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ECA Peer Exchange: DOE Moving Forward

Washington, D.C.
February 27-28, 2014

[REGISTRATION](#)

Registration is now open for the ECA Peer Exchange on February 27th at the Liaison Hotel in Washington, D.C. Join the communities and local governments around DOE sites as we discuss key issues. DOE Officials, administration officials and Washington insiders will discuss important issues and provide you with their insights.

Thursday, February 27th (8:30am to 4:00pm)

ECA Peer Exchange: DOE Moving Forward

More Information

[ECA Peer Exchange: DOE Moving Forward](#)

Washington, D.C.
February 27-28, 2014
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Friday, February 28th (9:00am to Noon)

Board meeting for ECA members; ECA Board of Directors meeting and ECA Executive Board Elections

Invited Speakers

- Congressman Mike Simpson
- Secretary of Energy Ernie Moniz
- David Klaus, Deputy Under Secretary for Management and Performance, DOE
- Betsy Connell, Senior Advisor, Office of the Secretary, DOE
- Dave Huizenga, Senior Advisor for Environmental Management, DOE
- Pete Lyons, Assistant Secretary for Nuclear Energy, DOE
- Bruce Held, Acting Under Secretary for Nuclear Security, DOE
- Mary Louise Wagner, Senior Advisor, Office of the Secretary, DOE
- and more!

Topics will include

- FY 2015 Budget
- DOE Priorities for 2014-15
- Facilitating More Efficient DOE/NNSA Sites
- Modernization and the Future of the NNSA Complex
- Nuclear Energy

Registration Procedures

To register for the meeting go to <https://www.eventbrite.com/e/eca-peer-exchange-doe-moving-forward-tickets-7965606343>.

- \$200 for ECA Members, Government and Public Sector participants
- \$495.00 for Private Sector participants

Meeting location

Liaison Hotel
415 New Jersey Avenue, NW
Washington, DC 20001

To make your hotel reservations call (866) 233-4642 and reference yourself as part of the Energy Communities Alliance group or provide the reservation ID: ECA221.

We have secured a group rate of \$219.00 per night. The cut-off date for your reservation is Friday, February 14, 2014. Please make your reservations early!

Omnibus bill taking shape

David Rogers, Politico

December 31, 2013

[LINK](#)

What do the B-61 bomb, the Abu Dhabi airport, and federal tax payments to Western timber towns have to do with one another?

Nothing really -- but all are part of a governmentwide spending bill taking shape in Congress, a \$1 trillion-plus omnibus measure that seeks to restore some order to a broken appropriations process and avert any threat of a shutdown fight Jan. 15.

December's budget agreement set the overall spending number, but the devil's in the details now -- with little sugar to help the medicine go down. Earmarks are gone. It's a cold-turkey exercise in governance, the likes of which Washington hasn't seen in years.

Turn up the Rolling Stones: "You can't always get what you want." Throw out the old metaphors. Last train out of the station? This is more like Noah's Ark. Or the mother of all term papers for a Congress that has slept through most of its classes.

The layers are many.

Does the Energy Department really need to spend billions to extend the life of 400 B-61 nuclear bombs? Should U.S. Customs and Border Protection proceed with a new passenger pre-clearance program at Abu Dhabi -- funded largely by the United Arab Emirates but opposed by American airlines? Who has \$400 million to spare to compensate Western towns surrounded by federal forests and parks exempted from local property taxes?

And that's the easy stuff.

The last House-Senate exercise that came close to this was at the tail end of 2011 after a brutal debt ceiling fight that shook the financial markets all summer. Even then, the task was accomplished in two steps, not one. And it followed months of floor debate in which lawmakers were immersed in the details of government programs -- something absent from this Congress.

Indeed, in the years since, much of the government has been left on autopilot, funded through stopgap bills and subject to across-the-board cuts. Almost despite themselves, House Republicans have stumbled into success, rolling back domestic appropriations to levels below 2008 levels. The question now is whether they can govern, allocating these resources together with the White House and Democrats so the country can go forward.

Without doubt, each page of the giant omnibus bill will give someone a reason to vote no. But to go backward and fail is not without cost. Just look at the beating all of Washington has been taking in public opinion polls.

At center stage are the House and Senate Appropriations committees,

whose staffs have been working through the holidays to try to pull together a draft package -- really 12 bills in one.

