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Treasury Secretary warns seven days to default

Rick Maze, Federal Times

October 10, 2013

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Treasury Secretary Jacob Lew warned Thursday the nation is just seven days from its first default in 224 years, something that will affect the lives of every American and put at risk the paychecks of government workers and the benefits of 3.4 million disabled veterans.

No later than Oct. 17, the U.S. will have run out of borrowing power and

be unable to pay its bills, Lew told the Senate Finance Committee. While some Republicans have discounted the danger, Lew told the Senate Finance Committee it could have "potentially catastrophic impacts."

"I have a responsibility to be transparent with the American people about these risks," Lew said. "I think it would be a grave mistake to discount or dismiss them."

"If we have insufficient cash on hand, it would be impossible for the United States of America to meet all of its obligations," Lew said.

Among the risks is that the U.S. will not be able to pay salaries for military and federal workers, benefits to Social Security beneficiaries and veterans, and payments to Medicare providers, Lew said. "A failure to raise the debt limit could put timely payment of all of these at risk," he said.

The Treasury Department could be forced to choose who gets paid, Lew said, such as paying either Social Security beneficiaries or disabled veterans; there would not be enough money to fully pay both. "I don't know how you could possibly choose."

"It is irresponsible and reckless to insist that we experience a forced default to learn how bad it is," Lew said.

Lew's testimony comes as there are bipartisan efforts underway to avoid the immediate crisis of reaching the \$16.7 trillion debt ceiling with a temporary extension of four to six weeks that would protect the economy and benefits checks while giving time for budget negotiations. This is not going to be a simple issue to resolve, however, as there is a push for any increase in the debt ceiling to be matched by cuts in federal spending.

One idea being discussed is to approve a long-discussed and controversial proposal that would change how cost-of-living adjustments are calculated for inflation-adjusted federal benefits, such as military and federal civilian retired pay and Social Security. The adjustment would result in annual increases that are 0.3 to 0.5 percentage points less than under the current Consumer Price Index formula used for automatic benefits increases -- which might seem a small impact, but over time erodes the value of a benefit. For example, the lifetime value of military retired pay would be reduced by about 8 percent as a result of the potential COLA change.

Sen. Max Baucus, D-Mont., the Senate Finance Committee chairman, likened the situation to the U.S. "looking for spare change in the couch" because it will be able to spend only what cash it has on hand. Treasury officials estimate the U.S. will have about \$30 billion in cash plus whatever revenue it takes in after Oct. 17 to pay expenses.

"While the government shutdown has been disruptive, a default would be a financial heart attack," Baucus said. "If the debt ceiling is breached, the government would immediately have to slash federal spending by 20 to 30 percent, driving the nation back into a recession."

Leading on Borrowed Time: Agencies struggle to manage with acting chiefs

Charles S. Clark, Government Executive

September 1, 2013

[LINK](#)

When Senate leaders braving a July heat wave in Washington announced a breakthrough deal to curb filibusters, sighs of relief were felt in all ranks of government. Within days, the upper chamber would confirm nominees to run agencies whose staffs had been on tenterhooks for months, even years.

Newly freed from limbo were Richard Cordray for the Consumer Financial Protection Bureau; Gina McCarthy for the Environmental Protection Agency; Thomas Perez for the Labor Department; Fred Hochberg for the Export-Import Bank of the United States and Mark Gaston Pearce as chairman of the National Labor Relations Board. Later came the approval of B. Todd Jones to head the Bureau of Alcohol, Tobacco, Firearms and Explosives--an agency that had been without a confirmed leader since it was required to have one in 2006.

The welcome imprimatur of confirmed status followed Senate approval in May of Marilyn Tavenner to run the Centers for Medicare and Medicaid Services, which had muddled along with acting chiefs for seven years.

Still, some positions remain unfilled. The nonprofit watchdog Project on Government Oversight has highlighted multiple vacancies in the inspectors general community--in many cases without even a nominee. The State Department has lived with acting IGs for 2,000 days and counting.

The holdups stem from an unholy mix of the Senate's partisan divide, chamber rules that decentralize power, White House indecision and reluctance among qualified candidates to endure the prolonged scrutiny that comes with a political appointment.

