DOE REORGANIZES, MOVING EM TO NEW UNDER SECRETARY FOR MANAGEMENT AND PERFORMANCE

Secretary Moniz announced details of a DOE reorganization on July 18. The Office of Environmental Management (EM) will no longer report to the Under Secretary for Nuclear Security (also the Administrator of NNSA).

President Obama plans to nominate former NASA Chief Financial Officer, Beth Robinson, to serve as Under Secretary for Management and Performance, a newly created position that will oversee EM. Elizabeth Connell will serve as a senior advisor for EM.

(Continued on page 2)

DOE’S RESTRUCTURING PLAN AT SRS MUST INCLUDE COMMUNITY INPUT

On July 8, DOE released a draft workforce restructuring plan for the Savannah River Site (SRS) and solicited comments from community stakeholders. The Department had a statutory requirement to initiate this process upon determination that workforce changes were needed at SRS.

DOE accepted comments on the plan through July 22, and is now finalizing the plan before sending it to DOE headquarters for approval.

The plan covers SRS contractors that provide services to the Savannah River Operations Office,

(Continued on page 2)
DOE Reorganizes

The Office of the Under Secretary for Management and Performance has been established to manage:

- Office of Environmental Management (EM)
- Office of Legacy Management (LM)
- Office of Management and Administration (MA)
- Office of Chief Human Capital Officer (HC)
- Office of Chief Information Officer (CIO)
- Office of Economic Impact and Diversity (ED)
- Office of Hearings and Appeals (OHA)

The Office of the Under Secretary for Science and Energy will now manage:

- Office of Science (SC)
- Office of Fossil Energy (FE)
- Office of Energy Efficiency and Renewable Energy (EERE)
- Office of Nuclear Energy (NE)
- Office of Electricity Delivery and Energy Reliability (OE)
- Office of Indian Energy (IE)
- Office of Technology Transfer Coordinator

Restructuring Plan at SRS Must Include Community Input

and establishes the framework in which any restructuring of the workforce at SRS would be implemented. The largest contractors at SRS are Savannah River Nuclear Solutions, Savannah River Remediation and Wackenhut Services.

The plan’s objective is to minimize the impact of restructuring on affected employees and the community, with available funding, through:

- Reassignment to jobs open within each respective contractor’s workforce;
- Retraining assistance for internal job opportunities;
- Rehiring preference for involuntarily separated employees;
- Outplacement assistance for employees to maximize opportunities for external job placement when internal placement or retraining programs are not practicable; and
- Consultation and coordination with the community and area stakeholders to ensure that affected workers are made aware of all available avenues of assistance.

The Savannah River Site Community Reuse Organization (SRSCRO), a key stakeholder in this process, told Savannah River Operations Office in a July 17 letter, “any restructuring plan contemplated by DOE is an extremely important event that requires community input and involvement.”

SRSCRO recommended a new section for inclusion in the plan, focusing on community and economic development. According to the new section, “DOE and its contractors shall fully support the local
DOE SHOULD FOLLOW DOD’S LEAD AND PROVIDE PLANNING SUPPORT TO COMMUNITIES AFFECTED BY CUTBACKS

DOE should establish a program to provide planning assistance for communities impacted by Department cutbacks, per the model developed by the Department of Defense (DoD). Recent cutbacks to DOE cleanup operations and construction projects have left a big impact on many communities and make this a timely issue. DOE communities step up to support missions with a national impact, and deserve economic adjustment assistance when the missions slow down or cease operations, similar to DOD communities.

United States law has already established, via 50 USC § 2704, that DOE has an obligation to develop a plan for restructuring the workforce of a defense nuclear facility upon determination that a change in the workforce is necessary. This statute recognizes that defense nuclear facilities are a component of national security, and deserving of economic adjustment assistance to minimize social and economic impacts.

Workforce restructuring plans are important, however, DOE communities need more flexible tools to respond to changes in the missions they host. The economic adjustment assistance currently provided by DOE is reactive instead of proactive, and agency-driven instead of community-driven. DOE communities, and the missions they support, would benefit from the ability to apply for funding from a central office in support of economic adjustment activities envisioned by the communities.

