

In This Issue

EM Prepares to Transfer Land to Southern Ohio Diversification Initiative

Page 6

ECA Hosts Meeting on Manhattan Project National Historical Park

Page 7

Intergovernmental Groups Reference ECA Report in Letter to DOE

Page 8

DOE Appeals Court-Ordered Halt of MOX Project Shutdown

Page 12

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Legislative Update

Now months into the second session of the 115th Congress, clear, bipartisan support exists for environmental cleanup, nuclear energy, the nation's weapons complex, and other missions of the U.S. Department of Energy (DOE).

The FY 2019 National Defense Authorization Act (NDAA) and Energy & Water Appropriations bills are moving through Congress at lightning speed (using 2017 as comparison), and even the

controversial issues upon which the House and Senate disagree—such as construction of the MOX Facility, plutonium pit production, and Yucca Mountain—haven't been enough to stall progress on the bills.

Senate Passes National Defense Authorization Act for FY 2019

On June 18, the [Senate passed](#) its version of the NDAA for FY 2019, which establishes overall funding

(Continued on page 2)

NNSA AWARDS LANL M&O CONTRACT TO NON-PROFIT ENTITY

On June 8, NNSA [awarded](#) the management and operating (M&O) contract at Los Alamos National Laboratory (LANL) to Triad National Security, LLC, a non-profit contractor consisting of Battelle Memorial Institute, the Regents of the University of California, and the Regents of Texas A&M University.

Los Alamos County and other members of the northern New Mexico community have expressed concern about the impact on local tax revenues if Triad National Security claims an exemption from New Mexico gross receipt taxes.



Los Alamos County estimates that the current contractor, which pays gross receipt taxes, currently contributes up to \$80 million to the state and county. An estimated loss of about half that (\$40 million) under the new

(Continued on page 2)

2018 NATIONAL CLEANUP WORKSHOP

September 11-13, 2018

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See page 3-4 for details



(Continued from page 1)

NNSA Awards LANL M&O Contract to Non-Profit Entity

contractor, should they claim exemption, would be detrimental to the local economy.

Such a decrease in tax revenues means less money for public schools, public safety, emergency response, transportation for LANL employees, infrastructure and other services supporting the DOE and NNSA operations.

“Los Alamos County looks forward to working with Triad National Security, LLC, the newly announced private operating contractor at LANL,” said Los Alamos County Council Chair David Izraelevitz.

“If Triad National Security claims it is exempt from New Mexico gross receipts taxes it will impact government services in the State and County,” said Izraelevitz. “Although Triad National Security is organized as a nonprofit corporation, this does not imply that it is exempt from New Mexico taxes. We call on Triad National Security not to request such a New Mexico tax exemption.”

Earlier this year, the New Mexico Legislature passed a bill that aimed to guarantee a non-profit

contractor at LANL to pay the gross receipts tax. However, Gov. Susana Martinez [vetoed](#) the bill, arguing that it was a “poorly crafted tax policy.” Additionally, in a May congressional [report](#), the U.S. House Armed Services Committee warned that the New Mexico Legislature’s approach “may be counterproductive and inappropriately interfere with the Federal Government’s ability to manage its national security laboratories.”

The M&O contract has a value of \$2.5 billion annually, with a base period of five years and five one-year options—a total of 10 years if all options are exercised. The current contract at LANL is held by Los Alamos National Security (LANS), which expires in Fall 2018.

Upon awarding the new contract, NNSA Administrator Lisa Gordon-Hagerty stated, “The lab will continue to be a critical resource to ensure the future safety and security of the United States as we begin work on new endeavors, like the effort to recapitalize our plutonium pit mission. I’m confident that Los Alamos’ world-class workforce will continue to answer the Nation’s call under the direction of NNSA’s new M&O partner, Triad National Security, LLC.”



(Continued from page 1)

Legislative Update

levels and policies for the DOE’s national security programs. The [House passed](#) its version of the bill in late May.