Meanwhile, political positions continue to come open. Many agency deputies, for example, decline to stay on for long after their bosses leave. Witness the January departure of Thomas Nides, State's budget manager, soon after

Hillary Clinton said she was stepping down, and Neal Wolin's July announcement that he's leaving the Treasury Department's No. 2 post after five months under Jack Lew. When Homeland Security Secretary Janet Napolitano in July announced her plan to quit, she created the 15th vacancy among her department's 45 leadership positions.

Sometimes the White House is pressured to rob Peter to pay Paul, like the time it pulled experienced manager W. Todd Grams from the Veterans Affairs Department to join the team created to reform the troubled Internal Revenue Service. The IRS' list of commissioners since its creation in 1862 shows that 27 of 74 have been acting.

All such rounds of musical chairs bring uncertainty--to career staff, to acting leaders, to Congress and to citizens, in the form of frozen

decision-making on spending, policy and personnel. "Not having a robust leadership most certainly affects one's ability to cause change," says Bradley Buckles, who was ATF director and then acting director when it moved to Homeland Security and is now a vice president at the Recording Industry Association of America. "It's inconceivable you can have a billion-dollar operation without confirmed leadership for seven years."

In some less visible agencies, vacancies can actually bring work to a halt. The Broadcasting Board of Governors, for example, suffered from the resignation of five members on its nine-member board within a year. It lacked a quorum until early August, when three new members were sworn in.

At the squabble-prone Federal Election Commission--where five of the six panel members are serving expired terms--investigations bogged down when the panel deadlocked over a proposal by its Republican majority to ban staff from sharing information with federal prosecutors without board approval.

Both the National Endowment for the Humanities and the National Endowment for the Arts have been operating for much of 2013 without chiefs, due to resignations.

Each such delay is a sign that acting officials may be Scotch-taping family photos to bare walls of offices intended for permanent leaders.

It's possible for acting leaders to thrive under such conditions--with the help of career civil servants. "I got 100 percent support from staff and the secretary's office from the start and never felt for a moment [that I was] a decreased voice in the agency or department," says Dr. Donald Berwick, who spent 17 months as CMS administrator under a recess appointment and is now running for governor of Massachusetts. "I was treated with all the same conditions a Senate-confirmed administrator would have had."

Some say the notion that the wave of acting chiefs is a crisis is alarmist. "I don't think we're in dangerous territory, because the premise of the civil service is that you have capable careerists to step in," says Mark Abramson, a longtime authority on the federal workforce and president of Leadership Inc. "A lot of these people have been acting before and have been in the jobs even longer than some political appointees. Sure, I wish the appointments would get made. But we do have a bench."

FROZEN DECISION-MAKING

Vacancies and interim leaders are common at the start of any presidential term. But many say the gridlock of Obama-era nominations seems especially intense. "It's pretty clear there's a substantial slowdown," says Bill Galston, a Clinton administration domestic policy adviser who is now at the Brookings Institution.

"If someone's in an acting position, unless you're sure this person's initiative represents a much broader determination and will be sustained no matter who is the next commandant, you're tempted to say, 'Well, this person doesn't even have a year to run things,' " he says. "And you simply offer the kind of patent resistance that entrenched civil servants

are capable of--not out of ill will but of genuine belief that the person is misguided."

The acting executive, Galston adds, "is not likely to feel empowered to make new policies, but more likely to view the job as keeping the trains running. Not only will you have a hard time pushing policy, you have less credibility with people across the table in negotiations."

Uncertainty for acting leaders is worsened by the current budget situation and "the virtual witch hunts and retribution" in Congress in response to recent scandals over lavish conferences at the IRS and the General Services Administration, says Carol A. Bonosaro, president of the Senior Executives Association. "It has got to feel like getting an appointment is putting a big target on your back," she says.

Going through budget planning during furloughs and sequestration brings "a reluctance to make decisions and to avoid any risk-taking whatsoever--almost a paralysis," Bonosaro says.

Analysts at POGO point to concrete examples of decisions thwarted by the absence of permanent inspectors general. In March 2011, Sen. Chuck Grassley, R-Iowa, demanded that an inquiry into a botched ATF gun-running operation be handled by an outside inspector general because acting IGs "are not necessarily equipped to take on an entrenched bureaucracy and challenge senior officials with the tough questions."

At the Corporation for National and Community Service, the lack of a permanent IG left the office in a poor position to push back against proposed fiscal 2012 budget cuts, according to POGO.