About half these -- covering the Departments of Commerce, Justice, Homeland Security, Defense and Veterans Affairs and major science agencies -- have been largely finalized. And right up to New Year's Eve, there were conference calls with lawmakers Tuesday and reports of continued progress on the major spending issues.

Funding for President Barack Obama's signature health care and financial reforms -- as well as environmental riders sought by conservatives -- are still roadblocks. But the goal is to narrow the field as best possible before meetings next week, when the two committee chairs -- Rep. Harold Rogers (R-Ky.) and Sen. Barbara Mikulski (D-Md.) -- can make their final decisions.

December's budget agreement makes the task doable -- but scarcely easy. And having risked the wrath of the right by blocking sequestration, House Budget Committee Chairman Paul Ryan (R-Wis.) is keeping a tight rein on any score-keeping adjustments that might help Appropriations.

The new 2014 cap for nondefense discretionary spending is \$491.8 billion, which will require Senate Democrats to cut \$14 billion from the domestic bills reported over the summer. At the same time, Republicans must trim \$25 billion from defense-related bills approved by the House last summer if the GOP is to meet the new target of \$520.5 billion.

This sets up a battle of perceptions for both parties.

Just before Christmas, for example, Congress approved an ambitious defense authorization bill that was largely in denial about the real perils of the budget situation for the military. How will hawks react when they come back and see an appropriation that saves the Pentagon's bacon but is still tens of billions less than the House and Senate Armed Services committees had envisioned?

Nuclear weapons programs are part of this puzzle -- which is why the costly B-61 is a question mark. But the lion's share of the reductions must come from the Pentagon, which will end up with appropriations of about \$488 billion -- roughly \$24 billion under what the House approved in July.

Early casualties include once-promising initiatives to repair and reset equipment coming home from Afghanistan. Then again, the same operations and maintenance accounts would have fared far worse under sequestration -- which threatened to cut \$20 billion more from the Pentagon's 2014 resources.

A similar give-and-take applies to Democrats on the domestic side of the ledger.

The new caps for nondefense spending roll back the March sequestration cuts -- an important concession for liberals. But Obama will still be locked into a budget path with fewer resources than his

Republican predecessor, President George W. Bush, enjoyed in his own second term.

A closer look at the numbers bears this out. The revised \$491.8 billion target for 2014 roughly matches the \$490 billion total for nondefense appropriations -- approved last spring by Congress as part of a hybrid CR -- prior to sequestration. "The good news is we've stopped digging," said one Democratic aide.

But when measured in real dollars adjusted for inflation, that same \$491.8 billion cap is still more than \$40 billion below fiscal 2008, the last year of Bush's presidency.

What's more, Obama is paying a price for hasty concessions in the past and his often feckless approach to appropriations generally.

For example, the administration had requested \$4.82 billion in fiscal 2013 for the program management account within the Centers for Medicare and Medicaid Services -- the chief source of discretionary funds to implement the president's health care reforms.

But the White House then settled for just \$3.8 billion last spring -- a number that only got worse with sequestration.

Through the summer, the administration was able to buy time by tapping into mandatory funds, authorized by the Affordable Care Act and separate from appropriations. But these wells are beginning to run dry.

A \$1 billion implementation fund created by ACA is largely depleted, for example. The White House's own allies were upset when it took more than \$450 million out of the Prevention and Public Health Fund, a priority for Sen. Tom Harkin (D-Iowa), a senior member of the Senate Appropriations Committee. There is a separate innovation fund, which received a lump-sum \$10 billion appropriation under ACA and which some might try to tap. But the innovation fund is intended to explore new ways to reduce costs and improve services for Medicare and Medicaid, not to implement health reform per se.

Ultimately, fees generated by health insurance policies sold in the exchanges will help to cover ACA's costs. But this is a critical window now where the administration's appetite for discretionary funds is growing, given the added costs of filling in the gaps where governors have opted not to set up their own state exchanges.

The president's 2014 request for CMS program management is \$5.2 billion -- a full \$1.4 billion increase over its current appropriation. On top of that, Health and Human Services has had to spend heavily already to correct website problems. Getting flat-lined again at \$3.8 billion -- even after the shutdown fight over health care -- could pose problems.

The numbers are smaller but the stakes similar in the case of Obama's Dodd-Frank financial reforms.

