

ECA Update: December 1, 2015



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Editorial: State needs to impose MOX fines
The Aiken Standard
November 29, 2015
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Promises were not meant to be broken which is why the state of South Carolina, in 30 days, should impose penalties of \$1 million a day for missed milestones at the Savannah River Site's Mixed Oxide Fuel Fabrication Facility.

The facility is a key part of the MOX project – the nation's agreed upon answer to meeting its pact with Russia by disposing of 34 metric tons of weapons-grade plutonium.

The MOX method is expected to achieve that goal by using the SRS facility, among others, to convert the plutonium into commercial nuclear fuel. The deal with Russia was made in 2000 and the nation inked a deal with South Carolina in 2003 after a lengthy battle that included then Gov. Jim Hodges threatening to lie in the middle of the road to block shipments of plutonium from entering through the gates of SRS.

Hodges was against the state accepting the deal because of his distrust of

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previous state deals with the federal government, which have led to the Palmetto State holding the bag — or, in this case, the plutonium.

His foresight, along with legislation signed by U.S. Sen. Lindsey Graham, R-S.C. – who was in the U.S. House of Representatives at the time – have empowered the state to fine the federal government \$1 million a day beginning Jan. 1, 2016 if milestones at the MOX facility are not met. One metric ton of plutonium is supposed to exit SRS or be processed through the MOX facility is to have begun by 2016. Neither will happen in the next 30 days, which is why the Attorney General’s office should use its power to protect SRS, the Aiken area and the rest of the Palmetto State’s residents who accepted the plutonium in good faith. The MOX project has suffered delays and cost overruns with federal cost projections for the lifecycle of the project soaring as high as \$51 billion. The figures have the MOX Contractor CB&I, MOX Services, the Department of Energy and other stakeholders debating the true cost of the project and MOX alternatives that may or may not be cheaper solutions.

But those issues were never South Carolina’s problem and it’s time for the state to send that message to the federal government. While the debate rages on, the plutonium remains in less than ideal storage conditions right here in Aiken County. There is a cost to the federal government’s inaction. Put simply, that cost is \$1 million dollars a day – up to a total of \$100 million in 2016.

Some state leaders responsible for holding the Department of Energy’s feet to the fire have been slow to say they will do so now that the time for it has come. S.C. Attorney General Alan Wilson’s office reported on Nov. 10 that “the state is exploring various options” and that “it would be premature and inappropriate to comment at this time.”

Hopefully, Wilson’s office will walk down the path set by Hodges and Graham and hold the federal government’s feet to the fire. Anything less would open the floodgates for more missed milestones and broken promises.

A commitment this significant should be taken seriously, and it’s up to state officials to make sure South Carolina will not take be taken advantage of. Hodges was willing to lie down in the road, Wilson should be willing to stand up for what is right.

Obama signs off on funding for Savannah River Site MOX construction

The Aiken Standard
November 27, 2015

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Another \$345 million for construction of the MOX facility was authorized Wednesday after President Barack Obama inked a highly controversial defense bill.

Though the MOX program has continued making headlines because of lifecycle cost debates, Obama’s main gripe with the defense bill, or National

[Appropriations Bill or CR
Funding the Government](#)

December 11

Defense Authorization Act, was the heightened level of military spending.

Obama vetoed the original bill last month because it sought an additional \$38.3 billion to fight wars. He inked the latest bill after legislators cut \$5 billion off the top.

The bill calls for continued construction of the Savannah River Site's Mixed Oxide Fuel Fabrication Facility – the MOX project's main building – which is expected to convert 34 metric tons of weapons-grade plutonium into commercial nuclear fuel.

The bill also directs Department of Energy Secretary Ernest Moniz to submit to Congress “an updated performance baseline,” which would give legislators and stakeholders a better grasp of progress at the facility.

The MOX project endured a lengthy summer after studies and reports denounced the project due to rising costs.

A congressionally-mandated study from Aerospace was released in May and states the lifecycle cost of the project is \$51 billion.

That number is significantly less than the \$17 billion downblending option, according to Aerospace. The downblending method would dilute the plutonium and dispose of it at a repository.

The Aerospace study was followed by a DOE-commissioned report that stated MOX would need \$800 million to \$1 billion a year to be viable – a figure Moniz confirmed and believes Congress won't appropriate.

The general public is still waiting for Part 2 of the Aerospace report, which focuses on several other MOX alternatives. The study was originally slated for a mid-September release.

Congress received the study in October, but it has not been made available to the general public.

In the next fiscal year, the defense bill states that no more than \$5 million “may be obligated or expended to conduct an analysis of alternative options for carrying out the plutonium disposition program.”

The MOX project employs 2,000 workers and is part of a nonproliferation agreement with Russia. The agreement calls for each country to dispose of 34 metric tons of weapons-grade plutonium.

Piketon D&D funding deadline days away

Portsmouth Daily Times

November 27, 2015

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As the date of Dec. 11, 2015 looms on the horizon, Fluor-BWXT Director Dennis Carr remain optimistic that funding will come through for the decontamination and decommissioning (D&D) project at Piketon.

