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Collision course: CR and debt ceiling

Manu Raju, Jake Sherman and Carrie Budoff Brown

October 1, 2013

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A harsh reality began setting into Capitol Hill on Tuesday: The U.S. government may not reopen until the two parties reach a deal to raise the national debt ceiling.

Hours after federal agencies shuttered their doors for the first time in nearly two decades, congressional leaders from both parties began to prepare for a protracted budget battle bound to grow more difficult the longer it goes unresolved.

Indeed, if the standoff continues to creep toward the Oct. 17 deadline to raise the \$16.7 trillion national debt ceiling, the two issues will become intertwined -- and potentially intractable. House Republican leaders and top Senate Democrats privately began discussing this increasingly likely possibility Tuesday, but the two sides have yet to engage in any direct negotiations in the acrimonious budget dispute.

That means a federal shutdown -- which has suspended government services across the country and prompted furloughs of hundreds of thousands of federal workers -- could persist for weeks until Congress and the White House cut a deal to avoid a first-ever default on the national debt.

"This is now all together," Senate Majority Whip Dick Durbin (D-Ill.) said of the debt limit and the continuing resolution to keep the government funded.

Within the next few days, if House Republicans don't accept a Senate plan to open the government until mid-November, Reid is highly unlikely to accept a budget deal if it does not increase the debt ceiling, Democratic sources said Tuesday. If the House GOP won't back the Senate's stopgap plan by later this week, Democrats are prepared to argue that it makes little sense to agree to a short-term spending bill if Congress is forced to resolve another fiscal crisis in just a matter of days.

A White House official said Tuesday night that the president could get behind Reid's strategy.

Across the Capitol, House Republicans were quickly coming to a similar conclusion. Republicans were internally weighing including a debt ceiling hike in their demands to convene a House-Senate conference committee to discuss a bill to reopen the government. In the coming days, the GOP leadership is likely to change its rhetoric, with Republicans arguing about government funding and the debt ceiling in the same breath.

Even if the issues become connected, administration officials said it won't change the underlying dynamics of the president's position -- that he won't negotiate over the debt limit.

At the White House, there was also little indication of any movement, though there were some signs that at least the two sides may talk. President Barack Obama may begin to at least make phone calls over the budget impasse with Republican and Democratic leaders this week with a White House meeting possible, sources said Tuesday afternoon.

Still, the reason for such a move may simply be for optics: Obama is aligning himself closely with Senate Majority Leader Harry Reid's hardball demands that Republicans must cave or risk the public backlash. The demand: Republicans must agree to both a "clean" budget bill to reopen the government and a debt ceiling hike with no strings attached -- a position senior White House aides reiterated to Senate Democratic leaders at a private meeting Tuesday morning.

The change in the legislative dynamics puts Washington in a deeply uncertain course to resolve what could become a full-blown economic calamity, with both sides betting the other will blink once the political ramifications intensify.

For the past two weeks, Republicans have been insisting that any budget bill must include provisions to gut or delay Obama's signature health care law, a position rejected time and again by Senate Democrats and the White House. And after being rebuffed on their request for formal

negotiations with the Senate, Republicans tried a different tactic Tuesday: attempt to pass bills funding individual government agencies and dare Democrats to block them. The White House vowed to veto such piecemeal measures.

Indeed, on Capitol Hill there were signs only of the two sides digging into their respective corners, with the House Republican Conference having what several sources described as their best conference in months after Speaker John Boehner's demands to gut Obamacare prompted the budget impasse. And at a private Democratic lunch in the Senate's ornate Mansfield Room, speaker after speaker heaped praise on Reid for his no-compromise stand, attendees said.

And increasingly, the two policy disputes -- raising the debt ceiling and keeping the government funded in the new fiscal year -- seemed bound to become tied together.

"It will all get solved at one time," said Sen. Tom Coburn (R-Okla.).

More Americans Want New Entity to Manage Used Nuclear Fuel

Nuclear Energy Institute
October 2, 2013

[LINK](#)

WASHINGTON, D.C.--A clear majority of Americans now believes that an independent federal authority accountable to a board of directors would do a better job than a federal agency in managing a nuclear waste storage facility, a new public opinion survey shows.