The Commodity Futures Trading Commission, charged with a major role in regulating the derivatives market, remains effectively frozen at more than a third below the president's request. Even the Securities and

Exchange Commission, financed by industry fees and central to enforcing Wall Street reforms, is not immune to this crunch.

In negotiations last spring, the SEC was denied any increase in 2013 funding and left effectively frozen at the same \$1.32 billion level as 2012. Under sequestration in March, that number fell to \$1.255 billion. Even if the omnibus were to bring the SEC back up to \$1.32 billion, that would still be \$300 million less than Obama's request.

In her years on Appropriations, House Minority Leader Nancy Pelosi (D-Calif.) used to joke of breaking into song with the Rolling Stones to keep her spirits up.

"You can't always get what you want ... but if you try sometime, you just might find, you get what you need," go the lyrics.

Congress has two weeks to write its own music to go with the words.

Study to look at Tri-City-area small nuclear reactor

Tri-City Herald

December 30, 2013

[LINK](#)

The Tri-City Development Council is seeking bids to study the possible benefits of building a small modular nuclear reactor system at the Hanford nuclear reservation.

Sen. Sharon Brown, R-Kennewick, made a successful budget request during the past state legislative session for \$500,000 to study the manufacturing and advancement of small modular reactors in the Tri-Cities.

That money, which comes from state capital budget funds for economic development and job creation, will be used to pay for the TRIDEC study and then a proposal to the Department of Energy, if the study results confirm advantages of building at Hanford.

"This is an opportunity I do not want to see pass us by," Brown said on Monday.

The Department of Energy already has announced \$452 million in matching funds for two proposals to design and license modular nuclear reactors. They are being developed by Babcock & Wilcox in cooperation with the Tennessee Valley Authority and by NuScale Power in Oregon with tentative plans for an Idaho plant that would be operated by Energy Northwest of Richland.

But the DOE grants do not yet include site selection or construction, giving TRIDEC time to convince DOE that Hanford is the best place for an operating small modular reactor.

A new small modular reactor, costing between \$500 million and \$1 billion, would create 200 to 300 construction jobs and then 100 permanent jobs to operate the plant, potentially replacing some jobs that likely would be lost at Hanford, according to TRIDEC.

DOE plans to have the first small reactors operating in about a decade, about the time most Hanford cleanup other than radioactive tank waste retrieval and treatment is planned to be completed and employment is ramping down.

But the final goal of both Brown and TRIDEC is to position the Tri-Cities

for a role in manufacturing or at least assembling commercial small nuclear reactors, including for export. The Tri-Cities has access to ocean-going vessels to ship the reactors to China, Korea, Japan and developing countries.

The planned TRIDEC study would identify and evaluate the possible benefits and any significant advantages of placing a modular reactor at Hanford.

Energy Northwest already has done a "soft analysis" that shows existing infrastructure at its never-completed WNP-1 reactor on Hanford land could save \$50 million.

The site already has been issued a Nuclear Regulatory Commission permit, which might streamline the process for licensing a small modular reactor there. There also could be additional cost savings by locating close to Energy Northwest's full-scale commercial nuclear power plant, the Columbia Generating Station, including in emergency preparedness, nuclear security, operator training and used nuclear fuel storage.

The study also will look at whether the site of a second never-completed Energy Northwest reactor, WNP-4, or the former DOE Fast Flux Test Facility research reactor site could be equal to or better than the WNP-1 site. Both Energy Northwest reactor sites have infrastructure, but WNP-1 also has some buildings.

Other cost savings could be available at Hanford because of the Tri-City community's assets, including higher education nuclear training programs, a trained nuclear workforce and companies and agencies already providing support for other nuclear projects.

Other DOE sites are being considered for a small modular reactor, including in Tennessee and South Carolina, but TRIDEC suspects that Hanford is the only DOE site where DOE will need additional power in the 2020s.

A power purchase agreement might be possible for the vitrification plant, scheduled to treat radioactive waste in 2022, or for other Hanford plants or Pacific Northwest National Laboratory.

About 10 companies already have expressed interest in conducting the study, according to TRIDEC. Now it is asking for proposals due on Jan. 17.

Although TRIDEC is looking for a national company, it expects there to be opportunities for partnerships with Tri-City area companies, said Gary Petersen, TRIDEC vice president of Hanford programs.