Coherent management is impossible without a permanent leader, says Buckles, who atypically served as acting ATF director after having held the permanent job. He didn't use the acting title and wasn't perceived that way by his boss, the attorney general, Buckles recalls. "But leadership is about change, not maintaining things day to day, and there's nothing harder in an organization than pushing change," he says.

An acting leader's effectiveness may vary by type of agency, or its maturity. "If an agency is stable, an acting person may not have an adverse impact," says Christian Beckner, a former staffer on the Senate Homeland Security and Governmental Affairs Committee and now deputy director of the Homeland Security Policy Institute at The George Washington University.

His experience monitoring the decade-old Homeland Security Department taught him that leadership voids make it harder for Congress to hold people accountable. At the end of the George W. Bush administration, for example, there were numerous vacancies at the DHS Office of Intelligence and Analysis and "things were functioning on automatic pilot with no one close to the secretary," Beckner says. That may have been why the agency failed to anticipate the leak and subsequent political criticism of a controversial report on a right-wing domestic terrorism threat.

Dan Blair, president and CEO of the National Academy of Public

Administration, said the clout of temporary leaders hinges on their familiarity with the agency and the reason their predecessor left. "They may not have the same seat at the table within the administration or in dealing with Congress that a full-fledged secretary has," he says. "And it's important for continuity during transition times to have people who know the agency . . . especially right now since it would be difficult for acting people to have the flexibility needed to deal with the sequester and furloughs."

STEPPING UP

Why would a skilled federal executive accept an acting position-- especially since, by law, the jobs do not come with a pay raise?

Temporary leaders come in two flavors, according to Max Stier, president and CEO of the nonprofit Partnership for Public Service. "An acting leader who expects or wants to get the permanent position may feel constrained by worries about how decisions may influence their ability to be chosen or confirmed," he says. The other variety, Stier adds, is the "caretaker, who isn't going to have the tenure to see through difficult changes and is thus not incentivized."

Weak incentives, in Stier's view, are "the classic problem" of political appointees, whose typical tenure is two years. "But you do get fantastic acting people," he says. Dan Tangherlini, now the confirmed administrator of GSA after 15 months in an acting role, "didn't pull any punches. He went full throttle and got nominated," Stier says.

Another issue is whether underlings will accept an acting leader. That depends on whether or not the employees like the provisional boss, says Rebecca Blank, who served twice as acting Commerce secretary and is now chancellor of the University of Wisconsin. "There's always bemusement over how quickly you claim the mantle and redecorate the whole office," she says. "There's a trade-off between seeming presumptuous and letting the department know it has leadership."

Blank's two stints differed widely. When Secretary Gary Locke left to become ambassador to China in August 2011, Blank became acting chief knowing that Obama's nominee, John Bryson, was likely to clear the Senate by October. "I was clearly temporary," she says. "But I knew the department well, and everyone knew me." She worked under self-imposed constraints. "I didn't make long-term decisions," she says. "The main goal was to set things up for the new secretary and keep things running smoothly."

By contrast, Blank's second tenure--which would last a year--unfolded with uncertainty after Bryson resigned for medical reasons in June 2012. It was the middle of a presidential election, complicating confirmation of a permanent secretary. "I was the main person making decisions, no constraints, and worked hard to build relations with the main Congress people," Blank says. "I gave press interviews and traveled internationally. At no point was I treated as anything other than Commerce secretary."

The only entity that didn't regard her as the real deal, she says, was the media. "I don't know how many times I read that Commerce has 'no one in charge.' "

When Berwick arrived at CMS to help implement Obamacare, the conditions of his recess appointment were made clear by the Health and Human Services Department general counsel. "I had full power, but the clock was ticking, a 17-month window," he says.

Berwick says he decided to address his limited tenure and dependency on career staffers. "I told the staff on my first day that I cannot be successful without their stewardship, and that we have to have the same goals," he says. "That produced a sense of collaboration."

Eyeing the calendar and interim deadlines for health care reform provided great discipline, Berwick adds. "If I could go back in time and change my behavior, I would probably be more intense and ramp things up faster." The looming exit also made him more conscious of senior staff appointments and choosing people who shared his vision for running the organization.

EASING THE BURDEN

One key to success for any agency leader is carrying out the administration's agenda--an especially tall order for an acting chief. It takes solid judgment, says Abramson, "to decide every day what decisions to make now and what can wait."

Having 4,000 federal jobs that require Senate confirmation "is frankly unnecessary," says Stier. "All it does is create a slow, grueling process and chase away good talent." First-term presidents move quickly to fill vacancies, but that expectation is missing for those in their second terms, Stier says.