In a clear shift from earlier surveys in which the public was split on the issue, 57 percent of Americans said they believe that an independent federal authority with a corporate-style board would better manage a waste storage facility. Thirty-seven percent of those surveyed voiced a preference for a "federal government agency," according to the national survey conducted by Bisconti Research Inc. with Quest Global Research. In February 2013, a plurality of 49 percent thought that a federal government agency would do a better job, compared with 43 percent for the independent federal authority.

"The shift reflects growing lack of public confidence in the federal government's ability to accomplish anything," said Bisconti Research President Ann Bisconti.

The survey also found strong public support for consolidated storage of used nuclear fuel rods. These fuel rods are securely stored at nuclear power plants that generate one-fifth of U.S. electricity supplies. Eighty-four percent of Americans believe "the United States should retool its program for managing spent nuclear fuel rods from nuclear power plants to focus on consolidating the fuel rods at storage centers while the nation develops a permanent disposal facility." Nearly one-half--47 percent--of Americans strongly agree, with only five percent strongly disagreeing.

Consolidated storage of used nuclear fuel is among the

recommendations made to the Department of Energy last year by the Blue Ribbon Commission on America's Nuclear Future. The commission also recommended creation of a new, congressionally-chartered federal corporation dedicated solely to implementing the nuclear waste management program.

Bisconti Research conducted the national survey of public opinion Sept. 5-15. A nationally representative sample of 1,000 U.S. adults was interviewed by landline and cell phone. The survey's margin of error is plus or minus three percentage points. NEI released other survey findings last week.

The survey found that 60 percent of Americans agree that used nuclear fuel assemblies are stored safely at nuclear power plant sites. Thirty-one percent of respondents disagree, and nine percent don't know.

Eighty-seven percent of Americans believe the federal government should develop a final repository for used nuclear fuel "as long as the facility meets U.S. Nuclear Regulatory Commission regulations." Ten percent disagrees.

Nuclear energy facilities operating in 31 states produce electricity for one of every five U.S. homes and businesses. Their reliability is evidenced by the industry's decade-long trend of industry-leading average capacity factor of 90 percent. Capacity factor is a measure of plant efficiency. Nuclear energy produces more than 60 percent of the electricity generated by carbon-free sources in the United States.

Small Reactors May Be Nuclear Power's Future

Clare Foran, National Journal

October 1, 2013

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While countries such as Japan and Germany are moving away from nuclear energy in the wake of the Fukushima reactor meltdown in 2011, the United States is taking a different tack.

"The promise of nuclear power is clear," Energy Secretary Ernest Moniz said in July at a Senate Energy and Natural Resources Committee hearing, adding, "Nuclear power has an important role in President Obama's all-of-the-above approach to energy."

For the White House, part of nuclear energy's promise comes in the form of scaled-down facilities called small modular reactors, or SMRs. The average U.S. nuclear reactor has an operating capacity of 1,000 megawatts or more; SMRs, by contrast, have a generating capacity of less than 300 megawatts. They have yet to be deployed on a commercial scale, but the administration is betting on this option as a way to diversify the nation's energy portfolio and rein in carbon emissions.

Obama has put the Energy Department at the helm of a \$452 million public-private partnership to finance SMR construction. In November, DOE awarded a grant to U.S.-based Babcock & Wilcox to create a 180-

megawatt SMR in cooperation with the Tennessee Valley Authority and Bechtel. The reactor is slated to be up and running by 2022.

Why the push for smaller reactors?

First, there's the economic argument. SMRs would be cheaper than conventional reactors simply because they're smaller. This means less overhead for utility companies. The component parts of SMRs would be manufactured in factories as modules that could be shipped for on-site assembly. Supporters of the technology say this would also bring down costs, although not everyone agrees.

"In the early 1970s, power companies built large reactors to bring down costs by achieving economies of scale," said Thomas Cochran, a consultant for the Natural Resources Defense Council's nuclear program. "So if we start making smaller reactors, you'd expect costs to rise."

Proponents of the technology follow a different line of reasoning. "Smaller reactors could be cost-competitive because, since they're built in a factory, you can construct them more quickly and on a mass scale," said Doug Walters, vice president of regulatory affairs at the Nuclear Energy Institute, a pro-nuclear advocacy group. "That would allow for faster and more efficient assembly."