Brown became interested in finding state money for the study as she listened to testimony in the state Senate Energy Committee about small modular reactor technologies, she said.

The reactors are proposed to be built in factories and transported to sites where they would be ready to "plug and play" upon arrival, reducing capital costs and construction time. Models that would produce 45 to 200 megawatts have been proposed by industry, which would make them useable for small electric grids and locations that cannot support large reactors, offering utilities the flexibility to add more modules to scale up production if demand increases.

"I realized it is a bipartisan issue," she said. "We all agree on the identification and manufacturing of safe, consistent and reliable energy."

In August Washington Gov. Jay Inslee wrote to Energy Secretary Ernest Moniz, asking DOE to consider placing a small modular reactor at Hanford to help with the growing power requirements for environmental cleanup there, including operation of the massive vitrification plant being built to turn radioactive waste into a stable glass form for disposal.

In addition, most members of Washington's Congressional delegation

have provided letters of support for a small modular reactor to be located at Hanford.

DOE, UCOR demolish last piece of K-25, once the world's largest building

Oak Ridge Today
December 19, 2013
[LINK](#)

It was once the world's largest building under one roof, built by the U.S. government in less than two years as part of a top-secret race to build the world's first atomic bombs during World War II.

Officials say it also helped win the Cold War.

But five years after demolition started, the K-25 Building is gone. Officials, workers, and invited guests watched the last section of the giant building crash to the ground on Thursday.

The mile-long, U-shaped K-25 Building enriched uranium through a process called gaseous diffusion. It was the largest facility in the U.S. Department of Energy complex. Debris shipments are expected to be completed in the spring of 2014.

The \$1.1 billion project is under budget and ahead of schedule.

Here is more information from a press release:

"The K-25 building, located at the East Tennessee Technology Park, formerly known as the Oak Ridge Gaseous Diffusion Plant, was built in 1943 as part of the Manhattan Project. At the time of the Manhattan Project, K-25 was the world's largest building under one roof. Today, the Department of Energy has successfully completed its largest-ever demolition project.

"Today marks a tremendous accomplishment for the American people - advancing our commitment to the safe and complete cleanup of former Manhattan Project sites," said Deputy Secretary of Energy Daniel Poneman. "While there is still important clean-up work to do, completing the demolition of the K-25 gaseous diffusion building and doing so ahead of schedule and under budget is a testament to the outstanding Oak Ridge workforce."

The K-25 building operated until 1964, producing enriched uranium for defense and commercial purposes. During the past decades, as the facility deteriorated, its demolition was considered among the highest priorities for the environmental cleanup program in Oak Ridge. With the demolition of the K-25 building, only two of the five original gaseous diffusion buildings remain.

The K-25 building demolition project began in December 2008, when Bechtel Jacobs Company LLC, completed demolition of the west wing. URS-CH2M Oak Ridge LLC, or UCOR, took over the project in August 2011 and successfully completed demolition of the building's east wing and north end.

"I'm proud to have been part of this historic achievement," said Leo Sain, UCOR President and Project Manager. "This project was a massive undertaking involving many people. We are pleased that UCOR, working hand-in-hand with DOE and the union leadership, was able to safely complete the demolition and bring this project full circle."

Although the K-25 building demolition is complete, the historical significance of the facility will live on. In 2012, the DOE, Tennessee State Historic Preservation, Advisory Council on Historic Preservation, City of Oak Ridge, East Tennessee Preservation Alliance, and other consulting parties finalized a plan that lays out a multi-year plan to commemorate the K-25 complex, which contained more than 500 facilities including the K-25 building.

Under the terms of the agreement, the Energy Department will construct a three-story equipment building that recreates a scale representation of the gaseous diffusion technology and contains authentic equipment used in the original facility. The Department's Office of Environmental Management also agreed to display equipment, artifacts, oral histories, photographs, and videos a K-25 History Center on site. Also, the Department provided a \$500,000 grant to preserve the Alexander Inn, a historic structure in Oak Ridge where visiting scientists and dignitaries stayed during their visits to the area.

More information will be added as it becomes available.

Nuclear Agency May Reassess Y-12 Uranium Project Over Cost Spike

Global Security Newswire

January 2, 2014

[LINK](#)

A U.S. nuclear-arms official said costs could ultimately prompt cutbacks to a uranium plant planned in Tennessee, the Knoxville News Sentinel reports.