There is a successful model for this approach. Since 1961, DoD’s Office of Economic Adjustment (OEA) has provided funding and helped develop strategies for communities to adjust to defense industry cutbacks, base closures, force structure realignments and base expansion. OEA continues its mission to this day, having just announced a new round of assistance in June:

This notice announces a federal funding opportunity to obtain funding from the DoD OEA for community planning assistance and economic diversification in response to reductions or cancellations in DoD spending.

Establishing an OEA-like program and funding within DOE makes sense because DOE communities have much in common with DoD communities, including nationally significant missions, large real estate footprints and extensive federal and contractor workforces. DOE communities deserve the opportunity to apply for community planning assistance in response to changes in DOE spending and operations. Empowering energy communities to apply for assistance funding would result in more proactive planning, strengthening the communities and the DOE missions they host.

DOD has taken the lead in working with impacted communities at defense facilities. DOE used to financially assist communities, but support has disappeared over the years. DOE needs to take the lead again.

How DoD Community Support Funding Works

Entities Eligible for DOD Funding

States, counties, municipalities, other political subdivisions of a State; special purpose units of a State or local government; and tribal nations are

(Continued on page 12)
Congress continued to make progress on the fiscal year 2014 (FY14) appropriations bills this month, however, as each week passes, the deadline for enacting the annual funding bills creeps closer. As a result, the phrase “continuing resolution” is increasingly entering conversations.

With Congress preparing to take its customary one-month August recess, lawmakers will have approximately one month to pass 12 appropriations bills when they return from recess before the new fiscal year begins on October 1. CQ Roll Call says that Congress is “all but certain” to begin work on a continuing resolution (CR) upon return from August recess.

A CR is used to fund the Federal Government when Congress fails to pass (or the President does not sign into law) one or more of the twelve annual appropriation measures before the new fiscal year begins. A CR provides funding at the previous fiscal year’s level while Congress works on passing a new annual budget. Flat funding under a CR makes it difficult for agencies to implement programs and respond to changes in priorities.

The budget environment for energy community programs is likely to remain challenging in the foreseeable future, with another CR likely on the way, sequestration remaining in effect and no clear plan to address long-term deficit reduction.

House Passes Energy-Water Appropriations Bill

Although a CR may be implemented for FY14, progress on the Energy-Water Appropriations Bill increases the likelihood that the measure could be enacted as a stand-alone or omnibus full-year appropriations act while other measures are bundled into the likely CR. Even if Energy-Water is included in a CR, the FY14 funding levels and direction the House and Senate are now setting would be used to negotiate the final spending bill that eventually replaces the CR for the remaining portion of the fiscal year.

Last month, we reported the House Appropriations Committee passed its version of the FY14 Energy-Water Appropriations Bill (H.R. 2609) and referred it to the full House. The full House passed the bill on July 10, after adopting several amendments of interested to energy communities.

An amendment by Rep. Doc Hastings (R-WA) added $22 million for Hanford cleanup, and an amendment by Rep. Tom Reed (R-NY) added $19 million to the Non-Defense Environmental Cleanup

Upcoming Nuclear Waste Hearings

- ECA will provide testimony at a July 30 Senate Energy and Natural Resources Committee hearing to consider the Nuclear Waste Administration Act of 2013 (S. 1240); more information here.
- Secretary Moniz will provide testimony at a July 31 House Energy and Commerce Subcommittee on Environment and the Economy hearing, “Oversight of DOE’s Strategy for the Management of Used Nuclear Fuel and High-Level Radioactive Waste;” more information here.
program in support of cleanup of sites such as New York’s West Valley Demonstration Project.

See the updated FY14 Defense Environmental Cleanup funding table above.

The Senate Appropriations Committee passed its version (S.1245) of the measure on June 27 and it is unknown when the full Senate will take it up.

**President Obama Issues Veto Threat Against House Energy-Water Bill**

President Obama issued a Statement of Administration Policy on July 8, saying, “If the President were presented with H.R. 2609, his senior advisors would recommend that he veto the bill.”

Major areas of disagreement between the President and the House include House cuts to green energy programs, limitations on the President’s ability to implement nuclear weapons strategy and support for the Yucca Mountain geological repository.