The Senate NDAA authorizes \$21.7 billion for DOE in FY 2019. Of that amount, the bill authorizes \$15.1 billion for the National Nuclear Security Administration (NNSA). Senators expressed concern about the governance structure of NNSA and included a provision that clarifies some of the roles and authorities of the agency. The Senate also included several provisions regarding NNSA reporting. One provision modifies cost-benefit analyses for management and operating contracts awarded by NNSA. Additionally, the NNSA Administrator would be required to conduct a

survey of employees at NNSA laboratories and production plants.

In the Senate Armed Services Committee’s bill [report](#), the committee expressed concern about excessive and inefficient regulations from NNSA on laboratories and plants. The committee directed the NNSA Administrator to collect feedback from all national security laboratories on these regulations to submit to Congress. Finally, the Senate committee directed the NNSA Administrator to provide a roadmap detailing infrastructure and staffing needs to support the 2018 Nuclear Posture Review.

For defense environmental cleanup, the Senate bill authorizes \$5.63 billion, which meets the President’s budget request. The bill includes a provision that would require the Secretary of Energy to coordinate with the National Academies of

(Continued on page 14)

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FIRST SPEAKERS ANNOUNCED FOR 2018 NATIONAL CLEANUP WORKSHOP

WASHINGTON, D.C.— **Rep. Chuck Fleischmann (R-TN)** and Assistant Secretary of Energy for Environmental Management **Anne White** lead a group of senior U.S. Department of Energy (DOE), industry and local representatives participating at the [2018 National Cleanup Workshop](#), set to be held Sept. 11-13 in Alexandria, Va.

Other confirmed DOE speakers include:

- **Melissa Burnison**, Assistant Secretary for Congressional and Intergovernmental Affairs, DOE
- **Edward McGinnis**, Principal Deputy Assistant Secretary for Nuclear Energy, DOE
- **Angela Watmore**, Acting Chief of Staff and Senior Advisor, DOE-EM
- **Mark Gilbertson**, Associate Principal Deputy Assistant Secretary for Regulatory and Policy Affairs, DOE-EM
- **Ken Picha**, Acting Associate Principal Deputy Assistant Secretary for Field Operations, DOE-EM
- **Norbert Doyle**, Deputy Assistant Secretary for Acquisition and Project Management, DOE-EM
- **Mike Budney**, Manager, DOE Savannah River Operations Office
- **Robert Edwards**, Manager, DOE Portsmouth/Paducah Project Office
- **Doug Hintze**, Manager, DOE-EM Los Alamos Field Office
- **Jay Mullis**, Manager, DOE Oak Ridge Office of Environmental Management
- **Doug Shoop**, Manager, DOE Richland Operations Office
- **Todd Shrader**, Manager, DOE Carlsbad Field Office
- **Brian Vance**, Manager, DOE Office of River Protection
- **Jack Zimmerman**, Deputy Manager for the Idaho Cleanup Project, DOE Idaho Operations Office
- **Jim McConnell**, Associate Administrator for Safety, Infrastructure, and Operations, National Nuclear Security Administration
- **Candice Robertson**, Chief Human Capital Officer, DOE