“Dennis feels optimistic,” Jeff Wagner, Senior Manager of Public Affairs for Fluor-BWXT, said. “In general he feels optimistic about it as far as operating funding is concerned. He is a little bit worried that if we do take up a budget cut maybe in the line item capital area, which would be work on our onsite waste disposal facility, that could be an area that is impacted.”

The current funding runs through Dec. 11 of 2015 and Ohio’s delegation in Washington is continuing the push for the Department of Energy’s fiscal year (FY) 2017 budget to include \$460 million to fully fund ongoing D&D efforts at Piketon.

“We haven’t gotten anything official yet from DOE,” Wagner said. “So we’re still waiting. We allowed the WARN notices to expire and we’re just kind of in a hold pattern now.”

He said the game changer would be if no funding came through at all.

“Right now Dennis is feeling better than he has felt even a few months ago,” Wagner said. “But we do not have final word at this point.”

Congress passed a short-term funding bill in September that ensures that D&D operations at the plant will continue through Dec. 11. Last month, Secretary Moniz indicated that no layoffs would occur within Piketon’s D&D operations through Dec. 11. U.S. Senator Sherrod Brown led the Ohio delegation in a letter to DOE Secretary Ernest Moniz urging him to maintain employment at the plant using the funding provided by Congress.

One of the major concerns is, with a Dec. 11 deadline, if anything were to happen in which no funding was forthcoming, it is just 15 days before the Christmas holiday and would have an extremely negative effect on families in the counties surrounding and adjacent to the Piketon facility.

Brown said, “While a commitment from the DOE and Congress has resulted in the shortfall being eliminated and the jobs being saved, this process has been unfair to workers, the community, and the families that depend on these jobs.”

In the past few weeks U.S. Congressman Brad Wenstrup, along with Congressman Bill Johnson, provided the Energy and Water appropriations subcommittee with legislative language that would maintain operations at Piketon.

“We are working intently in the House of Representatives to prioritize the projects at Piketon in upcoming legislation. This work is critical to our communities and families in Southern Ohio left caught in uncertainty by the Department of Energy’s recent decisions,” Wenstrup told the Daily Times Friday. “The Ohio congressional delegation is working continuously with Chairman Mike Simpson and the Energy and Water appropriations subcommittee on legislation to maintain operations at Piketon and offer solutions for continued funding. I have also personally spoken with with Energy Secretary Ernest Moniz to express my disappointments and strong concerns over the Department’s recent actions.

Wenstrup referred to the Piketon projects as being vital to the region and the nation.

“Congress has continually provided full funding in the face of DOE’s interference, and we are working to continue to keep the federal government’s commitment despite DOE’s decisions to delay and dismantle high priority projects in Piketon,” Wenstrup said.

DOE Looking for Help on Cleanup Support

Atomic City Underground

November 25, 2015

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The Department of Energy this week issued a “Sources Sought/Request for Information” seeking companies with capabilities for forthcoming contracts on technical support services for the agency’s Office of Environmental Management in Oak Ridge.

“The type of contract, period of performance, and amount of funding are yet to be determined,” DOE said in the announcement.

The agency said the scope is likely to include:

- Project Planning and Baseline Support
- Independent Government Cost Estimate Assistance
- Portfolio Federal Project Director Technical Assistance
- Senior Management Technical Assistance

The announcement is [available at FedBizOps](#).

With billions at stake, contractors eye bid to operate National Security Site

Las Vegas Sun

November 25, 2015

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Major contractors, including Lockheed Martin, are exploring bids on a multibillion-dollar opportunity to operate the Nevada National Security Site, the 1,360-square-mile tract once used for nuclear tests and now largely for research on security, emergency response and arms control.

The contract, estimated to be worth \$500 million to \$600 million a year — \$5 billion to \$6 billion over a 10-year period — is expected to draw numerous bids and has caught the attention of state officials, who see it as a significant opportunity for economic development.

The current contractor for the test site is National Security Technologies LLC, a joint venture with Northrop Grumman and three other partners. The contract expires at the end of September, and bids for the new deal are due next December.

About 65 miles away from Las Vegas, the facility once known as the Nevada Test Site was established during the Cold War in the 1950s and served as a site for hundreds of nuclear tests.

As the Cold War waned, the site's mission has shifted in the past several decades. Today, it is responsible for maintenance and enhancement of the nuclear stockpile without testing, assistance to the Navy with nuclear propulsion and response to radiological disasters. “(The site) executes unique national-level experiments, supports national security customers through strategic partnerships, manages the legacy of the Cold War nuclear deterrent, and provides long-term environmental stewardship for site missions,” according to a pre-solicitation notice.

Three major players have confirmed interest in the contract, which will be awarded by the National Nuclear Security Administration.

Last week, interested contractors like Lockheed Martin and construction giant Bechtel were among the vendors to attend a daylong conference in Las Vegas at the Embassy Suites Convention Center. It was hosted by NNSA, that semi-autonomous agency under the auspices of the Department of Energy. The sub-agency could not release a list of conference attendees.

But several companies individually confirmed intentions to participate in the contracting process.