**Senators Unveil Comprehensive Nuclear Waste Legislation**

A bipartisan group of senators introduced the Nuclear Waste Administration Act of 2013 (S. 1240) on June 27.

Senators Dianne Feinstein (D-CA), Lamar Alexander (R-TN), Ron Wyden (D-OR) and Lisa Murkowski (R-AK), who are the leaders or the Senate Energy and Water Appropriations Subcommittee and the Energy and Natural Resources Committee, introduced the bill.

Upon introduction, Wyden said, “Stalemate can’t solve our nation’s nuclear waste issues. This bill takes immediate steps to more safely store the most dangerous radioactive waste, and lays out a clear plan for a permanent solution.”

See the full story on the bill at page 10.

**Bruce Held to Serve as Acting NNSA Administrator**

Secretary Moniz announced on June 28 that Bruce Held, Associate Deputy Secretary, will serve as the Acting NNSA Administrator. Neile Miller, former NNSA Principal Deputy Administrator and Acting NNSA Administrator, previously announced that she would step down from her roles.

**Macfarlane Sworn in for Full Term as NRC Chairman**

Allison Macfarlane was sworn in as chairman of the U.S. Nuclear Regulatory Commission on July 1, after receiving Senate confirmation June 27. She was originally nominated by President Obama and confirmed by the Senate to a term expiring June 30, 2013. Macfarlane will now serve a full five-year term as chairman.

Macfarlane served on the Blue Ribbon Commission on America’s Nuclear Future from 2010 to 2012.
Restructuring Plan at SRS Must Include Community Input

Community Reuse Organization and support community economic development programs, and such other programs as DOE may from time-to-time direct where such programs can be leveraged to benefit regional economic development and diversification.”

Specifically, the new section would call on DOE and its contractors to support the community by:

- Conducting the economic transition of SRS resources in a manner that promotes the cleanup mission, maximizes economic growth and stability of the region, and maximizes an effective transition of the SRS work force into local private sector jobs;
- Converting to commercial re-use Site and work force assets as well as surplus or underutilized SRS land, facilities and equipment;
- Seeking to attract new businesses to the Community through partnerships, contractors, licensing agreements, and other arrangements with the potential to leverage science and technology and provide clean-up mission opportunities. Once established, DOE would encourage these new businesses to aggressively pursue diversified SRS and non-SRS business opportunities from the local base;
- Transferring and commercializing SRS technologies in ways that result in significant expansion of local commerce and employment, including creation of new private sector companies capitalizing on technology developed and/or utilized at SRS;
- Broadening existing and new SRS markets to reach local, regional, and international business that can provide local economic expansion and the gradual transition of jobs to the private sector;
- Collaborating with the affected Communities’ economic development agencies and councils to help formulate economic development programs and activities commensurate with the negative economic impact anticipated from SRS work force restructuring;
- Under the authority of Section 3161, pursuing procurement from and entering into contracts with firms located in the Communities wherever practicable to help mitigate the negative economic impact from work force restructuring;
- Reducing or mitigating procurement and/or contract impediments, regulatory overlap, and duplication that result in delays and added costs in procurement of private sector resource; and
- Evaluating market opportunities, fund and pursue new federal missions, programs and special user facilities at SRS consistent with Congressional and Administration policies.

DOE’s draft workforce restructuring plan is available here.

(Continued from page 2)

Bulletin Ideas?

Would you like to have stories featured in the next Bulletin?
Send your ideas and photos to Allison@energyca.org
**HANFORD LANDFILL REACHES 15 MILLION TONS WASTE DISPOSAL LANDMARK**

As of this month, the Environmental Restoration Disposal Facility (ERDF) has disposed of 15 million tons of contaminated material from the Hanford Site since the facility began operations in 1996.

“Hanford cleanup can be measured by the successes we see at the Environmental Restoration Disposal Facility,” said Matt McCormick, manager of DOE’s Richland Operations Office. “It provides a safe, compliant location to dispose of a variety of waste, and demonstrates the tremendous quantity of cleanup we’ve accomplished over 24 years of Hanford cleanup.”