In addition, SMRs could be safer than the aging stock of U.S. nuclear power plants. This is because they'll feature passive design technology, built-in safety systems that rely on automated mechanisms within the reactor and would continue to function in the event of an emergency or a loss of electricity.

"Because SMRs are newer, they probably will be safer than the current generation of reactors in the same way that a 2013 Ford is safer than a 1973 Ford," said Michael Mariotte, the executive director of the nonprofit Nuclear Information and Resource Service, an antinuclear organization. "But there could be other safety concerns.... For example, some companies have been talking about cutting costs by using just one control room to run five to six reactors," he said. "When you get to the root cause of nuclear accidents, it's almost always due to human error, and if you have fewer people watching the reactors, there's a greater chance of problems."

While SMRs remain an unproven technology, DOE is continuing to look for companies to develop the technology and is expected to award additional matching grants in the coming months.

According to Charles Ebinger, a foreign policy senior fellow and the director of the Energy Security Initiative at the Brookings Institution, Obama sees this as a way to help advance his second-term climate agenda, given that nuclear power, over the life of a reactor, is a near-zero-emissions technology.

Assistant Energy Secretary for Nuclear Energy Peter Lyons echoed this sentiment. "Nuclear plants offer the opportunity to deploy clean-energy technology across the country," he said. "The president's plan isn't a

focus on nuclear, but it is a recognition that nuclear is one of the few clean-energy options available other than renewables. It's certainly a piece of the puzzle."

If SMRs take off, they could spur U.S. manufacturing and be shipped abroad, boosting exports. Keeping a hand in nuclear power could also benefit national security.

"I think from a global perspective it's best for the U.S. to stay a prominent player in the nuclear industry," said Darren Gayle, vice president and project director of B&W Power, the business unit of Babcock & Wilcox responsible for developing the company's SMR prototype with funding from the Energy Department. "If we don't, the U.S. won't have a voice in conversations about nuclear technology in the international arena."

Eighty-one US House members urge NRC to make Yucca report a priority

Platts

September 30, 2013

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Eighty-one members of the US House of Representatives urged NRC Chairwoman Allison Macfarlane Friday in a letter to use the agency's \$11.1 million in carryover waste funds to complete agency staff's safety evaluation report on the repository proposed for Yucca Mountain, Nevada.

"It is our firm belief that completion of the SER will settle the debate and provide scientific data confirming what we have known for many years -- that Yucca Mountain is a safe location for a permanent repository," the lawmakers said.

Volume three of the multi-volume SER evaluates the post-closure safety of a repository at Yucca Mountain and is considered central to an NRC determination of whether a nuclear waste disposal facility at the site would meet agency licensing requirements.

The lawmakers wrote the letter after the US Court of Appeals for the District of Columbia Circuit issued an August 13 decision ordering NRC to restart its congressionally mandated review of DOE's Yucca Mountain repository license application. NRC suspended its Yucca licensing activities in 2011 under then-Chairman Gregory Jaczko, who said the agency lacked the funds to complete that work.

The letter, signed by 50 Republicans and 31 Democrats, noted that the lawmakers "understand that the NRC does not have the funding to complete the entire licensing process for Yucca Mountain" but that the agency should "do the most the little it has remaining." The lawmakers added a bipartisan effort is underway in the House "to secure additional funding for the NRC."

But it might be difficult for additional funding for that work to clear the

Senate, where Yucca Mountain opponent Harry Reid, a Nevada Democrat, is the majority leader.

How a government shut down will affect Hanford

Davis Wahlman, KEPRTV

September 30, 2013

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TRI-CITIES, Wash. -- You've heard about the looming government shutdown. But what could it mean for us locally?

The Hanford site will furlough almost 400 employees. Our local WorkSource will stay open, but its funding will be tied up by the shutdown.

Directors say this will cause long-term problems if the shut down lasts more than a few weeks.

"Our problem and our concern is, getting the funds, in other words, simply because they've been allocated doesn't mean that we will receive them, because the system that pushes those funds out will be affected by a shutdown," says Worksource Director Cos Edwards.

