

The Fernald site is approximately 1,050 acres and will remain in federal ownership post-closure. DOE will conduct long-term surveillance and maintenance at the site for foreseeable future. Additionally, Mound is another of the Department’s closure site. The end use of Mound will be an industrial park. Originally the site was about 306 acres. When the Department made the decision to close the Mound site, Miamisburg city officials began making plans to redevelop it after cleanup was completed. The Miamisburg Mound Community Improvement Corporation (MMCIC) was formed, by city ordinance, to oversee redevelopment of the site into a commercial industrial park. As of today, more than 40 percent of the original site footprint has been transferred. With DOE support, MMCIC and the community formed a partnership to transition Mound for reuse as a technology and industrial park to diversify the region’s economy and to generate new job opportunities. DOE has supported the economic development effort with grants and matching funds totaling more than $60 million. The Mound Advanced Technology Center currently houses 27 businesses with a total of more than 300 employees.
RECOGNIZING THE VALUE OF EFFECTIVE OUTREACH

Legacy Management is committed to working with the communities and stakeholders at each of the sites not only during the transition phase of the sites, but also continuing after closure. The three sites will adhere to regulations set by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and public participation requirements, as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA). Legacy Management has made it a priority to gather community opinion and to work closely with stakeholders. Each site will have a public involvement plan that will outline methods of communication to inform the public of site activities.

Public participation activities are conducted to actively inform the public about individual sites and will include public meetings, maintaining the administration records and public reading rooms, maintaining an internet website, conducting site tours, and issuing news releases, notices, fact sheets and other publications as needed.

In addition to these methods of informing the public, Congress passed legislation in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, which requires the Department to establish local stakeholder organizations (LSOs) at the Rocky Flats, Fernald and Mound sites. These local stakeholder organizations will be formed in consultation with local elected officials and will provide advice to Legacy Management on issues and concerns regarding the sites. Membership will be comprised of local elected officials or their designees. The local stakeholder organizations must be established within six months of closure of the three sites. Legacy management has engaged in meetings with stakeholders at the three sites and is
asking for input to develop the local stakeholder organizations. Legacy Management met with the Rocky Flats Citizen Advisory Board and the Rocky Flats Coalition of Local Governments in February 2005. Meetings with stakeholders at Fernald and Mound will be held in February 2005. After initial input is gained, Legacy Management will develop a concept of establishing the local stakeholder organizations to be reviewed and developed with the stakeholders.

Thank you. This concludes my formal statement. I would be pleased to answer any questions you may have at this time.