ERDF is managed by Washington Closure Hanford as part of the River Corridor Closure Project. The landfill is the largest disposal facility in the DOE cleanup complex, and designed to be expanded as needed. It currently covers 107 acres at the base of the disposal trench – roughly the same area as 52 football fields – and has a capacity of 18 million tons.

The DOE press release is available [here](#).

**DOE IG REPORT: FOLLOW-UP INSPECTION ON CHARACTERIZATION WELLS AT LOS ALAMOS NATIONAL LABORATORY**


The initial report on characterization wells at Los Alamos National Laboratory (LANL), from 2005 noted the use of mud rotary drilling methods during well construction was contrary to constraints established in Resource Conservation and Recovery Act guidance, and could compromise the reliability of groundwater contamination data.

LANL has taken action to improve the management of its characterization well program, the follow-up report finds. Specifically, the report notes that LANL no longer uses mud rotary drilling methods during well construction, and appropriate steps have been taken to ensure data derived from monitoring wells is reliable.

The report is available [here](#).
PUBLIC COMMENT OPPORTUNITY: NRC REPORT CONCLUDES SPENT FUEL POOLS PROTECT PUBLIC HEALTH AND SAFETY; DRY CASK STORAGE DOES NOT NEED TO BE ACCELERATED

The Nuclear Regulatory Commission (NRC) is seeking public comment on a draft report that examines the risks and consequences of spent fuel pool accidents to help determine whether accelerating the transfer of older, colder spent fuel from the spent fuel pool to dry cask storage significantly reduces risks to public health and safety. The report concluded that spent fuel transfer from spent fuel pools to dry cask storage does not need to be accelerated. Based on this and previous studies, the NRC states it continues to believe that spent fuel pools protect public health and safety.

After the Fukushima nuclear accident, the NRC began studying spent fuel pools in the United States and examining the potential impact of earthquakes beyond the original design basis. Previous analyses have shown earthquakes present the dominant risk for spent fuel pools.

Taking into account a “full” spent fuel pool, one with less fuel and more spacing between individual fuel assemblies, as well as emergency procedures for adding water to the pool in the unlikely event that the earthquake causes the pool to lose water, the draft report determines that “spent fuel pools are robust structures that are likely to withstand severe earthquakes without leaking cooling water and potentially uncovering the spent fuel.” In addition, the study finds that the likelihood of a radiological release from spent fuel (based on the reference case used in the study) is “about one time in 10 million years or lower.”

In cases where the analysis led to fuel damage, the draft study concluded existing emergency procedures would keep the population around the plant safe. Those emergency measures could mean relocating people from a large area of potentially contaminated land.

Finally, the study examined the potential benefits of moving all spent fuel older than five years (and therefore easier to cool) into storage casks within five years. For the scenarios examined, the study concluded faster fuel transfer to casks would not provide a significant safety benefit for the plant studied.

NRC plans to use the insights from this analysis to inform a broader regulatory analysis of the spent fuel pools at all U.S. operating nuclear reactors.

The full report can be found here.

The public and interested groups can comment on the study until August 1, 2013, using the regulations.gov website. Comments can also be submitted using the Docket ID NRC-2013-0136 via mail to:

Cindy Bladey
Chief, Rules, Announcements, and Directives Branch (RADB)
Office of Administration
Mail Stop: TWB-05-B01M
U.S. Nuclear Regulatory Commission
Washington, DC 20555
**GAO REPORT: NNSA: LABORATORIES’ INDIRECT COST MANAGEMENT HAS IMPROVED, BUT ADDITIONAL OPPORTUNITIES EXIST**


GAO was asked to review NNSA laboratory management and operating (M&O) contractor indirect cost management. Specifically, GAO examined (1) whether laboratory M&O contractors' practices differ for allocating indirect costs and, if so, how; (2) the extent to which NNSA ensures that laboratory M&O contractors’ allocated indirect costs are accurate; and (3) the extent to which NNSA ensures that laboratory M&O contractors’ indirect costs are reasonable.

Because there is flexibility in how M&O contractors classify and allocate direct and indirect costs to programs, it can be difficult to assess cost data and meaningfully compare cost management performance across laboratories.

