Monthly Status Briefing

February 2011

BGCAPP

Blue Grass Chemical Agent-Destruction Pilot Plant

A Partnership for Safe Chemical Weapons Destruction

Project Background

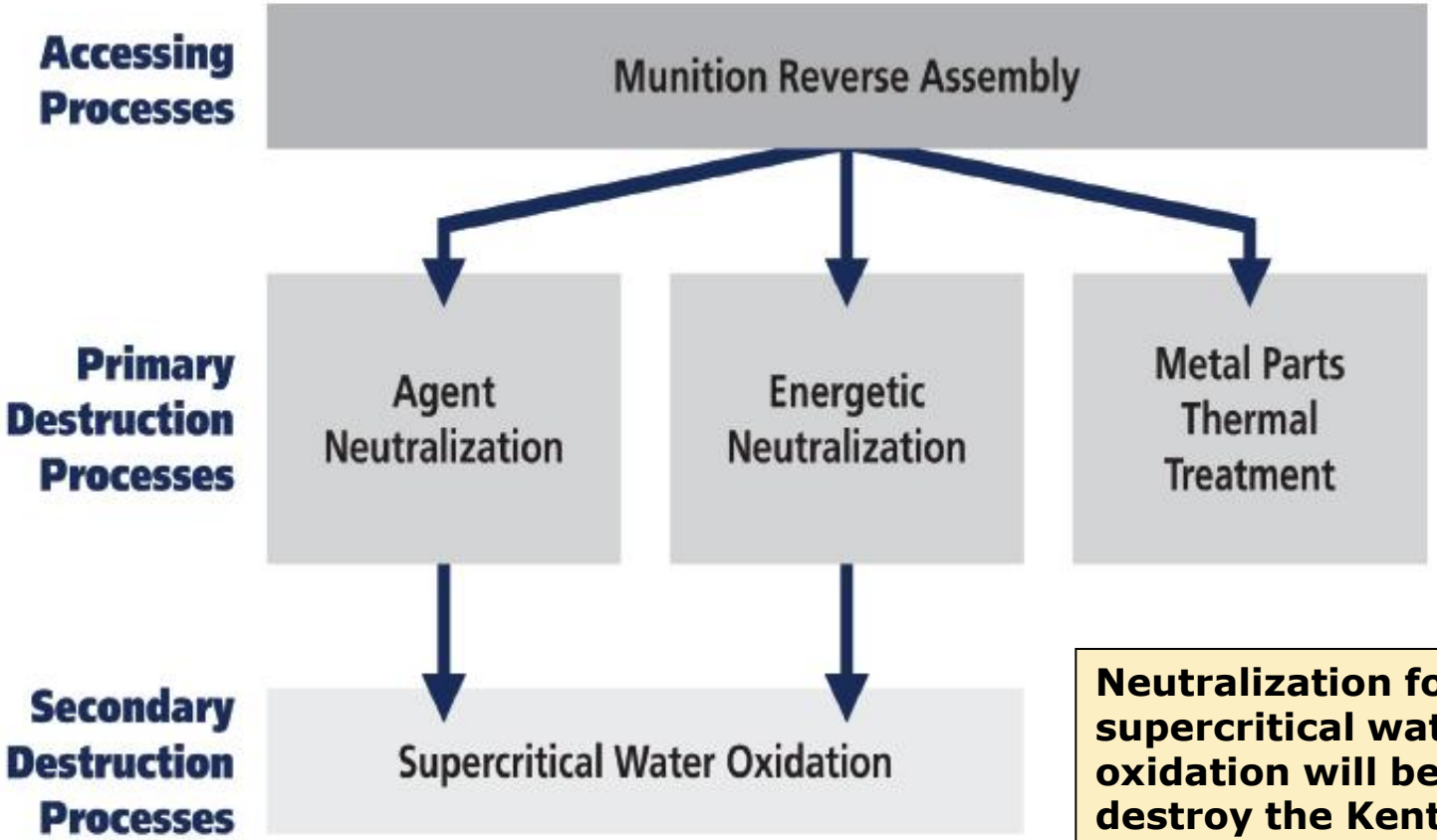
- The Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP) will safely destroy 523 tons of chemical agent in rockets and artillery projectiles stored at the Blue Grass Army Depot in Richmond, Kentucky.

- The technology selected by the Department of Defense to destroy the Blue Grass chemical weapons stockpile is neutralization followed by Supercritical Water Oxidation (SCWO).

- The Program Manager, Assembled Chemical Weapons Alternatives (ACWA), headquartered at Aberdeen Proving Ground, Maryland, is responsible for managing all aspects of the safe and environmentally sound destruction of the chemical weapons stockpiles in both Kentucky and Colorado.