The National Nuclear Security Administration will complete nine-tenths of the design for the Uranium Processing Facility before mulling a possible need for modifications, NNSA Acting Administrator Bruce Held told the newspaper.

Held's agency now places the future site's maximum estimated cost at \$6.5 billion, a nearly six-fold increase from the facility's anticipated price tag from 2004.

Defense Department auditors, though, believe the site's expense could reach between \$10 billion and \$12 billion, according to insiders. In a worst-case scenario, the cost could even reach \$19 billion, the Nuclear Weapons and Materials Monitor reported, quoting personnel familiar with an assessment by the Pentagon's Cost Assessment and Program Evaluation, or "CAPE," office.

Held said his agency, a semiautonomous branch of the Energy

Department, would not immediately alter the uranium project's course in response to the Defense Department report.

"We're not going to spin around and, you know, just (switch plans) because CAPE says it's going to cost \$19 billion," he said.

NNSA officials would not revise their own expense projection until they "actually have some confidence in what the cost will be," Held said.

Still, the NNSA official said his agency might alter plans for the so-called "UPF" facility later on, if modifications prove necessary.

"If [our UPF design] is too expensive for the U.S. government to do, well, then we're going to have to figure out something else to do," he said in Dec. 10 comments to the Defense Nuclear Facilities Safety Board.

Coakley, other AGs blast NRC on nuclear waste storage

The Patriot Ledger
December 28, 2013

[LINK](#)

PLYMOUTH --

Attorneys general from four states including Massachusetts have sharply questioned assurances by the Nuclear Regulatory Commission that the storage of spent nuclear fuel in America is safe.

The question of how the U.S. should store its nuclear waste is looming larger now that Washington has abandoned plans to store the spent nuclear fuel at Yucca Mountain in Nevada.

"Massachusetts has a strong interest and concern regarding storage of spent nuclear fuel at the Pilgrim nuclear power plant in Plymouth," state Attorney General Martha Coakley wrote in a 143-page document submitted to the NRC.

Coakley argued that when the federal agency first licensed the 685-megawatt nuclear plant for operation in 1972, spent nuclear fuel was only supposed to be stored there temporarily and then transported offsite.

"Four decades later, the spent fuel continues to accumulate onsite at Pilgrim, posing a risk of catastrophic fire and other adverse environmental impacts," she wrote.

Coakley and attorneys general from Connecticut, New York and Vermont said the Nuclear Regulatory Commission has failed to address the environmental impact of nuclear-waste storage in the face of reactor shutdowns, natural disasters such as earthquakes and floods, and after owners close down power plants and leave waste to sit there indefinitely.

"This proposed rule again fails to address secure alternatives or solutions," said Jillian Fennimore, a spokeswoman for Coakley. The NRC estimates that more than 70,000 metric tons of spent nuclear fuel has accumulated in the U.S., with about three-fourths of it still stored and cooled in 40-foot-deep pools at nuclear power plants.

Pilgrim has more than 500 metric tons of spent fuel - or 3,222 fuel assemblies - in pools. The plant is licensed for only 3,859 fuel assemblies.

By the end of 2014, Entergy Corp., the Louisiana-based company that owns Pilgrim, will transfer some of the spent fuel from the wet pools into three dry casks made of concrete and steel and widely considered to be a safer method of storing nuclear waste.

Each 18-foot-tall cask weighs 360,000 pounds when loaded and can hold 68 fuel assemblies, Entergy officials said. If the casks are filled to capacity with spent fuel rods, then Pilgrim will have shifted about 6 percent of its total spent fuel into the dry casks next year.

Mary Lampert, the Duxbury resident who heads the grass-roots organization Pilgrim Watch, welcomed the critique of the NRC by Coakley and other attorneys general.

"We all recognize the fact that the gravest danger to the region is the spent-fuel pool fire," she said. "It is very important the attorneys general made these comments."

Pilgrim Watch also submitted comments to the NRC's draft environmental impact statement, questioning why the agency doesn't evaluate the storage of spent nuclear fuel on a site-by-site basis.

Dave Lochbaum, a nuclear engineer and the director of nuclear safety at the Cambridge-based Union of Concerned Scientists, wrote in his blog on Christmas Eve that his biggest concern regarding spent-fuel storage is what happens in the decades after a plant is closed if radioactive water leaks from the pools.