Berwick says his time at CMS left him with renewed respect for federal civil servants. "Their general dedication, competence and technical abilities were impressive," he says. But, he adds, "the current ethos of paralysis in Washington in which so many get to say no is sad and harmful. I hope the time will come when people who disagree will learn to sit down and problem-solve."

Senate committee confirms nominee for [DOE Under Secretary for Management and Performance]

Annette Cary, Tri-City Herald

October 8, 2013

[LINK](#)

The Senate Energy and Natural Resources Committee approved the nomination of Beth Robinson as undersecretary of energy Tuesday.

She would oversee environmental cleanup of the Hanford nuclear reservation.

Robinson has extensive experience with the federal budget and with science and technical issues that would serve her well in the new position, said Sen. Ron Wyden, D-Ore., chairman of the committee.

Robinson is the chief financial officer at NASA and previously served as the assistant director for budget at the Office of Management and Budget.

She has Northwest ties, including attending Reed College in Portland, and has congressional experience that includes serving as principal minority staff member for the House Committee on Science.

The committee approved the nomination by a voice vote. Next the Senate will consider final confirmation of Robinson.

Y-12 Nuclear Facility to Start Partial Shutdown

Global Security Newswire

October 8, 2013

[LINK](#)

The Y-12 National Security Complex has been ordered to begin an "orderly shutdown" while the federal government remains closed amid congressional gridlock, Tennessee's Oak Ridge Today news website reported on Monday.

Chuck Spencer, general manager at the U.S. nuclear-weapons facility, told employees in a Monday message they "soon" will learn more details about the shutdown plan, which will put the plant into a "safe and secure status." Some employees at the complex run by The Babcock & Wilcox Company likely will be furloughed, according to news outlet in Oak Ridge, Tenn., where Y-12 is located.

"Safety and security are our highest national priorities, and since Congress has not passed an appropriations act and given the continued uncertainty, it is prudent that we act to ensure extended safe and secure operations of our sites," Spencer reportedly said. "To that end, we have received direction from the acting NNSA administrator to initiate an orderly shutdown in support of, at a minimum, obtaining safe and secure status."

It was not clear if some nuclear-related activities at the Y-12 facility could continue during the shutdown, the news outlet reported, because a spokesman at the National Nuclear Security Administration in Washington could not be reached for comment.

The Y-12 complex develops atomic weaponry, retrieves and stores nuclear materials and fuels U.S. naval reactors, while also doing other government and private-sector work. It had 4,813 employees at the end of September, and typically has roughly 2,000 subcontractors, B&W Y-12 spokeswoman Ellen Boatner said.

The federal government partially shut down on Oct. 1, the start of fiscal 2014, because Democrats and Republicans in Congress cannot agree on a budget. House Republicans are insisting any appropriations plan call for a repeal or a scaling back of the 2010 Affordable Care Act, a

move President Obama and his fellow Democrats have rejected.

The budget for NNSA, which is semi-independent, falls under the Department of Energy.

Federal agencies -- and the offices and program they run -- have been impacted in varying ways by the federal government shutdown. The Homeland Security Department's Chemical Facilities Anti-terrorism Standards program ceased most operations last week. The Treasury Department furloughed most of its employees that enforce sanctions on Iran, North Korea and Syria. And some Defense Department chief information officers remain on mandatory leave, even after many civilian Pentagon personnel were relieved of their furloughs last week.

The varied U.S. federal agencies are not being impacted by the shutdown in the same way because they have made differing interpretations of guidance from the White House, The Daily Beast reported Tuesday.

The State Department, the publication notes, has largely avoided the pain of the government funding gridlock. Only 340 State employees have been sent home and -- notably -- its Iran negotiating team is in place and proceeding with a planned trip to Geneva next week to discuss the Iranian government's nuclear program. The State Department also has told Congress it is proceeding to spend money on non-critical items including a new consulate building in India, according to The Daily Beast.

The publication says the State Department is weathering the shutdown fairly well, for now, because it is using money left over from the last fiscal year.

Government Shutdown Forces Furloughs At Savannah River Site

Randy Key, WJBF

October 3, 2013

[LINK](#)

Aiken County, SC - Savannah River Remediation (SRR), the U.S. Department of Energy's (DOE) liquid waste contractor at the Savannah River Site (SRS), initiated furloughs Thursday.