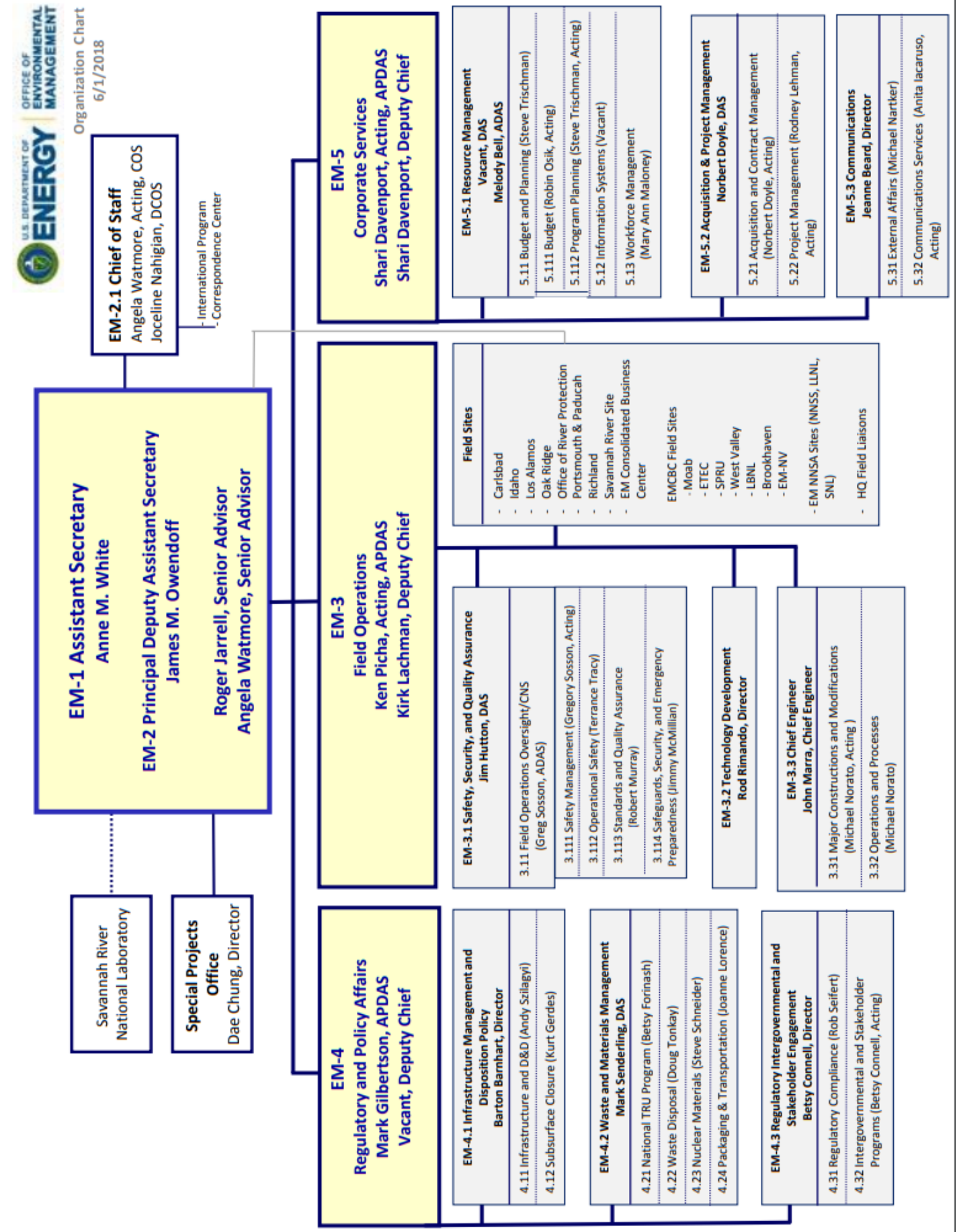
Local community speakers:

- **County Executive Ron Woody**, Roane County, TN; Chair, Energy Communities Alliance
- **Councilmember Steve Young**, City of Kennewick, WA; Vice-Chair, Energy Communities Alliance
- **Mayor Bob Thompson**, City of Richland, WA; Board Member, Environmental Management Advisory Board
- **Mark Watson**, City Manager, City of Oak Ridge, TN
- **Rick McLeod**, President/CEO, Savannah River Site Community Reuse Organization
- **Pam Larsen**, Executive Director, Hanford Communities
- **Kara Colton**, Director of Nuclear Energy Policies, Energy Communities Alliance

Industry speakers:

- **Ty Blackford**, President, CH2M Hill Plateau Remediation Co. (CHPRC)
- **Bruce Covert**, President and Project Manager, Nuclear Waste Partnership
- **Cathy Hickey**, President, Westinghouse Government Services
- **Tom Jouvanis**, President, Atkins Nuclear Solutions
- **Stuart MacVean**, President, SRNS, LLC
- **Greg Meyer**, Senior Vice President, Operations, FLUOR
- **Billy Morrison**, President and CEO, VNS Federal Services
- **Liz Porter**, Senior Vice President, Federal Energy and Environment, Leidos
- **Brian Reilly**, Project Manager, Bechtel, WTP
- **Ken Rueter**, President, UCOR
- **James Taylor**, PVP and General Manager of NS&E, Bechtel
- **Karen Wiemelt**, Senior Vice President and General Manager, North American Nuclear, Jacobs

For more information on the workshop, including a preliminary agenda and registration information, visit www.cleanupworkshop.com.



EM PREPARES TO TRANSFER LAND TO SOUTHERN OHIO DIVERSIFICATION INITIATIVE

The Office of Environmental Management (EM) is moving forward with preparations to transfer an 80-acre parcel of federal property at the Portsmouth Gaseous Diffusion Plant on July 20, according to an [announcement](#).

The land, which will be transferred from EM to the Southern Ohio Diversification Initiative (SODI), is located on the southeast portion of the site on a former air strip used while the plant was in operation.

SODI is the community reuse organization for the Portsmouth Site and the surrounding counties of Jackson, Pike, Ross, and Scioto and the Village of Piketon. Receiving land transfers from EM is a function of SODI that enables them to fulfil their mission of advancing economic diversification, developing underutilized land and facilities at the DOE site, and supporting local industry.

“We are excited to get this first transfer complete. Having this acreage will allow SODI a real opportunity to recruit projects that will provide jobs to our local citizens,” SODI Executive Director Steve Shepherd said.

Village of Piketon Councilmember and ECA Member -At-Large Jennifer Chandler commented on the transfer, stating, “The land transfer is a significant event for our community and I commend DOE, the



contractor and SODI for the tremendous amount of effort it has taken to get to this point. It is a win for everyone and we will continue to work toward a complete cleanup of the site that will give us the best chance for redevelopment, including making sure DOE fulfills its promise to the community to excavate the existing landfills and contaminated groundwater plumes.”

“Piketon is looking forward to [EM] Assistant Secretary White's leadership and commitment to involve the local affected government as we move forward with a cleanup project that results in an end state that creates assets in the community, not liabilities, making the PORTS site and the community worth investing in,” said Chandler.

ECA CONGRATULATES SUSAN BURKE ON HER RETIREMENT



ECA congratulates Susan Burke on her retirement. Susan has spent 30 years working for the State of Idaho and will leave her position as the Oversight Coordinator for INL at the Idaho Department of Environmental Quality in July. Susan has long participated on the National Governors Association's Federal Facilities Task Force and worked alongside other intergovernmental stakeholders and DOE to address environmental management issues.

Susan has been a great friend to ECA, often featured as a speaker at Peer Exchanges, ensuring our local governments and communities understand perspectives and priorities of state regulators on a host of issues. ECA members and staff wish Susan all the best in this next chapter and thank her for her invaluable contributions.

ECA HOSTS MEETING ON MANHATTAN PROJECT NATIONAL HISTORICAL PARK

This year marks the 75th anniversary of the Manhattan Project, and the third anniversary of the establishment of the Manhattan Project National Historic Park to preserve, interpret, and facilitate public access to key historic resources associated with the Manhattan Project.

In June, ECA held a webinar meeting with Park leadership from DOE and the National Park Service (NPS), and local elected officials and other representatives from the Park's three locations: Oak Ridge, TN; Los Alamos, NM, and Hanford, WA, to discuss progress made on implementation of the Park.