To help improve its ability to oversee M&O contractor costs, including indirect costs, for its laboratories and make more effective use of DOE and contractor resources, the report recommends management take the following three actions:

- Clarify how data collected by the Institutional Cost Reporting initiative will be used.
- Direct formal, periodic risk assessments of M&O contractors’ compliance with Cost Accounting Standards
- Incorporate more specific benchmarking requirements into future laboratory contracts

DOE management agreed with the report’s recommendations.

The report is available [here](#).

**DOE’s MANHATTAN PROJECT RESOURCE PAGE**

On July 16, the anniversary of the Trinity test, DOE launched the *Manhattan Project: Resources*, a web-based, joint collaboration between the Department’s Office of Classification and Office of History and Heritage Resources. The site is designed to disseminate information and documentation on the Manhattan Project to a broad audience including scholars, students and the general public.

The website includes two parts:

- a multi-page "history" providing a comprehensive overview of the Manhattan Project
- the full-text, declassified, 35-volume Manhattan District History commissioned by General Leslie Groves in late 1944

The page is available [here](#).

**ASSET REVITALIZATION INITIATIVE (ARI) WEBSITE**

This month, DOE launched a website for the Asset Revitalization Initiative (ARI), a DOE-wide effort to advance the beneficial reuse of its unique and diverse mix of assets, including land, facilities, infrastructure, equipment, technologies, natural resources and a highly skilled workforce.

The website is available [here](#).
This month, Senators Dianne Feinstein (D-CA), Lamar Alexander (R-TN), Lisa Murkowski (R-AK), and Ron Wyden (D-OR) formally released S. 1240, the bipartisan Nuclear Waste Administration Act of 2013. The bill takes into account over 2,500 comments received on a discussion draft of the legislation originally released in April 2013 (see page 6 of the April 2013 ECA Bulletin here).

The Honorable Chuck Smith, Aiken County Council Member and ECA Vice-Chair, will provide witness testimony on behalf of ECA at a July 30 Senate Energy and Natural Resources Committee hearing to consider the legislation. Click here for more information.

The basic structure of the legislation reflects language included in the discussion draft, creating the Nuclear Waste Administration, a Working Capital Fund, and implementing a consent-based process for siting repositories and nuclear waste storage facilities. The mission plan remains unchanged, and follows the activities laid out in DOE’s strategy released in January 2013:

- Opening a pilot interim facility no later than December 31, 2021
- Opening a storage facility for non-priority waste no later than December 31, 2025
- Opening a repository no later than December 31, 2048

The two most significant changes address the administration of the waste program in place of DOE; and requirements linking storage facilities to the repository program:

- **Linking progress on development of a repository and development of storage facilities, putting them on “parallel tracks”:** The discussion draft required the Administrator of the new Nuclear Waste Administration to cease shipments of nuclear waste to a storage facility if it was determined that “significant progress” was not being made to site, construct and operate a repository. ECA noted in its comments on the discussion draft that this provision could complicate securing long-term agreements with contractors.

  **Under the new bill:** this requirement outlined above is removed and instead, for 10 years after the enactment of the Act, the Administrator may site storage facilities for non-priority waste and ship fuel as long as funds have been obligated toward the siting and/or construction of a repository. After 10 years, the Administrator may not site an additional storage facility unless one or more repository sites have been selected for evaluation.

- **Structure of the Oversight Board for the Nuclear Waste Administrator:** Under the discussion draft, an Oversight Board composed of the Deputy Director of the Office of Management and Budget, the Chief Engineer of the Army Corps of Engineers, and the Deputy Secretary of Energy, to oversee the administration of the program. ECA provided comment urging that any oversight board include a local government representative.

  **Under the new bill:** Rather than the three federal officials included in the draft of the bill, the Oversight Board will instead consist of five members appointed by the President with the consent of the Senate to serve staggered five-year terms. No more than three members will be of the same political party, and three members shall constitute a quorum.

Other changes in the new bill include:

- **The term of service** is set at six years for both the Administrator and Deputy Administrator of the Nuclear Waste Administration.

