



Savannah River Site Watch

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**DOE Budget Calls for Termination of for Mismanaged Plutonium Fuel (MOX) Project
at DOE's Savannah River Site; Secretary Moniz says MOX Plant Cost will be "Written Off"**

***Will Senator Graham Again Protect Special Interests and Continue to Cover-up Construction Problems
or Finally Demand Accountability of DOE, NNSA and CB&I AREVA MOX Services for the Boondoggle?***

Columbia, SC – To no surprise of those closely tracking the myriad of cost and construction problems with the project, the U.S. Department of Energy has proposed that the plutonium fuel (MOX) project at the Savannah River Site (SRS) in South Carolina be terminated.

The DOE's MOX project, far over budget and far behind schedule, is proposed to be halted in the Fiscal Year 2017 budget request sent to Congress on February 9, 2016. The budget request is for \$270 million for MOX plant construction, just enough to begin the process to shut the project down.

In his news briefing on the budget, Secretary of Energy Moniz said it will cost \$600 million to \$700 million to shut down the MOX project. He went on to say that the sunk cost of the project will have to be "written off." According to the DOE budget request – NNSA budget volume 1 linked below – the "Complete termination of the MFFF project" would happen in 2021 (see page 541 at: http://www.energy.gov/sites/prod/files/2016/02/f29/FY2017BudgetVolume%201_0.pdf)

The mismanaged project is being carried out by DOE's National Nuclear Security Administration (NNSA), which appears over the past few years to have stepped aside in its management of the project and allowed it to go into free fall, according to the public interest group Savannah River Site Watch (SRS Watch). SRS Watch has opposed the MOX project due to non-proliferation concerns and its prohibitive cost.

"DOE is to be congratulated for admitting the reality that the MOX project is not financially or technically viable and must be terminated," said Tom Clements, director of SRS Watch. "Termination is the only option for MOX as there is no viable path forward for the project from a financial or technical perspective."

The DOE decision to terminate the project is the only way to get out of the deepening spiral of cost overruns and construction problems, according to SRS Watch. Personnel with SRS Watch have monitored the MOX project since its inception in the mid-1990s and have closely observed how DOE and

politicians have provided inadequate oversight of the design and construction of the MOX plant by the main contractor, CB&I AREVA MOX Services.

The DOE budget, the overview of which as released by the White House at 11 a.m. on February 9, proposes to Congress that the MOX construction project be funded \$270 million and states the following about its proposed termination:

Nonproliferation Construction.—Consolidates construction costs for DNN programs previously contained within each program budget. Construction covers Total Project Costs (TPC), which include Other Project Costs (OPC) and Total Estimated Costs (TEC). Currently, the MOX Fuel Fabrication Facility (MFFF) is the only project in this program. **However, beginning in FY 2017 the MOX project will be terminated.** The Department will complete pre-conceptual design for the dilute and dispose (D&D) option to establish Critical Decision-0 (CD-0), Approve Mission Need, and begin conceptual design in late FY 2017.

See budget language on MOX termination:

<https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/doe.pdf> (pages 398-399)

<https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf> (page 111)

The detailed NNSA budget justification request \$270 for MOX construction plus \$15 million for “other project costs” for a total of \$285 million for MOX:

http://www.energy.gov/sites/prod/files/2016/02/f29/FY2017BudgetVolume%201_0.pdf

In the more detailed budget volume, DOE discusses MOX termination activities – page 540:

The Department of Energy will request that the MFFF prime contractor determine activities required to place the facility and project in a safe and secure state, and wind down construction, design, support, and procurement efforts as quickly as possible so that termination can be done efficiently and cost effectively. DOE will issue contract direction to MOX Services as early as practicable to halt construction activities for 90 days while the discussion and development of a termination plan takes place.

As soon as discussions begin with the MOX prime contractor to finalize the details of the termination of the MOX project and the Department approves the termination plan, we will brief the details to the cognizant congressional committees. Approximately 200 craft personnel would be retained to bring the construction site to a safe state and to maintain the facilities, equipment and materials until disposition. Approximately 350 salaried personnel would be retained to maintain the facility in a safe and secure state, manage the prime and subcontracts, settle claims, manage property, and perform other needed activities through FY 2017.

Once the Department issues contract direction to MOX Services, approximately 500 craft personnel will be released and approximately 750 salaried personnel will be released after 60-120 days, with an average of two weeks of severance pay.

“We look forward to an explanation from DOE as to how it intends to conduct investigations into DOE, NNSA and CB&I AREVA MOX Services for waste, fraud, abuse and mismanagement associated with the project, added Clements. “As the MOX project is likely one of the most expensive construction projects ever by the federal government, investigations into all aspects of the project’s failure must begin and not be blocked by politicians who have made it their mission to protect the failed project. It is unfortunate that MOX workers will lose their jobs but pursuit of the greater national good will have this result; we can only hope that other positions at SRS or elsewhere will open up for displaced workers.”

Given that plutonium-239, the key ingredient of nuclear weapons, has a half-life of 24,000 years gives time to figure out what to do with the deadly material. “We support the termination of the mismanaged MOX project and believe that immobilization in high-level nuclear waste poses the least problematic option for disposal of plutonium,” said Clements. “As research into immobilization has ended, it’s time to revive it and get on with this safer and more straight-forward method to manage plutonium as the nuclear waste it is.”

More DOE Fiscal Year 2017 budget documents are posted here:

<http://www.energy.gov/cfo/downloads/fy-2017-budget-justification>

Contact:

Tom Clements
Director, Savannah River site Watch
Columbia, South Carolina
<http://www.srswatch.org/>
<https://www.facebook.com/SavannahRiverSiteWatch>
tel. 803-834-3084
cell 803-340-7268