"The NRC had concluded that any leaks would be readily detected before the water migrated offsite to cause harm," Lochbaum wrote.

But he argued that "regulatory oversight shrinks dramatically after reactors permanently shut down," and that the NRC has already allowed the owners of one closed-down nuclear plant in Florida to sidestep requirements for monitoring spent-fuel pool levels.

Nuclear Weapons Oversight Reforms Pared Down in Compromise Bill

Global Security Newswire
December 20, 2013

[LINK](#)

Efforts by House GOP members to reform official oversight of nuclear-weapons contractors took another hit when lawmakers unveiled a new defense bill.

The compromise defense authorization legislation for fiscal 2014, which House Republicans released in cooperation with Senate Democrats on Dec. 10, includes remnants of House-originated provisions aimed at

addressing perceived management problems in the U.S. nuclear weapons complex.

The measures do not go as far as the House Armed Services Committee had initially sought, however.

Much of the debate on weapons facility oversight has been framed in the context of a July 2012 incident in which an 82-year-old nun and two other peace activists were able to infiltrate the Y-12 Nuclear Security Complex in Tennessee. The National Nuclear Security Administration, a semi-autonomous arm of the Energy Department, oversees the facility.

Following the episode, Representative Michael Turner (R-Ohio), a senior member of the panel and former chairman of its Strategic Forces Subcommittee, sought to give the Energy secretary special authority to fire any Energy Department employee "that endangers the security of special nuclear material or classified information."

Turner chastised Deputy Energy Secretary Daniel Poneman during a March hearing for characterizing the lawmaker's question about dismissal authority surrounding such incidents as a "technical legal question" that he was reluctant to answer. During the exchange, Turner announced his intentions to address the issue through legislation if the administration was unable to satisfy his concerns.

The version of the defense authorization bill that the House passed in June included the measure that Turner sought, but the provision allowing expanded firing authority was dropped from conference-committee legislation during negotiations with Senate Democrats. The compromise bill instead directs the Energy secretary to submit a report to Congress "on the authorities available to the secretary to terminate federal employees."

The Energy Department report, which would be due in March, should "describe in detail why such authorities were insufficient to terminate employees in the aftermath of the Y-12 incident."

It should also "include a list of officials in the DOE and NNSA structure that had responsibility for security at Y-12 in July 2012, a description of any disciplinary actions taken with respect to such officials, and such officials' current positions," according to an explanation of the compromise bill released jointly by House Republicans and Senate Democrats.

The joint explanation notes that "several federal employees were reassigned or allowed to retire" following the Y-12 incident, but says that no federal employees were fired. The lawmakers express particular concern with the fact that "senior leaders in the Department of Energy's Office of Health, Safety and Security have held top security policy and oversight positions for well over a decade despite repeated security failures during this tenure.

"These same senior leaders are now inexplicably being counted on to implement reforms ... despite the fact that this same office conducted a review of Y-12's physical security systems just two months prior to the July 2012 break-in and gave Y-12's security a clean bill of health," the

conference report says. "This lack of accountability, whether at senior levels or throughout the DOE, is outrageous and must not be tolerated."

Representative Mike Rogers (R-Ala.), who currently chairs the strategic forces subcommittee, previously told Global Security Newswire that Glen Podonsky -- who heads the DOE health, safety and security office and who has disagreed with committee Republicans on how best to respond to the Y-12 incident -- ought to be fired.

Panel Republicans have been consistently critical of Podonsky and his office, and last year backed legislative provisions that would have significantly limited his ability of Podonsky and that of other Energy Department officials to influence safety and security policy across the weapons complex.

Democrats, labor unions and House Energy and Commerce Committee Republicans rejected the measures, arguing the Y-12 break-in demonstrated that -- if anything -- more DOE oversight was needed.

Podonsky, for his part, has suggested that the Y-12 incident shows that the National Nuclear Security Administration ought to be dissolved. House Armed Service Committee Republicans have rejected this idea, noting that there had been numerous security problems across the complex prior to NNSA establishment in 2000.

House Armed Service Committee Republicans generally have taken the view that, when it comes to oversight of the weapons complex, less is more. Another provision they authored that was dropped from the final version of the fiscal 2014 bill was one that would enable the Energy secretary to request cost-benefit analyses of any recommendations of the independent Defense Nuclear Facilities Safety Board.

