



Savannah River Site Watch

Savannah River Site Watch (SRS Watch)

<http://www.srswatch.org>

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**NNSA Boss Confirms to Congress MOX Plant Cost Estimate “A Minimum” of \$10 Billion;
Affirms that a Cheaper Alternative for Plutonium Disposition Exists**

***MOX is a Text-Book Case of DOE Project Mismanagement – Cold Standby Must Rapidly
Proceed***

Columbia, SC – The Acting Administrator of the National Nuclear Security Administration (NNSA) testified before Congress on Thursday and affirmed that the life-cycle cost of the plutonium fuel (MOX) project was about \$30 billion. More surprisingly, Mr. Held stated that a new assessment for the MOX plant construction at the DOE’s Savannah River Site in South Carolina has determined that the cost was “a minimum” of \$10 billion.

Rumors about the \$10 billion cost for the MOX plant construction have been circulating since last fall.

“It appears that DOE officials are now talking openly about the stunning \$10 billion figure for MOX plant construction as the internal assessment containing the cost analysis is soon to be released,” said Tom Clements, director of the newly formed public interest group Savannah River Site Watch. “As the cost estimate of the MOX plant construction was originally under \$1 billion, a \$10 billion cost reveals just dramatically how the cost of the poorly managed project has skyrocketed,” added Clements.

Held revealed the cost of the MOX plant in a hearing on the NNSA budget before the House Energy & Water Development Subcommittee (of Appropriations). The Energy & Water Development subcommittees in both the House and Senate are the primary places in which the DOE budget is determined.

Mr. Held stated that there was “\$5 billion in sunk costs” in the MOX project and posed the question if there was a non-MOX plutonium disposition option that would cost less than \$20 billion going forward. Mr. Held said "The Indications would be that there is."

Held also stated that the internal cost assessment of plutonium disposition, prepared by a group led by investment banker John MacWilliams, a special adviser to Secretary Moniz, would be out

in a couple of weeks. It is believed that the Department of Energy may solicit comments on the document as DOE makes decisions on the way forward with the problem-plagued plutonium disposition program.

“The MOX program has become a text-book case in DOE mismanagement and confirms that the agency has little ability to manage such a costly and complex project,” said Clements. “DOE should never have embarked on construction of the MOX plant given lack of both a proper design and a reliable base-line cost. The only option left for DOE is to rapidly put the MOX project on cold standby and cut losses to the tax payer while better, cheaper plutonium disposition options are pursued, said Clements. “We urge DOE to promptly release the plutonium disposition cost assessment and look forward to commenting on it.”

Deputy NNSA Administrator Anne Harrington affirmed to the subcommittee that there have been “informal discussions” with the Russians about problems with the MOX program. She said that there have been “very positive interactions” with the Russians on plutonium disposition issues. Mr. Held affirmed that there “is a precedent” in working with the Russians to amend the Plutonium Disposition and Management Agreement (PMDA).

SRS Watch director Tom Clements met in Washington in 2013 with the chief U.S. negotiator with the Russians on the PMDA, with the meeting be held just after a first meeting with the Russians. “It appears to me that the Russians are open to changing the agreement but even if those negotiations stall there is a provision in the agreement that implementation of it depends on adequate funding on both sides. Given this escape clause, the U.S. has clearly a formal way it can discard the MOX program without violating the agreement,” stated Clements.

Ms. Harrington mentioned pursuit of other aspects of the project apart from construction n of the MOX plant, such as disassembly of the plutonium “pits” removed from weapons. For MOX, she mentioned a cost of \$1 billion/year for the next 20 years, a figure than SRS Watch has been mentioning publicly for several months.

See archived hearing video at: www.ustream.tv/recorded/45721488

Comments about the plutonium disposition program begin at 27 minutes into the video and run for more than five minutes.

For all archived hearings: <http://appropriations.house.gov/calendararchive/>

Note that on April 8 at 10:00 a.m. the subcommittee will hold a hearing on DOE’s clean-up budget, with testimony by Mr. Dave Huizenga, Acting Assistant Secretary, Environmental Management, Department of Energy.

(<http://appropriations.house.gov/calendar/?CategoryID=34796>)

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