



Savannah River Site Watch

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**NRC Confirms that it No Longer has Resident Inspector at Plutonium Fuel (MOX) Plant, Claiming Lack of Work; Admission Comes as Pro-MOX Senator States MOX Completion Far Below Earlier Claims**

**Memo on Needed “Rework” at MOX Plant Obtained via FOIA Request, Gives Hint at Extent of Construction Problems and Who Might Pay - Rework and Contractor Performance Merit Investigation**

Columbia, SC – The Nuclear Regulatory Commission has revealed that it no longer has a resident inspector to oversee work at the problem-plagued \$17-billion Mixed Oxide Fuel Fabrication Facility construction project at DOE’s Savannah River Site in South Carolina.

The startling admission that the NRC has withdrawn a permanent inspector from the site came at an NRC public meeting on March 13 and was further explained on March 16. The NRC did not otherwise the absence of a resident inspector at the MOX project, one of three major nuclear construction projects in the US, all of which have been mismanaged and are far over budget and schedule.

As the NRC has claimed that the reason for pulling the inspector is due to lack of work, the public interest groups Savannah River Site Watch believes it could be an indication of a slowdown at the MOX project in advance of a formal U.S. Department of Energy plan for project termination.

“If the NRC was conducting thorough inspection at the MOX project, inspectors would be there each and every day to closely monitor key work, including new installation of equipment and the vast amount of rework of improperly installed components,” said Tom Clements, director of the public interest group Savannah River Site Watch. “While we have never had faith in the cursory inspections being performed by the NRC, not having a resident inspector on site means that the quality of MOX work will be further questioned and that historically shoddy work performance may continue,” added Clements.

In response to an inquiry on the matter, the NRC, via a voicemail left with SRS Watch by a Region II (Atlanta) public affairs officer on March 16, 2018, further clarified the situation:

We don’t think that there’s currently enough work right now at MOX to justify having a full-time resident. However, we have an inspector who is designated that if that work picks he will be sent and be there post haste.

Meanwhile, he and one other inspector are virtually – one of them is virtually there every week and they are often supplemented by additional regional experts in technical areas.

So, we do have an energetic inspection program but we don't have a current full-time senior resident.

The inquiry by SRS Watch to the NRC came after Dr. Ed Lyman of the Union of Concerned Scientists reported that [Ms. Catherine Haney](#), Region II administrator, responded, in answer to his question at the NRC's Regulatory Information Conference (RIC; March 13-15, 2018), that there was no longer a full-time resident NRC inspector at MOX.

The question posed to Ms. Haney by Dr. Lyman was in the public Q&A session after her presentation in the RIC session entitled "Current Environment and Future Trends in the Fuel Cycle Industry." Media apparently were not there to hear her surprising response.

It is unknown why the NRC claims that there is not "currently enough work" at the MOX plant when a craft work force of around 1000 is at the site on a full-time basis. SRS Watch speculates that the reduction in work could be related to the DOE's preparation for project termination, which can take place 30 days after DOE has met termination requirements spelled out in the National Defense Authorization Act of Fiscal Year 2018.

It is unknown when the last NRC resident inspector departed the MOX project. That last inspector is believed to have been Chad Huffman.

According to SRS Watch, the NRC's removal of a resident inspector doesn't add up at a time when a new company, McDermott International, has taken over Chicago Bridge & Iron (CB&I) and is supposedly trying to fix construction problem. A CB&I AREVA MOX Service's internal document on "rework" - correction of the large amount of work improperly performed may hold a clue to extent of the rework, which could be a cause for the work slowdown.

The October 2016 rework document, obtained by SRS Watch in response to a Freedom of Information Act (FOA) request, is entitled "[Construction Rework Definition, Reporting and Assessment Desktop.](#)" The document outlines how corrections will be made to the large amount of work improperly performed at the MOX plant.

The document, prepared by MOX Services' "Area Project Management Group," details various classes of rework, from craft worker error, design issues, vendor supply problems and more deliberate construction errors called "installation performed at risk." The document details how rework is classified and to which account it is to be billed. It is believed that some rework costs will be billed to contractors that knowingly made incorrect installations. But key questions about rework remain unanswered – such as how much rework has been identified, how much has been corrected, if it can be corrected and how much it costs and why taxpayers should pay two or three time for incorrect work?