Democrats were generally skeptical of that provision, fearing that requiring cost-benefit analyses would drain the safety board's resources and inhibit its ability to conduct crucial reviews.

The joint explanation of the compromise bill, however, notes "that a variety of independent assessments in recent years have indicated that DNFSB oversight, coupled with DOE's history of not challenging DNFSB recommendations, have contributed to increasing costs within the nuclear security enterprise that may achieve comparatively small safety benefits."

One such study, released earlier this year by the National Academies of Science, said DNFSB assessments "generally focus on the safety risks associated with particular experiments [related to maintaining the stockpile] rather than weighing those risks against the benefits to be derived from the experiments and the risks to the nuclear weapons program from not conducting the experiments," according to the lawmakers.

House Armed Services Committee Republicans also had sought to include a provision that would have mandated the expansion of a pilot program under which weapons contractors assess their own performance. The compromise bill does not require that the pilot program, currently limited to the NNSA Kansas City Plant, be expanded.

Instead, it requires a study of the feasibility of extending it to other sites.

In addition, the bill requires "to the greatest extent possible" that the principles of the pilot program be implemented permanently at the Kansas City Plant.

300 Area (Hanford Site) Record of Decision Issued

DOE

[LINK](#)

The Tri-Party Agreement (TPA) agencies - the U.S. Department of Energy (DOE), the U.S. Environmental Protection Agency (EPA), and the Washington State Department of Ecology (Ecology) - have issued a Record of Decision (ROD) for cleanup of contaminated soil and groundwater along the Columbia River in the 300 Area of the Hanford Site in southeastern Washington state.

This is the first of six RODs being put in place for cleanup on Hanford's 220-square-mile River Corridor. Cleanup actions to date have occurred under interim RODs.

The ROD, prepared under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, describes the cleanup options and selected remedial action for this area of Hanford.

Hanford's 300 Area covers about 40 square miles along the Columbia River and is in the southeast corner of the Site, just north of the city of Richland. Operations began in the 300 Area in 1943, when fuel for Hanford's nine plutonium reactors was manufactured. It was also home to experimental and laboratory facilities, including six small-scale nuclear reactors. Past operations resulted in liquid waste containing nitrate, uranium, other metals, and organics being discharged to soils in some locations of this area.

The 300 Area includes two soil Operable Units (300-FF-1 and 300-FF-2) and one groundwater Operable Unit (300-FF-5). This CERCLA ROD provides remedial plans for 130 waste sites (3 waste sites in 300-FF-1 and 127 waste sites in 300-FF-2) and groundwater contamination in 300-FF-5. Since the 1990s, 52 of these 130 sites have been remediated under interim cleanup decisions. The ROD addresses the area's remaining soil and groundwater contamination.

The ROD identified the following cleanup approaches for the operable units in the 300 Area:

300-FF-2 Operable Unit

- Remove, treat and dispose (RTD) at waste sites
- Temporary surface barriers and pipeline void filling
- Enhanced attenuation of uranium using sequestration in the vadose zone, periodically rewetted zone and top of the aquifer
- Institutional Controls

300-FF-5 Operable Unit

- Monitored natural attenuation
- Groundwater monitoring
- Enhanced attenuation of uranium at the top aquifer
- Institutional Controls

300-FF-1 Operable Unit

- Enhanced attenuation of uranium using sequestration in the vadose zone, periodically rewetted zone and top of the aquifer

The agencies considered public input received during the 60-day public comment period in selecting these cleanup approaches. The comment period, scheduled to run from July 15 to August 16, 2013, was extended to September 16 in response to stakeholders' requests. During the comment period, public meetings were held in Richland and Seattle, Washington, and in Hood River, Oregon. The responses to the comments received during the period are included in the responsiveness summary, which is Appendix B of the ROD. No major changes were made to the selected remedy based on public comment.

The Record of Decision

<http://pdw.hanford.gov/arpir/index.cfm/viewDoc?accession=0087180> is available on the Administrative Record. Supporting documents (the Remedial Investigation/Feasibility Study (RI/FS) and RI/FS Addendum) are also available on the Administrative Record. Additionally, the Proposed Plan is available for review at the Public Information Repositories (PIRs) and at <http://pdw.hanford.gov/arpir/>.

