



Savannah River Site Watch

**Savannah River Site Watch**  
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**Media Alert**  
**May 27, 2014**

**DOE's Office of Inspector General (OIG) Releases Report on Mismanaged MOX Project  
at Savannah River Site;**

**In SRS Watch Meeting with Inspector General on May 20, Concerns about MOX Project Affirmed**

Columbia, SC – The Department of Energy's office of Inspector General (OIG) has today released a report on the problem-plagued plutonium fuel (MOX) project at the Savannah River Site. The report, entitled "Cost and Schedule of the Mixed Oxide Fuel Fabrication Facility at the Savannah River Site," documents poor planning for the project and that concerns remain about project costs and management.

See link to the audit report at: <http://energy.gov/node/916636>

On May 20, Savannah River Site Watch (SRS Watch) met with Inspector General Gregory Friedman in his office at DOE headquarters in Washington and was informed a report of the MOX project was soon to be released. See photo of meeting at

<http://www.srswatch.org/uploads/2/7/5/8/27584045/8851682.jpg>

The report, which includes a response from the administrator of the National Nuclear Security Administration, affirms that a new baseline cost estimate of the MOX project is on hold until DOE's determines the way forward with plutonium disposition. The report affirms that DOE plutonium disposition "assessment and the associated independent review are expected to be completed in the next 12 to 18 months."

The IG's office summarizes the report as follows:

"The National Nuclear Security Administration (NNSA) and MOX Services have been largely unsuccessful in controlling the cost and schedule for the MOX Facility. A March 2012 construction project review conducted by NNSA concluded that the MOX Facility had a very low probability of being completed according to the approved baseline. NNSA directed MOX Services to develop a baseline change proposal with updated project completion, cost and schedule projections. Under the revised baseline, it was estimated that total project costs would grow to about \$7.7 billion and that completion would slip to November 2019. This represents cost growth of about \$2.9 billion and project schedule slippage of over 3 years."

"The anticipated cost and time required to complete the MOX Facility were significantly underestimated due to a number of factors. This included, most prominently, the Department's 2007 approval of a

project baseline that was developed from an immature design, understating the level of effort to install various construction commodity items, and high personnel turnover rates. Prior to approval, the Department's own independent review of the project baseline found that the design review of the MOX Facility was incomplete. We also noted that additional work scope added at NNSA's direction caused some of the cost growth in the baseline change proposal developed by MOX Services. Despite project expenditures of about \$4 billion and a proposal to place the MOX Facility construction project into cold standby status in fiscal year 2015, we remain concerned with the project management issues observed during the audit."

"Given the myriad of problems with the MOX plant construction, the inspector general must push ahead and determine who in DOE and Shaw AREVA MOX Services is accountable for allowing the MOX project to become a text-book case of mismanagement," said Tom Clements, director of Savannah River Site Watch. "We will continue to engage the IG's office and demand accountability of those managers who have allowed the MOX program to become an embarrassing and costly boondoggle."

In connection with the report, the IG's office evidently met several weeks ago with SRS site manager Dave Moody.

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