It has been frequently reported to SRS Watch that installation of pipe hangers, cable trays, piping and HVAC ductwork was done incorrectly and not installed to workable design plans as some contractors were simply out to chalk up hours for which to be reimbursed. As has been the case for the last several years, SRS Watch believes that this issue merits full investigation by DOE's Office of Inspector General, the Government Accountability Office (GAO) and other federal investigators for possible fraud, waste abuse or mismanagement. These rework errors, deliberate or otherwise, have been stated by DOE to be 25% or more of the work at the MOX project and have resulted in an unknown amount of cost overruns and schedule delays. It is unknown if comprehensive lists of needed rework exist.

DOE's formal testimony to Congress in an October 7, 2015 hearing - "Plutonium Disposition and the MOX Project" - before the House Armed Services Strategic Forces Subcommittee is totally at odds with the unsubstantiated "less than 1%" reinstallation claim by CB&I AREVA MOX Services. Mr. John J. MacWilliams Senior Advisor to the Secretary of Energy, U.S. Department of Energy, testified, in response to questions by Representative Jim Cooper (Ranking Member, Tennessee) that there was a 25% "reinstallation" rate on things installed in the MOX plant.

MacWilliams, who left DOE in early 2017, also testified that the MOX plant at the time was 35% to 41% complete, in sharp contradiction to the unsubstantiated claim by CB&I AREVA MOX Services at the time that the MOX plant was 68% complete.

On March 20, Ms. Lisa Gordon-Hagerty, recently approved administrator of DOE's National Nuclear Security Administration (NNSA), testified to the House Energy & Water Subcommittee that a plan to terminate MOX is being developed, that the MOX plant construction is "nowhere near 50% complete" and that \$5.4 billion has been spent on the MOX plant. Her position to terminate MOX aligns with that of Secretary of Energy Perry and the White House/Office of Management and Budget.

While MOX boosters have recently claimed that the MOX plant is 70% or more complete, at a Senate Armed Services Committee hearing on March 22, Senator Tim Scott (R-SC) destroyed that claim. Senator Scott made the startling assertion that the MOX was only 65% complete, which would mean that the construction of the facility is going in a negative direction. Or, according to SRS Watch, it might simply mean that Senator Scott is ill informed and does not know what he's talking about in his quest to keep the money flowing down the MOX black hole.

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

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

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**Notes:**

**CB&I AREVA MOX Services "rework" memo, October 2016, "Mixed Oxide Fuel Fabrication Facility – Construction Rework Definition, Reporting and Assessment Desktop, Revision 3"**

<https://tinyurl.com/yawjvgrg>

**Senate Armed Services hearing, March 22, 2018, “Challenges in the Department of Energy’s Atomic Energy Defense Programs”**

<https://www.armed-services.senate.gov/hearings/18-03-22-challenges-in-the-department-of-energys-atomic-energy-defense-programs>

Claim by Senator Scott that MOX is 65% complete is near end of hearing.

**National Defense Authorization Act of Fiscal Year 2018**

<https://www.congress.gov/115/crpt/hrpt404/CRPT-115hrpt404.pdf>

See page 624 for requirements of the Secretary of Energy to “waive” MOX construction

**SRS Watch news release, December 7, 2015, “CB&I AREVA MOX Services Undocumented Claim of “Less than 1%” Rework Rate of Construction Problems is Wildly Divergent from DOE’s Figure of 25%”**

[http://www.srswatch.org/uploads/2/7/5/8/27584045/srs\\_watch\\_news\\_mox\\_construction\\_problems\\_dec\\_7\\_2015.pdf](http://www.srswatch.org/uploads/2/7/5/8/27584045/srs_watch_news_mox_construction_problems_dec_7_2015.pdf)

**See current Omnibus spending legislation before Congress for more details about MOX termination:**

**Consolidated Appropriations Act, 2232 pages:**

<http://docs.house.gov/billsthisweek/20180319/BILLS-115SAHR1625-RCP115-66.pdf>

See page 454 on MOX.

**Division D, Energy & Water funding for FY 2018**

<http://docs.house.gov/billsthisweek/20180319/DIV%20D%20EW%20SOM%20FY18-OMNI.OCR.pdf>

**Aerial photos of the MOX plant and SRS, January 31, 2018, by High Flyer:**

[https://drive.google.com/drive/u/1/folders/1SZ9lqOqb-50HOuJJ9IHVwa\\_t8DYvfP13](https://drive.google.com/drive/u/1/folders/1SZ9lqOqb-50HOuJJ9IHVwa_t8DYvfP13)