Approximately 1,400 employees are furloughed until further notice. About 360 employees will remain to maintain facilities in a safe, non-operating mode. the furloughs are in response to the government shutdown, according to company officials.

The message below was sent to employees by SRR president and project manager Ken Rueter.

Budget Impasse Forces SRR Furloughs

As you are probably aware, the annual funding for the Federal

Government expired at midnight on September 30. Although the Department has been able to fund some continued activity for this contract following that date, the continued lapse in appropriations is having a significant impact on continued operations requiring us to make certain employment decisions. Therefore, some Savannah River Remediation employees will be furloughed until further notice.

Employees needed to maintain liquid waste facilities in a safe and non-operating mode are the only ones who will not be furloughed. Affected SRR employees will be notified of their furlough by their manager.

Like you, we do not know how long this shut down will continue.

Be sure to leave reliable contact information with your manager so that you can be reached when work resumes. In the meantime, you can watch media outlets to keep up-to-date on when you might report to work. I recommend you go to the SRS web site at www.srs.gov, or call the Site information line, 803-725-SITE (803-725-7483), for information on when to return to work. It is your responsibility to understand when you should report to work. Upon leaving, you should reset your voice mail and email messages to reflect your absence from work.

Adding up the costs of potential Sandia, LANL shutdowns

Dan Mayfield, Albuquerque Business First

October 9, 2013

[LINK](#)

With Sandia National Laboratories facing an Oct. 21 shutdown if the federal budget standoff is not resolved, many are wondering how much of a hit New Mexico's economy will take.

That's not yet clear. But one thing is: The impact will be big.

Sandia has a \$2.5 billion impact on the state, according to its 2012 economic impact report, which equals \$7 million a day.

But, said Lee Reynis, director of the University of New Mexico's Bureau of Business and Economic Research, it's hard to determine what the immediate impacts would be. Many of the labs' contracts are multiyear contracts, and only 45 percent of those are with New Mexico companies. Of the total contracts Sandia has in New Mexico, 64 percent, or \$256 million, was paid to small businesses.

The larger impact will be when many of the lab's nearly 10,000 employees, 8,900 of whom work in New Mexico, are put on furlough as a result of the shutdown.

In a memo to employees on Tuesday, lab director Paul Hommert said, "As a result of the continued federal budget impasse in Congress, the National Nuclear Security Administration has asked that we prepare for a safe, secure and orderly shutdown of Sandia National Laboratories by close of business on Monday, Oct. 21."

If a shutdown of Sandia is required, programmatic work will not be conducted, which means all employees not deemed essential will not go to work. Sandia spokesman Jim Danneskiold says programmatic work covers most employees, excluding certain high-security essential positions.

The impact in northern New Mexico, too, could be huge if Los Alamos National Laboratory is forced to shut down.

"LANL has now reached a point where we need to begin standing down certain operations where there is no longer funding available to maintain full operations. Protecting special nuclear material, national security information, workers, the public and the environment remains an essential function," the lab said in an official statement Tuesday.

The only cuts LANL has disclosed are the suspension of its transuranic waste shipping and processing. LANL said Tuesday that about 200 contractors were asked not to show up for work. The lab has not announced a date for a potential shutdown or furloughs.

BBER did a study in 2011 that said the lab injected \$1.6 billion into the northern New Mexico economy in 2009, which resulted in 11,200 direct jobs. That equals an economic impact of \$4.38 million a day. Of those jobs, 8,700 employees are on LANL's payroll.

LANL is the sixth-largest employer in New Mexico. All of its revenue is provided by the federal government. Annually, the BBER study said, LANL is responsible for \$1.05 billion in employee compensation and benefits.

Nuclear regulator furloughing staff a day sooner than expected

Darius Dixon, Politico

October 9, 2013

[LINK](#)

The agency that oversees the safety of the nation's 100 commercial nuclear reactors announced it's furloughing more than 90 percent of its staff starting Thursday -- a day earlier than expected.

The NRC had earlier said it could keep up normal operations until Friday, using the same carry-over funds that have allowed the agency to function despite the government shutdown. But the NRC learned late Tuesday about an unexpected payroll employee benefit charge "that cut into our financial safety margin," a spokesman said.

The agency said it's committed to protecting public safety despite the massive employee furloughs. The NRC will continue inspecting reactors, will maintain emergency response personnel at its headquarters and will call in additional staff as needed to deal with potential accidents.