“Lockheed Martin ... intends to bid to manage and operate the Nevada National Security Site,” Steve Field, a spokesman, wrote in an email, adding that the aerospace and defense firm has long played a role in managing Sandia National Labs, another site under the purview of NNSA.

National Security Technologies, the joint-venture with Northrop Grumman and the site's current operator, also is planning to put in a proposal, a spokesperson for the organization confirmed.

Both Bechtel and Lockheed Martin have a history of involvement with the Nevada security site. A Bechtel subsidiary — Bechtel Nevada Corp. — managed the security site from 1996 to 2006. And Lockheed Martin was part of the team that formed Bechtel Nevada.

Like Lockheed Martin, Bechtel, which has done construction management for infrastructure upgrades at McCarran International Airport, is considering the possibility of renewed involvement at the site.

“We're very interested in the opportunity and are evaluating it seriously,” Fred deSousa, a spokesman for Bechtel's nuclear, security and environmental services, wrote in an email.

Regardless of which firm wins the security site contract, economic development officials for the state see the search for a contractor as an opportune time to encourage the site to play a more active role in Nevada, working with more in-state companies and the higher education system.

At a recent meeting, the Governor's Office of Economic Development

reported that it persuaded officials to add language to the request for proposal encouraging contractors to “consider specific performance goals around maximizing subcontracting to business within Nevada and strategic partnerships with Nevada’s system of higher education.”

About 10 percent of current subcontractors for the site are Nevada companies, GOED Director Steve Hill said. The goal is to raise that to 30 percent within three years of the new contract.

“If you look at some of these national labs in other locations, the in-state interaction is a fair amount greater than it is in Nevada,” he said. The NNSA also oversees Los Alamos National Laboratory in New Mexico and the Lawrence Livermore National Laboratory in California.

Hill identified several areas where the Nevada National Security Site and higher education could collaborate. They include nuclear medicine, radiation sciences and natural resource monitoring.

It is rare for GOED to be involved with a contract for a federal agency, but Hill said because of the contract's size and the site’s location, it was important GOED tried to maximize the benefit.

“I think this is the first time we’ve done this,” he said.

AC resolution on Y-12 landfill goes in wrong direction

Please know I take my role seriously and that I’ll continue to monitor the proposals — and I’ll continue to do so through one-on-one conversations, by studying reports and materials, and even traveling to D.C. or out in the field, if necessary. I want a clean community — and productive, working relationships are the key to make it happen.

My larger goal as mayor has been to push for expedited cleanup. Let’s get it finished, once and for all. If we seek, as local government, to pursue any additional funding, it should be to ask for a larger share of the Environmental Management pie of dollars — and as our sales pitch, show examples of success, such as the K-31 demolition finishing four months ahead of schedule and approximately \$4 million under budget.

The process is a long one. No proposal has yet to be agreed upon by the regulators of DOE’s proposal — that is, EPA (federal) and TDEC (state.) When a proposal is accepted, we’ll continue to have opportunities for comment. But please know, pretending that we don’t currently operate a similar site to clean up old, legacy materials that currently sit exposed in our community, in order to request local payments — is a harmful strategy when we are making so much progress.

Please know that as mayor, I’m asking my own questions — questions like, “can the cell be split in two if there are shallow water tables at one particular area? We know engineers say it can work, but can we go above and beyond?” And as people like me ask such questions, DOE has responded.

I am honored for both our city, county, state and nation to be the home of Y-

12. I am enormously proud of the lives we saved, and the role we continue to play in national security and international stability. Like most all work performed in any industry, there is waste generated. But in this day and age, we are equipped with the full knowledge and ability to address it.

I fear the resolution brought to Commission outside of our normal, required committee process and served up at the 11th hour moves us in the wrong direction — that is, a direction that generates political debate and fear, instead of scientific and environmental fact-finding, best practices, and collaboration. It is a direction that puts us at odds with not only our largest employer, but puts at risk federal appropriations and therefore progress as we address cleaning up legacy waste once and for all.

What I can do, and have for the last three years that I have served as mayor, is closely watch the proposal as it winds its way through a very monitored and specific process. I have participated in community workshops on the subject, held private meetings with leadership and staff of DOE's Environmental Management team, have been on site at the current disposal cell, am attentive to all briefings at our regular governmental meetings with DOE and the Tennessee Department of Environment and Conservation (TDEC). In addition, my chief of staff is a highly educated and trained environmental hydrogeologist and he is tasked with verifying all information coming to me. As Ronald Reagan used to say, "trust, but verify."

In my humble and steadfast view, there is no amount of money that could sufficiently offset environmental harm, and I would not put the health, safety and welfare of the people of Anderson County up for negotiation on a spreadsheet to balance the books of county government.

I want the citizens of Anderson County to know as mayor, I have not signed a resolution brought to County Commission that requests funding to "offset the financial and environmental burdens" of a proposed expansion of an existing Department of Energy (DOE) disposal site, or the creation of a new cell, that for all intents and purposes, would be a twin site.

[LINK](#)

November 24, 2015

The Oak Ridger

Terry Frank is the mayor of Anderson County.