- **The Nuclear Waste Oversight Board** will be responsible for overseeing the Nuclear Waste Administration’s receipt, disbursement and use of funds; the adequacy of the fees collected and (Continued on page 11)
Senators Introduce Nuclear Waste Bill; ECA to Testify at Hearing in late July

the performance of the Nuclear Waste Administrator.

- **The new consent-based siting process** will be applicable to any new nuclear waste facility or any function transferred from the Nuclear Waste Policy Act. The new siting process is to be based on sound science, “meaningful collaboration with affected communities,” and is to be flexible and open to the public.

- **The Storage Facility Program**, beginning as before with a pilot program for the storage of priority waste from nuclear power plants that have been shut down and spent fuel that justifies emergency delivery, requires the Administrator to:
  
  o Issue a request for proposals, including general review guidelines, for cooperative agreements to demonstrate storage of priority waste not later than 180 days after enactment;
  
  o Review each proposal;
  
  o Select at least one site for characterization after holding hearings in the vicinity of each site and at least on other location in the state of each site;
  
  o Notify Congress;
  
  o *May* enter into a cooperative agreement for state and local consent prior to site characterization;
  
  o Make a final determination on the suitability of sites characterized;
  
  o Obtain state and local (and tribal, if applicable) consent to site a repository;
  
  o Select one or more suitable sites for storage facilities;

  o Provide a program plan to Congress no less than 30 days before selecting a site; and
  
  o Submit a license application to the Nuclear Regulatory Commission.

- **Repositories** are addressed under Section 306 of the new bill, and will have a separate but similar siting process as used for storage facilities. The steps unique to siting a repository provide that:

  o The Nuclear Waste Administration must have state and local cooperation (and tribal, if applicable) to study sites, and is required to obtain cooperation agreements for repository sites (cooperation agreements are optional for storage sites).

  o The Nuclear Waste Administration must hold public hearings not only before characterizing sites, but also before final determination of suitability for a repository.

- **Licensing Nuclear Waste Facilities** is addressed in the new bill in section 307 and provides that construction and operation of a storage facility shall be subject to all applicable environmental standards, licensing and regulatory jurisdiction of the Nuclear Regulatory Commission, and all consent agreements.

- **Provisions regarding Defense Waste** are outlined in Section 308 (rather than 307 in the discussion draft) and the new bill allows the Secretary of Energy, instead of the Nuclear Waste Administrator as outlined in the discussion draft, to reevaluate the decision to commingle defense wastes with civilian wastes. The Secretary has to determine no later than one year after the reenactment of the Act (two years were provided in the discussion draft) whether to reevaluate and must notify the President and appropriate committees of Congress as to why that decision is being made.

As before, if after a reevaluation, the Secretary of Energy determines that separate waste facilities are necessary – and the President concurs – the Act
DOE Should Follow DOD’s Lead and Provide Additional Planning Support to Communities Affected by Cutbacks

eligible for funding under DoD’s June notice. If multiple sub-State jurisdictions respond to the same event, only one proposal will be considered.

Other Requirements for DOD Funding

Eligible entities may apply for grant funding to provide assistance to plan and carry out community adjustment and economic diversification activities in response to:

- the cancellation or termination of a DoD contract,
- the failure to proceed with an approved major weapon system program,
- a publicly announced planned major reduction in DoD spending, or
- the closure or significantly reduced operations of a defense facility as the result of the merger, acquisition, or consolidation of the defense contractor operating a defense facility.

Eligible Uses of DoD Grant Funding

An eligible entity may use grant funding to:

1) Organize itself to represent and respond on behalf of affected communities, workers, and businesses;

2) plan local community and economic adjustment activities to assist affected communities, workers, and businesses; and

3) carry out plans to effectively respond to the defense impacts and stabilize the local economy.

Eligible activities may include (but are not limited to):

- Staffing, operating and administrative costs for an organization;
- outreach to businesses, workers and other community interests;
- regional supply-chain mapping of defense-specific industry clusters;
- asset mapping to support a response;
- economic data collection and analysis to identify regional comparative advantages;
- preparation of diversification plans to lessen economic dependency on defense expenditures;
- facilitation of workforce adjustment and retraining efforts;
- provision of business planning and market exploration services for defense contractors and sub-contractors that seek modernization or diversification assistance; and,
- preliminary strategies and plans for the potential reuse or redevelopment of existing defense facilities.