USEC's financial restructuring plan includes filing for Chapter 11 bankruptcy

Frank Munger's Atomic City Underground

December 16, 2013

[LINK](#)

USEC Inc. today announced a multi-faceted financial restructuring plan that includes a new debt issue - replacing \$530 million in notes scheduled to mature in October 2014 - and the intent to file a "prearranged and voluntary" petition for Chapter 11 bankruptcy in the first quarter of 2014.

According to the announcement, USEC reached an agreement with a majority of holders of its "senior convertible notes" on the restructuring plan. USEC said the plan will strengthen the company's balance sheet, improve its ability to push forward with the American Centrifuge Project, and better its long-term business opportunities. In a prepared statement, USEC President and CEO John K. Welch said:

"We are pleased to reach agreement with a significant number of our noteholders on a plan to improve our capital structure and enhance our ability to be a stronger sponsor of the American Centrifuge project. We have said for many months that we are transitioning our business to focus on our core strengths, and today's announcement represents

another important step in that process."

USEC said it expects to meet all operations and obligations during the restructuring period. That includes obligations to suppliers, partners, customers and employees, the company said.

The company also plans to continue the American Centrifuge research and demonstration program, as well as the transition work taking place at the Paducah Gaseous Diffusion Plant in Kentucky.

"Discussions continue with the Babcock & Wilcox Investment Company (B&W) and Toshiba Corporation regarding agreement to restructure their preferred convertible equity investment," USEC said in press release. "The noteholders and USEC have made a proposal regarding restructuring the Toshiba and B&W investment and the parties are in discussions on those terms and documentation which must be completed prior to implementing the financial restructuring plan. As strategic investors, Toshiba and B&W remain supportive on deployment of the American Centrifuge Plant."

USEC said the agreement with noteholders includes participation of financial institutions representing about 60 percent of the company's debt. The plan calls for \$530 million in debt to be replaced with a new debt issues totaling \$200 million, which would mature in five years and "automatically extend an additional five years upon the occurrence of certain events."

In addition, the noteholders would receive 79 percent of the company's new equity as common stock.

To make the agreement work, USEC plans to file for Chapter 11 relief in federal Bankruptcy Court for the District of Delaware during the first quarter of 2014.

"It is anticipated that none of the company's subsidiaries will be filing for relief," USEC stated in its announcement.

Department of Energy's Nuclear Waste Fund's Fiscal Year 2013 Financial Statement Audit

DOE IG Report
December 11, 2013

[LINK](#)

The Office of Inspector General contracted with the independent public accounting firm of KPMG, LLP (KPMG) to conduct an audit of the Department of Energy's Nuclear Waste Fund's Fiscal Year 2013 balance sheet and the related statements of net cost, changes in net position and combined statements of budgetary resources.

KPMG concluded that the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2013 and 2012, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with United States generally accepted accounting principles.

The auditors' review of the Fund's internal control structure and compliance with certain laws and regulations disclosed no deficiencies or instances of noncompliance required to be reported under generally accepted Government auditing standards or applicable Office of Management and Budget guidance.

Canada Stands By Uranium Waste-Shipment Plan

Global Security Newswire

December 13, 2013

[LINK](#)

Canada's state-run atomic firm stood by controversial steps to transport more than 6,000 gallons of bomb-grade uranium waste, Postmedia News reports.

The material would be shipped from a medical-isotope production site near Ottawa to the Savannah River Site in South Carolina, according to the article.

"We are dealing with experienced transportation carriers [and] experienced facilities in the U.S. to handle this material," Joan Miller, decommissioning and waste management head for Atomic Energy of Canada, told the news service.

The delivery would unfold over a number of years, using trucks traveling alone or in pairs with no more than 17 gallons of the highly radioactive material in each. Gun-toting security personnel would accompany the deliveries, which would take place each week and pause during winter months.

A central concern is the potential for an attack or a mishap to release of the hazardous waste. The cargo would include plutonium and tritium, in addition to sufficient uranium to fuel several nuclear weapons. The process of separating the weapon-grade uranium from the liquid nitric acid mixture is considered prohibitively difficult for a would-be thief, according to Postmedia News.

Canada previously hoped for a 2013 launch for the estimated \$56.4 million effort to ship and recycle the material. The initiative hit delays, though, when the U.S. Nuclear Regulatory Commission grilled Ontario extensively about the properties of the uranium waste, as well as the hardened steel tanks designed to carry it.