



Savannah River Site Watch

Savannah River Site Watch

<http://www.srswatch.org/>

<https://www.facebook.com/SavannahRiverSiteWatch>

For Immediate Release

May 1, 2018

Contact: Tom Clements, 803-240-7268, srswatch@gmail.com

As Plutonium Fuel (MOX) Project-Termination Countdown Begins, More Problems with Project Revealed by DOE via FOIA Responses to Savannah River Site Watch

DOE Confirms Award Fee for MOX Services has been Terminated Starting with FY 2017; Annual Report on MOX Plant Not Delivered to Congress by February 15, as Legally Required, Still Under Review

Columbia, SC – The U.S. Department of Energy has revealed it is no longer is required to develop an award fee plan to determine an annual bonus for the contractor designing and constructing the problem-plagued plutonium fuel (MOX) project at the Savannah River Site.

The move to end the annual award fee is an indication of DOE's displeasure with the chronically unacceptable performance of the contractor on the Mixed Oxide Fuel Fabrication Facility (MFFF), which is facing termination, according to the public interest group Savannah River Site Watch.

In a response to a Freedom of Information Act (FOIA) request by SRS Watch to DOE for award fee documents for Fiscal Year 2017, it is stated that the National Nuclear Security Administration's Office Acquisition and Project Management (NA-APM) is "effective October 1, 2016....no longer required to develop an Award Fee Plan with CB&I AREVA MOX Services." Absence of such a plan means no payment of an award fee bonus for Fiscal Year 2017 or in the future.

It is believed that NNSA has lost patience with the performance of MOX Services and has exercised its contractual right to withhold the fee as the MOX plant was not finished as of October 1, 2016. It is unknown if MOX Services has protested the termination of an award fee.

The award fee narrative for Fiscal Year 2016 was scathing in its analysis of the extremely poor performance by the contractor. MOX Services earned only 8.9% of the available fee, earning only \$267,000 out of the \$3 million available. (See below for link to SRS Watch news release of February 28, 2017 on the matter.)

“It is a welcome move to see that DOE has halted any consideration of a bonus for MOX Services, the contractor that has mismanaged the MOX project since construction began in 2007,” said Tom Clements, director of SRS Watch. “The poor performance of MOX Services merits not only no award fee but also the company’s complete removal from the project,” added Clements. “MOX project termination should be awarded to a new company and not the current contractor, which has abused the taxpayers for a decade.”

In parallel, DOE has informed SRS Watch that the congressionally mandated annual report on the status of MOX plant construction was not delivered by the required date of February 15, 2018. A FOIA response dated April 24, 2018 stated that NNSA’s Office of Defense Nuclear Nonproliferation (NA-20) did not finalize the required document and that “the requested document is in the concurrence process and the date of completion cannot be provided at this time.”

“It is essential that DOE deliver the annual MOX report to Congress and clearly lay out the status of the project and how the project will be terminated and the MOX plant secured,” said Clements. The report should delve into specifics of what will be done at the MOX facility with shut-down crews, according to SRS Watch. “As DOE has said that the bungled MOX project will be terminated by 2021, hiring for construction must cease and only jobs that will be involved in project termination should be filled. The focus of work should now transition to finishing external walls and the roof, closing Temporary Construction Openings and protecting stockpiled equipment and construction material. Before project termination is implemented, workers must be given ample warning time of layoffs and be provided severance packages,” added Clements.

SRS Watch has confirmed that DOE and the Trump Administration remain unified in the decision to terminate the MOX fiasco. It is believed that the report allowing the Secretary of Energy Perry to waive MOX construction will be delivered soon to Congress. It appears that Senator Lindsey Graham, top backer of continuing the financial waste on the dead-end project, may have given up his effort to protect MOX Services’ exploitation of the DOE budget.

Recently, AREVA, the company that has bungled the design of the MOX plant, has changed its name to Orano. On May 2, shareholders of McDermott International are to vote on whether to merge with Chicago Bridge & Iron (C B&I), which could give McDermott the lead construction role at the Mixed Oxide Fuel Fabrication Facility. That construction job is now in the hands of CB&I Project Services Group (CPSG). It is unknown how contracts with DOE or licenses with the Nuclear Regulatory Commission might be changed to reflect the changes.

SRS Watch continues to hear reports of high worker turnover of craft workers at the MOX project and that addressing construction problems, via costly “rework” of components initially installed incorrectly, continues at a snail’s pace. These problems are an indicator that the project, which is substantially below 50% complete according to DOE, could never be finished even if it were to continue, according to SRS Watch.

###

Notes:

FOIA response to SRS Watch on lack of delivery to Congress the annual MOX report, April 24, 2018:

http://www.srswatch.org/uploads/2/7/5/8/27584045/foia_re_no_mox_report_to_congress_april_24_2018.pdf

FOIA response to SRS Watch, on determination that no Award Fee Plan is now required, February 22, 2018:

http://www.srswatch.org/uploads/2/7/5/8/27584045/final_response_on_no_mox_award_fee_docs_rcvd_2.22.2018.pdf

“SCE&G Nuclear Reactor Construction Fiasco Overshadows Parallel Failure of DOE’s Plutonium Fuel (MOX) Project at the Savannah River Site; New Nuclear Bomb Project Coming to SRS?,” article by SRS Watch director Tom Clements, South Carolina Sierra Club Spring 2018 newsletter (Congaree Chronicle) – see page 18:

<https://tinyurl.com/y9eszd4>

DOE’s FY 2016 award fee, obtained by SRS Watch via a FOIA request dated February 21, 2017:

http://www.srswatch.org/uploads/2/7/5/8/27584045/foia_17-00045-m_clements_final_response_mox_award_fee_feb_21_2016.pdf

SRS Watch news release on FY 2016 award fee, February 28, 2017:

http://www.srswatch.org/uploads/2/7/5/8/27584045/srs_watch_mox_news_feb_28_2017.pdf

McDermott International news release on merger vote on May 2, 2018:

<http://www.mcdermott-investors.com/news-releases/news-release-details/iss-reaffirms-support-mcdermotts-proposed-combination-cbj> &

McDermott news release on “combination” vote, April 5, 2018:

<http://www.mcdermott-investors.com/news-releases/news-release-details/update-mcdermott-encourages-stockholders-vote-proposed>