More information about DoD’s Office of Economic Adjustment is available [here](#).

OEA’s June Federal Register notice is available [here](#).

(Continued from page 3)

Senators Introduce Nuclear Waste Bill; ECA to Testify at Hearing in late July

provides for the siting, construction and operation of one or more facilities for storage or disposal of defense waste.

- As in the discussion draft, annual fees collected from utilities would be deposited into a new Working Capital Fund in the Treasury that would be available without further appropriation. However, under the new bill, no fees would be paid into the Working Capital Fund after December 31, 2025, unless the Nuclear Waste Administrator is operating a nuclear waste facility by that date.

The Senate Energy and Natural Resources Committee has scheduled a full committee hearing on S. 1240, the Nuclear Waste Administration Act of 2013, for July 30, 2013 in SD-366 Senate Dirksen Building, at 2:30 PM (Eastern). Proceedings will be open to the public and broadcast live on the committee’s website.

The Honorable Chuck Smith, Aiken Council Member and ECA Vice-Chair, will testify at the hearing on behalf of ECA.
GAO REPORT: NUCLEAR WEAPONS: FACTORS LEADING TO COST INCREASES WITH THE URANIUM PROCESSING FACILITY

The Government Accountability Office (GAO) issued a report, Factors Leading to Cost Increases with the Uranium Processing Facility, on July 12, 2013.

GAO conducted this investigation to examine cost increases for construction of the Uranium Processing Facility (UPF) at the Y-12 National Security Complex. The report was conducted at the request of the Senate Appropriations Energy and Water Subcommittee and in accordance with requirements contained in the National Defense Authorization Act for Fiscal Year 2013 (P.L. 112-239) to report quarterly on the UPF.

GAO found:
Overly optimistic NNSA assumptions about UPF cost estimates prepared from 2004 to 2011 significantly contributed to cost increase. False assumptions were largely the result of using the Highly Enriched Uranium Materials Facility (HEUMF) as a point of comparison because the facilities were assumed to be similar in form and design, which was not accurate.

In June 2012, the Deputy Secretary of Energy approved an updated cost range for the UPF ($4.2 to $6.5 billion) and deferred significant portions of the original scope.

In August 2012, the UPF contractor concluded that the UPF’s roof would have to be raised 13 feet and that the start of construction would be further delayed.

While the report does not contain any recommendations, GAO will continue to review UPF as part of the quarterly reporting process and other, ongoing audits on NNSA major projects and cost-estimating practices.

The report is available here.

DOE IG REPORT: SAFETY ASPECTS OF WET STORAGE OF SPENT NUCLEAR FUEL


The report was initiated to determine whether DOE was effectively managing the safety of its spent nuclear fuel (SNF) wet storage basins, especially in light of the disaster at Japan’s Fukushima Daiichi nuclear reactor complex. The nation’s SNF is primarily stored at L-Basin at the Savannah River Site and CPP-666 at Idaho.

According to the report, program officials have analyzed the risks related to storage, documented these analyses and concluded that the continued use of the wet storage facilities was appropriate. Also, the report noted that DOE was actively responding to concerns generated by the Fukushima natural disaster and the anticipated extended interim wet storage of SNF. However, while the Savannah River Site has initiated activities designed to support the prolonged storage of SNF in L-Basin, completion of these activities is being deferred due to funding constraints.

DOE officials are aware of the current status of the augmented monitoring and assessment activities and stated that deferral of these activities will have no immediate impact on the safety basis of L-Basin. The report recommends that DOE establish formal timeframes for completing these monitoring and assessment activities.

The report is available here.
DOE IG REPORT: MITIGATION OF NATURAL DISASTERS AT LOS ALAMOS NATIONAL LABORATORY

The DOE Inspector General (DOE IG) released a report, Mitigation of Natural Disasters at Los Alamos National Laboratory, on June 24, 2013.

This report was initiated in response to concerns regarding risks from seismic events and forest fires at Los Alamos National Laboratory (LANL). Specifically, the report was designed to determine whether NNSA had evaluated, modified or upgraded existing nuclear facilities at LANL to mitigate the effects of seismic and fire natural disasters.