DOE and NPS Leadership Reports

During the meeting, attendees heard from Carmelo Melendez, the Director of the DOE Office of Legacy Management (LM) and Tracy Atkins, Principal Representative for the Park within LM. Melendez and Atkins spoke to LM priorities for the Park, and historic preservation efforts and public tour availability for attractions within or associated with the Park, such as Pond Cabin in Los Alamos, White Bluffs Bank at Hanford, and K-25 and the American Museum of Science and Energy (AMSE) in Oak Ridge.

NPS Park Superintendent Kris Kirby provided ECA members with reports on the Park's FY 2018 budget, historic artifact collecting and handling processes, an NPS interpretive and community engagement plan, and NPS-sponsored events at the Park's three locations.

ECA Community Updates

Oak Ridge City Manager Mark Watson shared updates on the city's efforts to revitalize Main Street Oak Ridge as a complement to the Park, help facilitate planned improvements to AMSE, the K-25 History Center, and the International Friendship Bell. Roane County Alliance Vice President Pam May spoke about K-25 Overlook improvements.

Los Alamos County Councilor Rick Reiss and County Manager Assistant Linda Matteson discussed the county's implementation of a recently-adopted tourism strategic plan, partnerships with the Los Alamos Historical Society and the Park's Los



Alamos Friends-of-Park organization, and the continued need for enhanced and future public access.

West Richland Mayor Brent Gerry presented the Hanford community update, sharing news with meeting participants about Hanford tours, the development of a website to commemorate Hanford's 75th anniversary, community events and fundraisers for the Park, and the implementation of way-finding signage. TRIDEC's David Reeploeg also discussed the community's request for an update to Park boundaries at the Hanford site, and potential FY 2019 appropriations for each of the Park's three locations.

Park Marketing and Branding Initiative

Representatives from each of the three communities' destination marketing organizations (DMOs): Explore Oak Ridge, Visit Tri-Cities, and the Los Alamos Commerce and Development Corporation, provided an update on current marketing and branding efforts for the Park and the surrounding communities. They debuted a new website for communities to highlight the Park (separate from the official website hosted by NPS and DOE), which provides a summary of the Park's history, shares tour information, and features a logo for community use.

ECA members plan to continue work with the DMOs in order to develop tools, products, and policies that assist in harnessing the cultural, historical, and economic benefits supplied by the Park.

INTERGOVERNMENTAL GROUPS REFERENCE ECA REPORT IN LETTER TO DOE

In a June 19 letter to EM Assistant Secretary Anne White, the National Governors Association (NGA) Federal Facilities Task Force (FFTF) and the Environmental Council of the States (ECOS) asked the Department to be included in future discussions related to the definition of high-level waste (HLW) at EM cleanup sites.

The letter was sent in response to the September 2017 ECA [report](#), “Waste Disposition: A New Approach to DOE’s Waste Management Must Be Pursued,” wherein ECA outlines five near-term actions for the Department, including a recommendation to base waste classification, treatment, and disposal decisions on the actual characteristics of waste and the risk to human health and safety rather than on the origin of waste.

The report concludes that the implementation of ECA’s recommendations can help EM cut years off operations; reduce the number, size, and operating duration of storage facilities needed before a HLW repository is available; accelerate tank retrievals and closures; and realize savings of more than \$40 billion from the estimated \$257 billion current life-cycle cost of the EM program.

The letter states, “We appreciate ECA bringing attention to the issue, and ECOS and FFTF members are generally supportive of making cleanup more efficient and effective...[States] are prepared to participate in and inform any dialogue that might be prompted by ECA’s report.”

ECA held a meeting in January 2018 to initiate discussions for how best ECA communities can work with DOE, states, tribes, and other stakeholders on achieving significant, near-term advances in radioactive waste management. The



meeting featured not only local government officials, but also state regulators from Idaho, South Carolina, and Washington; representatives from multiple attorneys’ general offices; officials from EM and DOE’s Office of Congressional and Intergovernmental Affairs; and DOE contractors.

