



Department of Energy

Portsmouth/Paducah Project Office
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Lexington, Kentucky 40513
(859) 219-4000

NOV 19 2007

Mr. Allen Burnett, Chair
Citizens Advisory Board
111 Memorial Drive
Paducah, Kentucky 42001

PPPO-02-102-08

Dear Mr. Burnett:

RESPONSE TO CITIZENS ADVISORY BOARD CONSENSUS RECOMMENDATION 07-05 (DISPOSITION OF NICKEL AT THE PADUCAH GASEOUS DIFFUSION PLANT)

The U.S. Department of Energy (DOE) is in receipt of the Citizens Advisory Board's (CAB) Consensus Recommendation 07-05 regarding the disposition of the inventory of volumetrically-contaminated nickel stored at the Paducah Gaseous Diffusion Plant (PGDP). The CAB recommended:

1. DOE should proceed with a solicitation for disposition of the nickel ingots at PGDP;
2. The solicitation of nickel ingots at PGDP should be separate from other solicitations associated with the Expression of Interest to maximize the potential benefit to the Paducah community; and
3. DOE should issue a solicitation for disposition of the aluminum ingots at PGDP if Expression of Interest responses indicated economic viability.

As you know, DOE requested industry input on the nickel disposition and reviewed the responses received. At this time, no final decisions have been made regarding the disposition of the nickel, or the nature and location of the required facilities. DOE is in the process of conducting its National Environmental Policy Act Environmental Assessment which considers a variety of disposition alternatives, and DOE will consider impacts and benefits to the local community as part of that evaluation. Should DOE determine to sell the nickel, we would expect to release a draft Request for Proposal (RFP) in the spring of 2008. In determining how to structure the RFP, one factor that would be given consideration is the potential benefits to the local community. Any decision regarding the disposition of the nickel at PGDP will only be made following significant technical and programmatic evaluations, careful management review and coordination with the public, as appropriate.

Based on a comparison of the costs of processing the aluminum for recycling against the market value of volumetrically-contaminated aluminum, DOE has determined that pursuing the recycling of the approximately 50 tons of volumetrically-contaminated aluminum ingots at

PGDP is not an economically viable option. As such, DOE is currently planning to dispose of the aluminum.

Thank you for your input and for your continued support for DOE's effort to remediate PGDP. The Paducah community's contribution to DOE and its mission are very much appreciated.

If you have any questions or require additional information, please contact Rob Seifert at (270) 441-6823.

Sincerely,

A handwritten signature in black ink, appearing to read 'RK', with a long horizontal line extending to the right.

Reinhard Knerr
Paducah Site Lead
Portsmouth/Paducah Project Office

cc:

R. Blumenfeld, PPPO/LEX

R. Boyd, PRS/Kevil

G. Chou, EM-12

DCC/Kevil

M. Hicks, PPPO/PAD

R. Miskelley, PPPO/LEX

R. Seifert, PPPO/PAD