Although LANL has made progress in upgrading existing nuclear facilities, the report found concerns remain. Specifically:

- Seismic issues affecting PF-4 remain to be addressed. For example, fire suppression system and glove box stand improvements to mitigate the adverse consequences of a seismic event are not scheduled to be completed until 2014 and 2015, respectively;
- Fire protection and prevention vulnerabilities in Area G continue to exist; and
- Several known risks exist with compensatory measures implemented in Area G that may lessen their efficacy in mitigating natural disasters

Among other measures, the report recommends that LANL:

- Complete the review of the Area G exemption request for the lack of automatic fire suppression systems;
- Complete PF-4 seismic upgrades in a timely manner; and
- Ensure that LANL's planned removal of vulnerable transuranic waste is carried out as scheduled and that temporary protective measures are effective and carried out in a timely manner

LANL management concurred with the report's recommendations and indicated that corrective actions have been or would be initiated.

The report is available here.

PADUCAH COMMUNITY PREPARES FOR PGDP CLOSURE

As the Paducah Gaseous Diffusion Plant (PGDP) prepares for closure, the local community is focused on how to lessen the economic damage that will result. The United States Enrichment Corporation (USEC), which leases the facility from DOE and enriches uranium there, will cease operations and hand the property back to DOE this year.

USEC employs approximately 1,200 at PGDP. Layoffs are scheduled to begin in August.

Approximately 10 companies have expressed interest in reuse of the site, and have until August 14 to make an offer to DOE. Paducah leaders have met with a number of the interested parties, including GE-Hitachi subsidiary Global Laser Enrichment.

The Paducah-Community Reuse Organization (PACRO), a lead organization in efforts to mitigate the closure’s impact, is going through changes of its own. PACRO is losing its senior management at the end of July, and Paducah Mayor Gayle Kaler suggested the change may provide an opportunity for reorganization. PACRO is currently considering candidates to fill the position.

PGDP is located approximately 15 miles west of Paducah, Kentucky, and began operations in 1952 to produce low assay enriched uranium for use as commercial nuclear reactor fuel. Uranium enrichment operations were turned over to USEC in 1993.
# 2013 Calendar of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>July 30</td>
<td>Senate Energy and Natural Resources Committee hearing to consider the Nuclear Waste Administration Act of 2013 (S. 1240). ECA will provide witness testimony. For more information, click <a href="#">here</a>.</td>
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<tr>
<td>July 31</td>
<td>House Energy and Commerce Subcommittee on Environment and the Economy hearing, “Oversight of DOE’s Strategy for the Management of Used Nuclear Fuel and High-Level Radioactive Waste.” Secretary Moniz will provide witness testimony. For more information, click <a href="#">here</a>.</td>
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<td>August 5–September 6</td>
<td>Congressional recess</td>
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<tr>
<td>September (approximate)</td>
<td>Federal agencies submit initial fiscal year 2015 budgets to the Office of Management and Budget (OMB)</td>
<td></td>
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<tr>
<td>September 18–20</td>
<td>ECA Peer Exchange; Oak Ridge, TN. For more information, contact Allison Doman at <a href="#">allison@energyca.org</a></td>
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<tr>
<td>September 30</td>
<td>End of fiscal year 2013</td>
<td></td>
</tr>
<tr>
<td>October 1</td>
<td>Beginning of fiscal year 2014</td>
<td></td>
</tr>
<tr>
<td>October 14–18</td>
<td>National Nuclear Fuel Summit; Carlsbad, NM. For more information click <a href="#">here</a>.</td>
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<tr>
<td>October 28–30</td>
<td>Intergovernmental Meeting (ECA, NGA, ECOs, NAAG, STWG and NCSL) with DOE; New Orleans, LA. For more information contact Allison Doman at <a href="#">allison@energyca.org</a></td>
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</tbody>
</table>

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**ECA Articles**

Allison Doman, Deputy Executive Director  
Kara Colton, Director of Nuclear Energy Programs  
Eli Persky, Assistant Director

**Layout and Design**

Sharon M. Worley, ECA Staff Member