ECA looks forward to opportunities to engage FFTF, ECOS, and other stakeholder groups in joint discussions with DOE on this important issue.

The FFTF-ECOS letter is printed, in full, on page 18.



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MAJOR CONTRACTS AND AWARDS

In addition to the LANL M&O contract award (identified in article on page 1), the following major contracts and awards were issued by DOE:

BWXT Joint Venture Awarded Contract Extension for Idaho National Laboratory Management

DOE [extended](#) the Idaho National Laboratory joint venture management contract held by BWX Technologies, Inc. (BWXT) and Battelle Energy Alliance (BEA) for five years. The contract extension, valued at approximately \$5 billion, means BEA will manage INL through September 30, 2024. The contractors are expected to improve cybersecurity capabilities, continue research and development on advanced reactor designs, and provide nuclear science and technologies capabilities.

DOE's ARPA-E Announces 10 Projects to Support Advanced Nuclear Reactor Power Plants

On June 4, DOE [announced](#) a new Advanced Research Projects Agency-Energy (ARPA-E) program that includes \$24 million in funding for 10 projects. The program, called Modeling-Enhanced Innovations Trailblazing Nuclear Energy Reinvigoration (MEITNER), will support private-sector teams to develop technologies for advanced nuclear reactor designs that would reduce costs and enhance safety. The MEITNER teams will have access to DOE's modeling and simulation resources for the development of concepts that lower construction costs and achieve autonomous operation.

DOE Invests \$64 Million in Advanced Nuclear Technology

DOE will invest \$64 million in awards for advanced nuclear energy technology, according to a June 18 [announcement](#). There are 89 recipients of awards, which include DOE national laboratories, industry, and 39 universities in 29 states. Three DOE nuclear energy programs—the Nuclear Energy University Program (NEUP), the Nuclear Energy Enabling Technologies (NEET) program, and the Nuclear Science User Facilities (NSUF) program—will provide the awards. Projects that received awards will research reactor and infrastructure improvements, advanced sensors, and nuclear fuel and material applications.

DOE Announces Nearly \$20 Million for Domestic Advanced Nuclear Technology Projects

On July 10, DOE [announced](#) a second group of projects nearly \$20 million in funding for advanced nuclear technologies research and development. Nine projects received the awards through the Office of Nuclear Energy's "U.S. Industry Opportunities for Advanced Nuclear Technology Development" initiative. DOE announced a first group of recipients in April. Over the next five years, the Department will review and select additional applications for funding on a quarterly basis. The next quarterly cycle will provide approximately \$30 million to recipients.

DOE Acquisition Roadmap			
<u>Extended</u>		<u>Under Evaluation/In process</u>	
<ul style="list-style-type: none"> WIPP M&O Y-12/Pantex Moab Portsmouth D&D 		<ul style="list-style-type: none"> SRS Liquid Waste Hanford Mission Essential Services PPPO consolidated support 	
<u>Completed</u>		<u>Remaining to be competed</u>	
<ul style="list-style-type: none"> Los Alamos M&O DUF6 Sandia Nevada National Security Site Paducah Los Alamos Legacy Cleanup 		<ul style="list-style-type: none"> Hanford tanks Hanford plateau SRS M&O Oak Ridge D&D Nevada EPS 	

Source: Longenecker & Associates

GAO REPORTS



The Administration's 2015 Plan and 2017 Update for Nuclear Proliferation Verification and Monitoring Generally Did Not Address Reporting Requirements

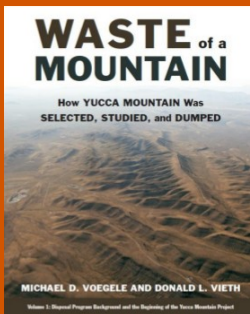
The Government Accountability Office (GAO) [published](#) a report that assesses the Administration's plan for verification and monitoring of nuclear weapons proliferation. Required by the National Defense Authorization Act (NDAA), the initial plan was submitted in 2015, and an update to the plan was required in 2017. The NDAA required the Administration to provide an interagency roadmap for verification and monitoring, plans for improving inspections, a research and development plan to improve monitoring, and engaging relevant national defense entities.

