



TO: DR. STEVEN CHU, SECRETARY OF ENERGY
FROM: ENERGY COMMUNITIES ALLIANCE
DATE: FEBRUARY 2009
RE: ECA PRIORITIES FOR THE OBAMA ADMINISTRATION

Introduction

During your first months in office, you will have the unique opportunity to shape the direction of the Department of Energy (“DOE”) and the National Nuclear Security Administration (“NNSA”). As you develop new programs and maintain the progress of past initiatives, the Energy Communities Alliance¹ – the national association of local communities that host or surround DOE facilities – offers you the enclosed issues and recommendations that we believe are critical to the success of DOE and the well-being of our nation.

Summary

ECA has been the voice for local governments and communities around DOE and NNSA sites for over 15 years. Together with the DOE, ECA has worked to achieve mutually beneficial solutions for the benefit of the public interest and the American taxpayer. Our organization’s perspectives on DOE programs provides value-added to discussions on budgeting, prioritization, and integration of missions. In this document, we provide a short-list of priorities for 2009, as the nation faces both significant challenges and opportunities. Of primary importance to ECA is that the new Administration: (1) work with Congress to adequately fund the DOE environmental cleanup accounts; (2) work with DOE program offices to promote economic diversification and energy independence projects at the national laboratories and defense environmental cleanup sites; (3) ensure a path forward on nuclear waste disposal; (4) support efforts to transform the NNSA weapons complex; (5) provide solutions to human capital shortfalls and put measures in place to avoid massive workforce restructuring; (6) continue to support DOE’s efforts to work collectively with intergovernmental organizations representing tribal, state, and local interests; and (7) maintain the requirement for local government input in DOE decisionmaking.

Enclosure

¹ Energy Communities Alliance (“ECA”) board members include elected officials and administrators from local governments impacted by DOE and NNSA sites. ECA’s mission is to bring together local government officials and community leaders in DOE-impacted communities to share information, establish policy positions, and advocate community interests in order to effectively address an increasingly complex set of environmental and economic development needs.

ECA PRIORITIES FOR THE NEW ADMINISTRATION

(1) Environmental Cleanup Funding

Issue: The DOE Environmental Management (“DOE-EM”) program faced a historically low Presidential budget request in FY2009, even as costs and schedules are increasing substantially. Inadequate budgets for the DOE-EM program have caused many binding legal agreements with state regulators to be compromised, as well as thousands of layoffs of highly skilled workers.

Recommendation: The new Administration and Congress should substantially restore funding in FY2010 and out-years. ECA communities support the following DOE defense environmental cleanup budget priorities:

- *Working With OMB to Develop Regulatory Compliance Budgets* – The new Office of Management and Budget (“OMB”) in cooperation with DOE-EM should develop an FY2010 budget that at a minimum meets the requirements of regulatory agreements between DOE and states where EM sites are located and puts the health and safety of communities first.
- *Environmental Cleanup Funding in New Economic Stimulus* – In the short term, funding for the DOE-EM program should be included in any new economic stimulus packages. The DOE-EM program not only cleans up some of the most environmentally polluted sites in the world, but it also provides “boots on the ground” jobs ready to go that are critical to our nation’s physical and human infrastructure.
- *Consultation With Communities in Priority and Budget Development Process* – DOE-EM should consult with local governments, site-specific advisory boards, and other stakeholders when developing cleanup priorities, budget requirements and local priorities. Whether the focus is on reducing risk, reducing infrastructure, or completing strategic cleanups, DOE should seek local input on prioritizing its actions and budget approach prior to its submission to the Office of Management and Budget

(2) Economic Diversification and Energy Independence

Issue: DOE presence is part of the fabric of local and regional economies, and in the current economic climate, communities are facing difficult times and are seeking growth opportunities. As DOE missions change and environmental cleanups are completed at various DOE-EM sites, it is important that local communities seek economic development and diversification opportunities to sustain themselves well into the future.

Recommendations: ECA communities support the following economic development opportunities:

- *Technology Transfer* – National Laboratories and DOE facilities develop cutting edge technologies that have multiple uses. DOE and NNSA must be leaders in transferring the technologies to the private sector. Local communities around DOE sites can assist DOE to accomplish these goals. Further, in the energy arena local governments should be the test sites for many of the DOE energy efficiency and alternative energy projects.
- *Nuclear Energy Development and Deployment* – Local governments that host or are adjacent to DOE facilities are home to uniquely trained workers, specialized academic programs, and companies with vast experience in the nuclear industry, all of which are critical in building and operating new nuclear facilities. Assuming nuclear energy advances as a key component in a comprehensive national energy policy, ECA communities suggest that DOE Office of Nuclear Energy continue to engage local governments interested in nuclear energy efforts. In the context of nuclear power, ECA commends DOE-EM for demonstrating that nuclear waste can be managed safely.
- *Energy Independence Projects at EM Sites* – As DOE owned parcels of land are cleaned up and become available to local governments or Community Reuse Organizations, they should be reused for clean energy redevelopment projects such as “technology/energy parks” to capitalize on current infrastructure and expertise. It is paramount to retain, maintain, and reuse critical national capabilities (both physical and human) for energy independence needs.

(3) NNSA Complex Transformation

Issue: NNSA is an important part of our national security and our science activities.

Recommendation: ECA recommends the following as NNSA develops and implements future plans:

- *NNSA’s Complex Transformation Plan* – ECA supports the preferred alternative which would achieve a smaller, safer, and less costly weapons complex.
- *Science Capability* – ECA communities continually identify and support the unique capabilities of the national labs that are currently supported by the weapons complex including climate change research, energy efficiency, energy production, homeland security missions and other missions.
- *Workforce Restructuring* – ECA communities urge cooperation with NNSA to address workforce restructuring plans and long-range planning for new missions; and
- *Community Infrastructure* – ECA urges greater clarity and information on community infrastructure impacts on schools, roads, and other municipal services

that will result from population changes in the local area due to NNSA's future plans.