Despite our best hopes, the NRC on Thursday will be joining the rest of

the federal government in shutting down due to a lapse in appropriations," Chairwoman Allison Macfarlane wrote in a blog post Wednesday. "I believe we all share a deep disappointment that this action has become necessary."

She added: "By using 'carryover' funds, we've been able to stay open, but those funds have now been depleted. Wednesday is the last full day that the NRC will be operating normally until we receive an appropriation."

As a result, the agency will halt work including non-emergency reactor licensing and emergency preparedness exercises, as well as the agency's routine licensing and inspection of nuclear materials and waste licensees. But according to the agency's contingency plan, the NRC will continue activities like responding to allegations of wrongdoing and overseeing security programs.

Even before Wednesday's news, the NRC had begun announcing that upcoming public meetings will have to be rescheduled because of the shutdown. The agency's website will stop updating Wednesday night, but NRC staff will try to provide status reports to the public through the agency's blog and Twitter accounts.

Macfarlane tried to reassure the public that furloughing the vast majority of its staff won't detract from NRC's response to a potential emergency.

"Let me stress ... that all of our resident inspectors will remain on the job and any immediate safety or security matters will be handled with dispatch," she said. "We can -- and will without hesitation -- bring employees out of furlough to respond to an emergency. We must, in this regard, err on the side of safety and security."

As recently as Tuesday, officials at the agency thought the NRC's carryover money could last through Thursday, but they had to shave off a day in their timeline Tuesday night after a new payroll benefit expense came in.

"The reason for moving up the shutdown point at the NRC has to do with the rate at which carry-over funds were being expended," NRC spokesman Eliot Brenner said. "Specifically, we were notified late yesterday of an expense that cut into our financial safety margin, prompting the decision to close earlier than previously expected."

Over the last two weeks, operations chief Mark Satorius has provided updates on the agency's financial status.

Most of the agency's "excepted" employees are the resident inspectors around the country and the operations personnel at its Rockville, Md., headquarters. Like Macfarlane, Satorius has said that if an emergency occurs, "additional NRC employees who are required to perform excepted functions will be contacted, designated as excepted and removed from furlough status."

The NRC sent notices to the agency's roughly 3,900 employees on Monday indicating whether they were among the 300 or so who won't be

furloughed when the carryover funds run dry, Brenner said.

Resident inspectors make up about half of the excepted employees who will stay on the job, while the other half is mostly made up of emergency response personnel, managers and support staff.

NRC commissioners and the agency's inspector general will stay on the job because they're presidential appointees. Macfarlane said the agency will continue to receive safety and security concerns through the website and a series of hotlines.

Although the agency recovers about 90 percent of its budget through fees on the nuclear industry and researchers, it still has to go through the congressional appropriations process.

"The bottom line is this: The NRC is not funded directly by the fees we collect," Macfarlane wrote. "Fees collected by the NRC must be deposited in the U.S. Treasury, and the Congress provides us an appropriation."

Contingency plans being developed at Hanford in case shutdown continues

Annette Cary, Tri-City Herald

October 7, 2013

[LINK](#)

Contingency plans are being developed at Hanford to keep the nuclear reservation in a safe condition if the federal government shutdown continues.

How long work can continue as usual is uncertain. Since the start of the current fiscal year, Oct. 1, Hanford environmental cleanup has continued, at least in part, with carryover money from the previous fiscal year.

But the Department of Energy has not said how much money is available. And questions remain about how much flexibility DOE will have to move money among projects to provide flexibility to allow cleanup work to continue.

DOE has produced a department-wide plan that addresses federal employees, but not contractor employees, the majority of the approximately 8,000 workers at Hanford.

The plan, which has not been implemented, as DOE continues to use money from prior years, calls for five federal employees to continue working at the DOE Hanford Richland Operations Office and two federal employees to continue working at the DOE Hanford Office of River Protection.

Hanford contractors have told employees to continue to report to work as usual at the nuclear reservation.

On Monday, Washington Closure Hanford, Washington River Protection

Solutions and CH2M Hill Plateau Remediation Co. updated information to employees in memos that were similar for all three contractors.

Workers were told that "the nature of DOE funding" will allow continued operations for a short period of time.

All Hanford contractors are working with DOE to prepare contingency plans that support the priorities of safety and security during a worst-case shutdown scenario. Instead of advancing cleanup, all work would be focused on the activities needed to keep the site safe and secure, the memos said.