Other parks affected by the shutdown are the Hanford Reach National Monument, the Whitman Mission National Historic Site and Lake Roosevelt National Recreation Area

SRS braces for 'government shutdown' over budget impasse

Rob Pabey, The Augusta Chronicle

September 30, 2013

[LINK](#)

The U.S. Energy Department advised its Savannah River Site workforce and related contractors Monday of potential impacts if Congress cannot agree on a fiscal 2014 plan to keep the federal dollars flowing.

"As a consequence of the lapse, certain planned procurements may be cancelled and certain existing contracts may be stopped, reduced in scope, terminated or partially terminated," the department said, in a letter to contractors at SRS and other facilities.

The South Carolina site houses major nuclear waste cleanup programs, the construction site of the MOX nuclear fuel plant, the Savannah River National Laboratory and other facilities - all of which rely heavily on contractor workforces.

A continued failure to agree on a budget won't necessarily halt operations immediately, but as the flow of dollars tapers off, impacts could be felt locally within a week.

"At most DOE facilities, all operations will cease once prior year balances have been exhausted," the department said, in a memo posted on its Web site.

Exceptions include guns, guards and gates to insure physical protection of key facilities, along with activities necessary to safeguard nuclear materials.

As part of its plan to deal with any government shutdown, the Energy Department also prepared a list of its facilities, with the number of federal employees "excepted" from any budget related shutdown.

At SRS, the memo identified eight workers from Savannah River Operations office, and one worker from the National Nuclear Security Administration, which oversees the MOX program and the site's tritium facility that supports nuclear warhead maintenance.

The site's largest contractors have already been reducing their workforces over several months due to anticipated reductions in the fiscal 2014 budget - once it is adopted.

Savannah River Remediation, the site's liquid waste contractor, laid off 465 workers in early September; and MOX contractor Shaw Areva MOX Services has said as many as 500 jobs could be eliminated to bring its workforce in line with the projected 2014 budget.

SRS Citizens Advisory Board cancels meetings due to shutdown

Derrek Asberry, Aiken Standard

October 3, 2013

[LINK](#)

The Savannah River Site's Citizen Advisory Board - or CAB - is canceling two upcoming committee meetings, a result of the current federal government shutdown

The board is canceling its Oct. 8 meetings of its Facilities Disposition & Site Remediation committee and the Strategic & Legacy Management committee.

"I got both an email and a call today," CAB Chairman Don Bridges said on Wednesday. "The Savannah River Operations Office indicated that funding is not yet established for the fiscal year for the CAB. Essentially, what they said is we are presently unfunded and a committee meeting such as this will require some funds."

The Facilities Disposition & Site Remediation committee addresses the remediation of contaminated soil, groundwater and surface water. The committee also deals with issues related to the Federal Facility Agreement, risk management/assessment, the regulatory process and other issues pertaining to environmental restoration.

"The CAB is chartered, sponsored and fully funded by Environmental

Management in DOE HQ; we depend on DOE fully," Bridges added. "We will resume activities as soon as the budget picture is firmed up."

As of now, it is uncertain whether the CAB's Oct. 22 Nuclear Materials and Waste Management committee meetings will continue as scheduled. Questions or concerns should be directed to the CAB Support Team at 803-952-7884 or 1-800-249-8155. Inquiries can also be emailed to CAB at srscitizensadvisoryboard@srs.gov.

Shaw Areva reports nonconforming welds at MOX project

Derrek Asberry, Aiken Standard

October 1, 2013

[LINK](#)

Shaw AREVA MOX Services, the contractor for the MOX facility at the Savannah River Site, has reported "nonconforming welds" in housings of key filters used to contain radioactive materials at the Site.

"During a routine quality control inspection, we initially discovered an issue with a small amount of welds," said MOX Services representative Bryan Wilkes. "We reported the issue to the Nuclear Regulatory Commission and the National Nuclear Security Administration in a timely manner."

The findings were reported in an event notification to the Commission. It states that HVAC filter housings had failed to meet the Commission's regulation for defects and noncompliance. According to the notification, there is a possibility for additional material stresses to be placed on the subject filter housings which could cause spreading and increasing in the size of the cracks.

Tom Clements, a member of Friends of the Earth, acknowledged MOX Services' diligence in handling the matter.