- *Excess Property* – ECA urges the identification of excess property as a result of new NNSA plans that may be conveyed to local governments and Community Reuse Organizations for redevelopment purposes.

(4) Yucca Mountain Licensing and Construction

Issue: DOE recently submitted its license application for the construction and operation of the proposed Yucca Mountain nuclear waste repository. The federal government is obligated by Congress to build a repository, has spent billions thus far on the project, and has settled millions in claims with utilities due to failure to move nuclear waste to a final disposal pathway.

Recommendation: ECA communities urge the following with respect to the disposal of nuclear waste:

- *Construction and Operation of the Yucca Mountain Repository* – ECA support geologic disposal pursuant to the Nuclear Waste Policy Act (“NWPA”). Much of the high-level defense waste across the DOE complex must be removed from sites such as Idaho National Laboratory, Hanford, and Savannah River Site under binding legal agreements. A final repository at Yucca Mountain is therefore integral to the EM and Defense Environmental Cleanup program regardless of issues with commercial spent fuel.
- *Yucca Mountain NRC License Application Process* – ECA supports a full and fair Nuclear Regulatory Commission licensing process, which is authorized within the context of the NWPA. The license application should not be withdrawn without due consideration of the ripple effects such action will create.
- *Interim Storage as Part of an Integrated Approach to Ultimate Disposal* – ECA supports the option of pursuing interim storage, provided economic incentives and health and safety monitoring and oversight are awarded to communities who agree to host such facilities; and
- *Yucca Mountain Alternatives* – If alternative proposals to Yucca Mountain are advanced, DOE should seek local government input as its first line of communication. ECA's membership includes the Yucca Mountain host community, Nye County, Nevada, and other Nevada communities, such as Lincoln County, who are directly impacted by transportation routes.

(5) Workforce Development

Issue: The nuclear workforce is aging; roughly 50 percent of workers will be eligible for retirement in the next 10 years. It is, therefore, imperative to address the “brain drain” that will occur as a result of losing nuclear engineering and environmental cleanup

expertise. Without adequately addressing the aging workforce situation, the nuclear energy renaissance and nuclear waste cleanup and disposal programs are at risk. There will be a loss of skills to execute program goals, and a misalignment of remaining skills with future business requirements, absent federal action.

Recommendation: ECA encourages DOE to undertake the following:

- *University Recruitment Efforts* – DOE should direct additional resources towards recruitment of young talent through university scholarship and internship programs.
- *Implementation of DOE Human Capital Initiatives* – DOE should continue to implement its Human Capital initiatives identified in the recent National Academies of Public Administration report to ensure that it retains and recruits employees that are well-trained, inquiring, and motivated and who will be able to provide a smooth transition in carrying forward nuclear-related work.
- *Workforce Restructuring Plans* – DOE should consult with local governments and Community Reuse Organizations when developing workforce restructuring plans pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 2003.

(6) Local Government Role in DOE Decision-Making

Issue: Local governments are responsible for the health and safety of their communities, including the well-being of DOE employees and contractors. Maintaining partnerships between the Administration, DOE and local communities allows for a unity of purpose and message when attempting to pitch a particular program to Congress and the general public. ECA has found that the mutually beneficial partnership has saved DOE hundreds of millions of dollars.

Recommendation: DOE should seek local government input in the federal decision-making process through the following methods of cooperation:

- *Pre-decisional Consultations* – The DOE decision-making process should include consulting with local elected officials on a pre-decisional basis when any impact on the local community is possible. Moreover, DOE and NNSA should continue to interface with local governments when developing programmatic proposals (and environmental impact statements) in order to educate interested parties and avoid mistrust and potential controversy.
- *Statement of Principles* – DOE should reaffirm the *Statement of Principles Outlining the Relationship Between the U.S. Department of Energy & Local Governments* with ECA. This document has outlined the relationship between DOE and local governments over the past fifteen years.

- *Consultations on Renegotiations of Federal Facility Agreements* – At each site, DOE, EPA, and state governments should proactively engage local government input when renegotiating environmental cleanup federal facility agreements (FFAs) because it is the local citizens who are most impacted by decisions that will have lasting environmental and public health effects.
- *Participation on the Environmental Management Advisory Board* – DOE-EM should once again engage ECA by reaffirming the local government seat on the Environmental Management Advisory Board, which provides recommendations to the Assistant Secretary to improve operations.² As of February 2009 ECA has been told that a member is likely to be appointed to EMAB.

(7) Intergovernmental Partnerships

Issue: ECA continues to support strong relationships with partner organizations such as the National Governors Association, the National Conference of State Legislatures, the State and Tribal Government Working Group, the National Association of Attorneys General, and the Environmental Council of the States. Through enhanced communications among the intergovernmental groups and with DOE, the information loop provides all parties interested in DOE activities with the materials needed to make informed decisions.

Recommendation: ECA thus urges DOE to:

- Continue its partnerships with intergovernmental organizations through the annual Intergovernmental Meeting with DOE, the recently established Combined Intergovernmental Working Group, individual meetings, and other mechanisms.

For more information please visit the ECA web page at www.energyca.org or call Nithin Akuthota, Deputy Director at 202.828.2423 or e-mail nithina@energyca.org.

² ECA remains concerned that no ECA member will be on EMAB for the first time in almost 15 years due a decision made in October 2008 by the then EM Assistant Secretary.