To conserve resources, managers have been told to postpone all travel, training and other activities that can be temporarily put off.

Workers at Washington Closure and CH2M Hill were told that only overtime would be approved for critical work only.

At Pacific Northwest National Laboratory in Richland work continues using unspent money from previous years.

Sen. Wyden presses Energy secretary on Hanford nuke site risks

Ben Geman, The Hill

October 3, 2013

[LINK](#)

A senior Democrat wants the Energy Department (DOE) to explain how it will address problems described in a new inspector general report that criticizes DOE's oversight of a major nuclear waste treatment plant that's under construction in Washington State.

Senate Energy and Natural Resources Committee Chairman Ron Wyden (D-Ore.), in a letter Thursday, presses Energy Secretary Moniz to describe how he will tackle longstanding problems at the Hanford nuclear site.

The DOE's inspector general, in a new report, said engineering and construction giant Bechtel has failed to ensure the safety of equipment manufactured for the \$12.2 billion nuclear waste treatment plant it's building. The report also knocks DOE's management of the topic.

"This is latest in a series of such findings going back to 2007. Clearly, the problem has not been resolved," the letter states. Wyden, in the letter, asks Moniz to "describe what actions the Department will be taking to address this longstanding problem" at the Waste Treatment and Immobilization Plant (WTP).

The letter asks why quality control and quality assurance failures are not addressed in a DOE "framework" released last month for retrieving, treating and disposing of 56 million gallons of radioactive and chemical wastes stored in 177 underground tanks at Hanford.

The sprawling Hanford site in Washington State is around 35 miles north of the Oregon border, and sits along the Columbia River that flows through both states. The badly contaminated site is a legacy of decades of producing plutonium for nuclear weapons.

Wyden is concerned about leakage of chemical and radioactive waste from Hanford polluting the river.

His new letter also asks how the DOE will address similar quality control problems at other nuclear sites. From the letter:

In light of the persistence of these quality control and quality assurance problems at the project, I am surprised that this issue is not addressed in the framework document released last month. The IG report also notes that this problem is not unique to WTP and that similar quality problems recently occurred at another major Environmental Management project in Idaho - the Sodium Bearing Waste Treatment Project, and at Savannah River. Please explain why this issue is not included in the framework and describe what actions the Department will be taking to address this longstanding problem at WTP. Finally, what steps will be taken within the EM organization to address this problem which, as documented by the Inspector General, extends beyond Hanford?

More Hanford State of the Site meetings canceled

Tri-City Herald
October 8, 2013
[LINK](#)

All Hanford State of the Site meetings planned this month have been canceled.

Last week the State of the Site meeting planned in Kennewick Oct. 10 was canceled because of the federal government shutdown.

Tuesday State of the Site meetings planned Oct. 15 in Seattle, Oct. 16 in Portland and Oct. 17 in Hood River, Ore., also were canceled.

The meetings are expected to be rescheduled.

The last State of the Site meetings were in spring 2011 and before that in 2008, but the Hanford Advisory Board recommended a year ago that Hanford officials resume the meetings.

The meetings provide a platform for the Department of Energy, the Environmental Protection Agency and the Washington State Department of Ecology to discuss progress and challenges at the Hanford nuclear reservation.

They also allow members of the public access to Hanford leaders to raise issues and ask questions.

President of Washington Closure Hanford to retire

Annette Cary, Tri-City Herald
October 8, 2013
[LINK](#)

Richland -- The president of Washington Closure Hanford told staff Tuesday she plans to retire at the end of December.

Carol Johnson has served as president and project manager since July 2011 for the Department of Energy contractor in charge of environmental cleanup in the area along the Columbia River. A new president has not been named.

"Carol has done an incredible job over the past three years leading WCH's cleanup of Hanford's river corridor," said Matt McCormick, manager of the DOE Hanford Richland Operations Office, in a memo to employees. Johnson told employees she had been considering the decision for many months.

"After 33 years in the nuclear industry, I can look forward to the flexibility of spending more time with my husband, Mike, my family, and to pursue the long list of items on my bucket list," she said.

Her husband, Mike Johnson, retired as president of Washington River Protection Solutions, the Hanford tank farm contractor, in June.

URS Corp., the primary owner of Washington Closure, will begin work immediately to find a new president for the Hanford project, said David Pethick, general manager of URS Global Management and Operations Services Group, in a message to employees.

