



Savannah River Site Watch

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For immediate Release

June 28, 2017

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House Armed Services Committee Sets Stage for Termination of Mismanaged MOX Project; Defense Spending Bill Stipulates that Continuation of the MOX Project can be Waived by Secretary of Energy

Columbia, South Carolina – A pathway to terminate the troubled plutonium fuel (MOX) project at the Department of Energy’s Savannah River Site (SRS) has been presented by the U.S. House Armed Services Committee.

In the National Defense Authorization Act for Fiscal Year 2018, being considered by the committee chaired by Representative Mac Thornberry (R-Texas), conditions for termination of the bungled MOX project are outlined in the “chairman’s mark” for the legislation. The legislation authorizes \$270 million for the MOX project but includes realistic provisions for termination of it.

The legislation, which still has yet to move through the legislative process, states that “Secretary of Energy may waive the requirement” to “carry out construction and project support activities relating to the MOX facility” if certain conditions are met. Those conditions, all of which are achievable, include:

Notification that the Secretary has sought to enter into consultations with any relevant State necessary to pursue an alternative option for carrying out the plutonium disposition program.

Notification that the Secretary has been unable to enter into a fixed-price contract with the prime contractor of the MOX facility

Certification that—

(A) an alternative option for carrying out the plutonium disposition program exists; (B) the total lifecycle cost of such alternative option would be less than approximately half of the estimated remaining total lifecycle cost of the mixed-oxide fuel program; and (C) pursuing such alternative option is in the best interest of the Federal Government.

The commitment of the Secretary to— (A) remove plutonium from South Carolina; and (B) ensure a sustainable future for the Savannah River Site

“Given that continuation of the mismanaged MOX project is facing growing opposition in Congress, it appears that a consensus is building around its terminations,” said Tom Clements, director of the public interest organization Savannah River Site Watch. “The Trump administration’s position that MOX must

be terminated has emboldened fiscal conservatives to find a way to begin the orderly shutdown of the mismanaged and wasteful project starting later this year.”

Meanwhile, the House Energy and Water Subcommittee (of the Appropriations Committee) is due to today consider legislation that appropriates funding for DOE. A summary of the legislation states that funding appropriated for the MOX project “may be made available only for construction and project support activities for such Project. The bill summary states: “\$1.83 billion for Defense Nuclear Nonproliferation – \$76.5 million below the fiscal year 2017 enacted level. This includes \$340 million in funding to help fulfill the international commitment by the U.S. to construct the Mixed Oxide (MOX) Fuel Fabrication Facility to dispose of surplus plutonium.” “The \$340 million amount is far below what the project needs to be viable and would keep the project on a termination track,” according to Clements.

The chair and ranking member of the Senate Energy and Water Subcommittee (E&W) - which funds DOE - expressed concern about continuation of the MOX project at a June 14 hearing on spending for the National Nuclear Security Administration (NNSA), revealing that opposition to MOX has grown in the Senate.

Senator Lindsey Graham, who is a member of the subcommittee, did not attend the E&W hearing, which was noted by observers of the problem-plagued MOX project. In the past, Senator Graham used the E&W hearings as an opportunity to support MOX. His absence has led to speculation if he’s retreated from his staunch support of MOX or if a deal has been made to terminate MOX while softening the impact on jobs at SRS.

The Trump administration has requested in its Fiscal Year 2018 DOE budget request only \$270 million for MOX, to be used for the project’s termination. SRS Watch has learned that Trump official came into DOE with an open mind about the future of MOX and after being educated about the situation concluded that the project should be terminated.

Legislation pertaining to defense spending and DOE appropriations still must wind its way through the legislative process, but more congressional forces have now aligned to terminate MOX. As the last three months of Fiscal Year 2017 approach, it is believed that action will soon begin to prepare for MOX termination in Fiscal Year 2018. For example, MOX craft workers were required a few weeks ago, according to a source, to fill out a questionnaire about work skills and it was believed that this was part of an effort to help with worker relocation to other jobs when construction of the Mixed Oxide Fuel Fabrication Facility (MFFF) is shut down.

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Notes:

H.R. 2810—FY18 NATIONAL DEFENSE AUTHORIZATION BILL, CHAIRMAN’S MARK, House Armed Services committee, posted June 26, 2017 – see page 41 for language on MOX and waiver by Secretary of Energy (SEC. 3119. DISPOSITION OF WEAPONS-USABLE PLUTONIUM)

<http://docs.house.gov/meetings/AS/AS00/20170628/106123/BILLS-115HR2810ih.pdf>

Armed Services news release, June 26, 2017:

<https://armedservices.house.gov/news/press-releases/thornberry-releases-fy18-ndaa>

Article in Defense News, June 26, 2017: “House Armed Services panel unveils \$696.5 billion defense authorization bill”

<http://www.defensenews.com/articles/hasc-unveils-6965-billion-defense-authorization-bill>

House Energy & Water Subcommittee, June 27, 2017, on DOE funding bill, news release:

<https://appropriations.house.gov/news/documentsingle.aspx?DocumentID=394941>

Summary of House E & W funding, June 27, 2017;

<https://appropriations.house.gov/news/documentsingle.aspx?DocumentID=394941>

Complete text of the subcommittee draft of the FY 2018 Energy and Water Appropriations bill – see page 33 on MOX construction funding:

<https://appropriations.house.gov/uploadedfiles/bills-115hr-sc-ap-fy2018-energywater-energyandwater.pdf>

Senate Energy and Water Subcommittee hearing on NNSA funding, June 14, 2017:

<https://www.appropriations.senate.gov/hearings/review-of-the-fy2018-budget-request-for-the-national-nuclear-security-administration>

See DOE budget volume 1 for Fiscal Year 2018, for amount requested for MOX termination - \$270 million;

https://energy.gov/sites/prod/files/2017/05/f34/FY2018BudgetVolume1_1.pdf

See pages 549, 551 and 567 for the \$270 million figure. See page 561 for MOX discussion. For plutonium “dilute & dispose” language, see page 553 onward.

Aerial photos of MOX plant, May 26, 2017, ©High Flyer – can be used with credit:

<https://drive.google.com/drive/folders/OBwkyYyn8X-ySaGZjbUduT3Axb00>