The GAO found that the 2015 plan and the 2017 update did not address the four reporting requirements sufficiently. While GAO did not make any recommendations to the Administration, the report noted that there were not specific details in the 2015 and 2017 plans, including national strategies, resources required, or roles played by various agencies.

B61-12 Nuclear Bomb: Cost Estimate for Life Extension Incorporated Best Practices, and Steps Being Taken to Manage Remaining Program Risks

The GAO periodically [reviews](#) the status of the B61-12 Life Extension Program, as required by a 2013 Senate report. The program seeks to consolidate four versions of the B61 bomb into the B61-12 bomb, making it the most complex and expensive life extension program to date. GAO analyzed the program's cost estimate, NNSA and Department of Defense (DOD) documents, interviewed national security officials, and conducted relevant site visits.

Overall, GAO concluded that the B61-12 Life Extension Program cost estimate "substantially met" characteristics of a high-quality, reliable cost estimate—that it was comprehensive, well-documented, accurate, and credible. NNSA and DOD are addressing risks that may hinder the program's completion date in Fiscal Year 2025. Such risks include "an aggressive flight test schedule," and readiness and certification of the weapon's delivery aircraft, but there is a formal risk management process in place. GAO did not make any new recommendations but reminded NNSA about a previous recommendation that the agency should document decisions regarding cost estimate justifications.



Yucca Mountain proponents and opponents are preparing for a fresh fight in the 115th Congress, but the politics of today are still greatly colored by the long history of the proposed repository. The book, *Waste of a Mountain*, tells the story of the 70-year-long effort to dispose of spent nuclear fuel and high-level radioactive waste at Yucca Mountain. The book, written by Michael Voegele and Donald Vieth, details the history of government action in the effort to locate and develop a site for the permanent disposition of the waste. The book is available on the Pahrump Valley Museum's website [here](#).

NEW MEXICO CHANGES CLASSIFICATION OF DOE'S WIPP PERMIT MODIFICATION REQUEST—A RESPONSE TO NNSA'S PLUTONIUM PIT DECISION?

In December 2017, DOE sent a [permit modification request](#) (PMR) to the New Mexico Environmental Department (NMED) to change how waste is counted at the Waste Isolation Pilot Plant (WIPP) in Carlsbad, NM. On June 1, 2018, NMED made the decision to elevate the PMR from a 'Class 2' to 'Class 3' request, potentially complicating the acceptance process and eliminating a deadline for decision.

DOE's initial request called for modifying how the volume of transuranic (TRU) waste that is stored at WIPP is counted to avoid "counting air." The waste drums currently at WIPP are overpacked into larger containers, and waste volumes are calculated by those outside layers. Modifying the reporting method for volume to include only the interior waste containers, the count of waste already emplaced in WIPP could be reduced by 30 percent.

DOE's PMR was originally categorized as a 'Class 2' request, which has a four-month limit on the length of consideration and proceedings. As a 'Class 3' request, the PRM could take on average 350-400 days to be considered (though officially there is no time limit) and the process must entail several added public hearings and comment periods, and will ultimately be decided upon by a judge chosen by NMED.

While DOE's request may well warrant a 'Class 3' upgrade given the complexity of federal and state law and policy involved in such a change, it does come immediately after the emergence of a contentious debate involving DOE's National Nuclear Security Administration (NNSA) and their proposals to transfer part of the Los Alamos plutonium pit production mission to the Savannah River Site (SRS) in South Carolina and to dispose of 34 metric tons of weapons-grade plutonium—currently stored at SRS—at WIPP.