"While it is troubling that radioactive filter units with defective welds have been found at the MOX plant, it is encouraging that MOX Services caught the problem and eventually reported it to the NRC," Clements said.

"One prominent anti-nuclear activist, who works against the MOX project and some SRS missions, has said it is encouraging that MOX project quality control procedures worked - and we appreciate that," Wilkes added. "We will continue investigating and testing this batch of equipment and welds before any of it is installed."

The entire plutonium disposition program, including the MOX project at SRS, is now under review by the Department of Energy.

The MOX plant is about 60 percent complete, but the project has undergone years of cost overruns and delays. The Government Accountability Office reported in June that the plant is \$3 billion over budget, costing an estimated \$7.7 billion.

DOE appoints three new Oak Ridge advisory board members

Oak Ridge Today
September 30, 2013

[LINK](#)

The U.S. Department of Energy's Oak Ridge Office of Environmental Management recently appointed three new members to its advisory board.

The agency appointed Noel Berry, Mary Hatcher, and Wanda Smith for two-year terms to the Oak Ridge Site Specific Advisory Board, or ORSSAB, a federally chartered citizens' panel that provides independent advice and recommendations about cleanup conducted throughout the Oak Ridge Reservation.

The board's Deputy Designated Federal Officer Susan Cange introduced the three to the public at ORSSAB's September meeting. "Thank you for volunteering your time to serve on the board," she told them. "It is certainly appreciated by DOE and your fellow board members."

Berry, a resident of Knoxville, is a retired project management professional with extensive experience in computers and related quality assurance issues. He has worked as a senior laboratory specialist and quality assurance/build programmer for IBM. In addition, he served as a quality assurance engineer contracted to Siemens USA. Berry received his A.S. in electrical engineering technology from Chattanooga State Technical Institute and a B.S. in computer science from St. Edwards University in Austin, Texas.

Hatcher is a student at Pellissippi Technical Community College in Knoxville, where she is working toward an A.S. in paralegal studies. Until 2006, she owned a metal finishing and detailing business in Marshfield, Mo. Hatcher lives in Louisville.

Smith lives near Rockwood, and she owns a convenience store in Pine Orchard. Smith is a graduate of Harriman High School and is a former member of Head Start, the Morgan County Industrial Board, and the Morgan County Civil Service Board. She is the former vice president of the Morgan County Democratic Women's Club and the former co-chair of the Morgan County Airport Planning Commission.

ORSSAB meets the second Wednesday of each month at 6 p.m. at the Office of Science and Technical Information, 1 Science.gov Way in Oak Ridge. The board's meetings and committees are open to the public. Notices are available on the board's website at www.oakridge.doe.gov/em/ssab.

Lawmakers applaud Cobert as OMB pick

Sean Reilly, Federal Times
October 2, 2013

[LINK](#)

President Obama's choice for a top post at the Office of Management and Budget won bipartisan praise at her Senate confirmation hearing Wednesday.

"Your skill set is exactly what I think this government needs," Sen. Ron Johnson, R-Wis., told consultant Beth Cobert, in line to become OMB's deputy director for management. The job has been vacant since Jeff Zients left at the end of April; if confirmed, Cobert, a senior partner with McKinsey and Co., would also become the government's chief performance officer.

Obama nominated Cobert last month. The hour-long hearing before the Senate Homeland Security and Governmental Affairs Committee offered no surprises. If confirmed, Cobert said, she would press forward with existing OMB initiatives to encourage agencies to consolidate data centers and make more use of strategic sourcing. She also stressed the importance of hiring and holding on to a "first-class federal workforce."

Cobert has worked at McKinsey since 1984. In written answers to a committee questionnaire, she attributed her selection for the OMB position to her business experience in helping "a wide variety of organizations" improve performance, effectiveness and customer experience. Cobert added, however, that budget uncertainty makes efficient management more challenging. She also drew a distinction between "achieving great management" in the private sector and government.

"There is an inherent flexibility and adaptability in the private sector to respond as the environment changes," Cobert wrote. "This strikes me as more difficult in the federal government given the lead times in the budget cycle as one example."

Sen. Tom Carper, D-Del., the committee's chairman, said he is "eager" to move ahead with Cobert's nomination, but the panel has not yet scheduled a vote on forwarding it to the full Senate.