"I anticipate the position being posted this week and the selection and approval process taking several weeks to complete," his message said.

Johnson will help the new president make a smooth transition, McCormick said. He has called Washington Closure one of the best performers in DOE's nationwide environmental management complex based on schedule, cost and safety.

Under Johnson's leadership, Washington Closure has met all regulatory deadlines for environmental cleanup and saved taxpayers more than \$300 million in cleanup costs, according to Pethick.

Environmental cleanup near Hanford's F Reactor has been completed, with the exception of ongoing work by another contractor to address contaminated groundwater. In addition, workers have nearly completed tearing down the last of the unneeded buildings at Hanford's 300 Area just north of Richland.

The Washington Closure contract is scheduled to end in fall 2015, when most of the environmental cleanup along the Columbia River is completed. However, DOE has indicated it expects to have Washington Closure continue to do some work to finish up some challenging projects.

Johnson and her team have positioned Washington Closure well to complete cleanup of the area along the Columbia River, Pethick said. She has been committed to the welfare of employees losing their jobs as the contract begins to ramp down, and more than 80 percent have found new jobs, Pethick said.

She also has had an exemplary safety record, achieving consecutive Stars of Excellence in the DOE Voluntary Protection Program, he said.

Johnson came to Washington Closure in November 2010 as closure director and previously was infrastructure executive director at the URS-led Sellafield remediation project in the United Kingdom.

Aiken Together: Center to highlight impact of SRS

Derrek Asberry, Aiken Standard

October 7, 2013

[LINK](#)

Editor's note: This is the third of a three-part series about the Aiken Together campaign that was recently announced to raise funds through private donations for the Center for African American History, Art and Culture, the Aiken Visitors Center and Train Museum and the funding to open a Savannah River Site Heritage Center. Today's story covers the Savannah River Site Heritage Center.

The third major project in the Aiken Together campaign is a Savannah River Site Heritage Center, which will be housed in downtown Aiken. Chaired by Savannah River Nuclear Solutions CEO Dwayne Wilson, Aiken Together will look to raise funds for the development or completion of the Center for African American History, Art and Culture; the Aiken Visitors Center and Train Museum; and the Savannah River Site Heritage Center.

"SRS has always been a major influence on the community and the nation. It has produced numerous scientific accomplishments and forever changed the lifestyle of the surrounding communities, schools, roadways and employment demographic," said J. Walter Joseph, executive director of the SRS Heritage Foundation.

The SRS Heritage Center would be built in a downtown Aiken building; although, members of Aiken Together have not specified yet which one.

The center will showcase the history of the Site, including its past and present work and people. It will feature a timeline and a series of videos, photographs and interactive exhibits all related to the legacy of SRS. Exhibits will cover the Cold War, nuclear physics, the impacts of the Site, those who had to make major lifestyle changes, technology and accomplishments of the Site.

"People brought their interests and enthusiasms to Aiken, and SRS and contributed to things like the Aiken Playhouse," Joseph added. "That story needs to be told so that young people will get a sense of the

pleasures and excitements of working in the technical fields."

Funds raised by Aiken Together will be used for building reconfiguration, infrastructure to accommodate visitors and exhibit design and installations. The group prides itself in using zero public funding. Instead, it is seeking funding from businesses, companies and corporations.

According to the organization, about 31 percent of the allocated funds will be used for the Heritage Center, with 41 percent going toward the Center for African-American culture and 28 percent to the Aiken Visitors Center and Train Museum.

"Aiken has such a rich heritage," Joseph added. "The SRS Heritage Foundation is leading the effort. We're a nonprofit, and our mission is to preserve the history of the Site, and this museum will be a major step in doing that."

Price of Uranium Expected to Rise

Clare Foran, National Journal

October 7, 2013

[LINK](#)

When an earthquake and a tsunami hit Japan's Fukushima Daiichi nuclear-power plant in 2011 causing a meltdown, the price of uranium plummeted. Now that's set to change, Bloomberg reports.

Although nations like Japan and Germany are shifting away from nuclear power and have closed down a number of nuclear-power plants, emerging nuclear markets in China and other countries will cause a spike in demand likely to send prices soaring.

"New nuclear plants will significantly boost demand in coming years, even taking into account the phasing out of German plants," said Olivier Wantz of Areva SA, the second-biggest producer of uranium in the world. "We see first a stabilization of prices, with the start of a pick-up as soon as 2014."