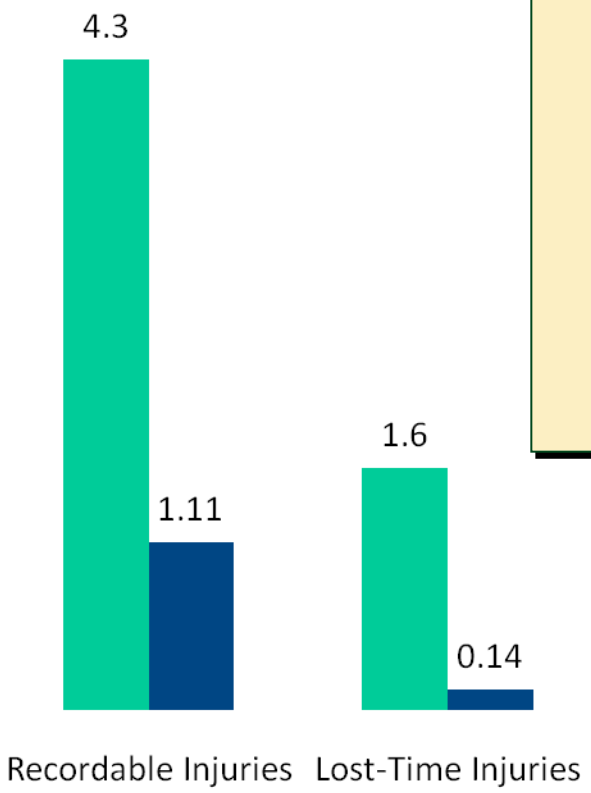
- The Bechtel Parsons Blue Grass Team, a joint venture of Bechtel National, Inc. and Parsons Infrastructure and Technology Group, along with teaming partners URS Washington Division, Battelle Memorial Institute, General Atomics and General Physics, is the systems contractor selected to design, build, systemize, pilot test, operate and close the BGCAPP.

Destruction Technology



Neutralization followed by supercritical water oxidation will be used to destroy the Kentucky stockpile.

Safety



- Continued progress toward OSHA Voluntary Protection Program Star Status
- Lost-time injury rate **91 percent lower** and recordable injury rate **74 percent lower** than industry average
- As of January 31, 2011, the project has completed 1,068,985 hours and 273 days without a lost-time accident.

Current Project Staffing

- **Total project employment—799**
- **Richmond, KY—663**:
  - Nonmanual—378
  - Craft—285
  - Local hires—54 percent
- **Other locations—136**
  - Pasco, WA
  - San Diego, CA
  - Columbus, OH
  - Frederick, MD

The BGCAPP team earned the Richmond Chamber of Commerce "Industry of the Year" award last month for continued employment growth and good corporate citizenship.

Economic Impact

- **Acquisitions**
  - More than $69.7 million spent with Kentucky companies of which $42.3 million has been spent in Madison and surrounding counties
- **Payroll**
  - Approximately $183 million of local payroll to date
  - More than $444 million more to be paid remainder of project

Construction Work in Progress

- **Munitions Demilitarization Building (MDB)**
  - Concrete blast walls
  - Structural steel
  - Interior wall panels
- **Control and Support Building**
  - Interior metal wall studs
  - Electrical and piping systems
  - Heating, ventilation and air conditioning (HVAC)
  - Roofing and siding
- **Utility Building (UB)**
  - Boiler room support equipment
  - Piping installation
- **Supercritical Water Oxidation (SCWO) Building**
  - Concrete foundation placements

The BGCAPP workforce received and safely offloaded 38 Enhanced On-site Containers (EONCs) and 15 EONC trailers which arrived in late January from the Pine Bluff Chemical Agent Disposal Facility in Arkansas. EONCs will safely transport the chemical munitions from igloos to the BGCAPP during plant operations.

Control and Support Building (CSB)

BGCAPP construction craft workers continued installing electrical cable tray and metal wall studs within the CSB.

Work also continued on roof paneling and penetrations as well as piping and HVAC installation activities. Once complete, the CSB will house the control room and integrated control system used to operate BGCAPP.

Munitions Demilitarization Building (MDB)

Construction craft workers (above) installed a venturi scrubber within the MDB last month. The scrubber is a vital component of the BGCAPP air pollution control system. Meanwhile, structural steel installation activities continued as well.

Concrete placement activities (below) continued on the MDB blast walls. The MDB is where the chemical weapons will be disassembled, explosives removed, and the agent neutralized.

Supercritical Water Oxidation (SCWO) Building

Construction craft workers continued installing reinforcing steel in preparation for additional SCWO concrete foundation placements. Earthwork activities also continued as craft workers backfilled footers.

The SCWO Building will house the reactors where agent and energetic hydrolysates, a byproduct of the neutralization process, will be subjected to very high temperatures and pressures to destroy the hydrolysates' organic content.

Utility Building

Construction craft workers installed a trio of Utility Building boilers (below) earlier this month. The Utility Building will house equipment to produce steam, compressed air, chilled water and hot water for operations.

A host of activities is taking place inside the enclosed Utility Building (above). These include the installation of boiler room support equipment, piping, sheet rock, and HVAC.

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