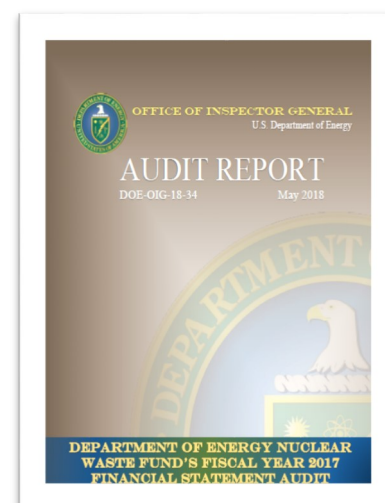
In a May 24 Senate Appropriations Committee [markup](#) of the FY2019 Energy and Water bill, Senator Tom Udall (D-NM) stated, "WIPP was not envisioned to take high-level waste or weapons-grade plutonium. So far, DOE has done nothing to secure New Mexico support besides asking for a new [PMR]. Yet they have offered no funding for independent science to assure New Mexicans that this is safe. They have offered no economic assistance like we once received for accepting WIPP. And there outreach to the New Mexico delegation has been an announcement to shift another mission—plutonium pit production—away from Los Alamos to South Carolina. So far it's a bad deal."

DOE INSPECTOR GENERAL AUDIT REPORTS

Department of Energy Nuclear Waste Fund's Fiscal Year 2017 Financial Statement Audit

The DOE Office of Inspector General [released](#) an independent audit report of the Department's Nuclear Waste Fund balance sheet for Fiscal Year 2017. Specifically, the audit examined the fund's net costs, changes in net position, and budgetary resources. Auditors also assessed the fund's compliance with certain laws and regulations that may impact the financial statement amounts. The audit report concluded that the financial statements were "in conformity with United States generally accepted accounting principles."

The Inspector General released a report that addressed allegations of an Anti-Deficiency Act violation due to the over-obligation of \$16 million to a DOE program. The allegations and report did not affect the fund's balance sheets, but their timing resulted in the delay of the independent auditors' report.



DOE APPEALS COURT-ORDERED HALT OF MOX PROJECT SHUTDOWN

On June 7 a federal judge [blocked](#) a National Nuclear Security Administration (NNSA) proposal to shut down the Mixed Oxide Fuel Fabrication Facility (MOX Facility) at the Savannah River Site in Aiken County, SC.

In a [statement](#) released on May 10, NNSA proposed to end work on the MOX Facility and instead recapitalize the project for use in producing 50 plutonium pits per year for use in nuclear weapons—a mission previously exclusive to the Los Alamos National Laboratory in New Mexico.

The court's June 7 decision issued a preliminary injunction against the termination of all MOX Facility construction activity. South Carolina Attorney General Wilson [released a statement](#) on the decision, saying, "We are very pleased with the judge's ruling today. The court's decision is based upon the rule of law and common sense."

"The MOX Project has been many years in the making and has the full support of Congress and the South Carolina delegation. We are delighted that the federal government has been stopped from terminating MOX and firing its workers," said Wilson.

Following the ruling, DOE asked the 4th Circuit Court of Appeals to stay the preliminary injunction while it appeals the decision to halt the termination of the MOX Facility. On June 26, U.S. District Judge J. Michelle Childs, who granted the original preliminary injunction, denied DOE's request to stay the injunction, thus allowing the MOX project to move forward.

In her ruling, Childs said that DOE's efforts to comply with the injunction do not render the continuance of the injunction "inequitable."



"Therefore, defendants' actions following the issuance of the injunction do not support staying the injunction," Childs wrote.

In a related case, on June 11, a federal claims judge [ordered](#) NNSA to refund MOX Facility contractor, CD&I Areva MOX Services, \$21.6 million.

The sum, originally paid by NNSA, was a provisional incentive paid through 2010 for construction progress on the MOX Facility. In 2011, NNSA suspended its incentive payments, arguing that the contractor was over budget and behind schedule for the project. In September 2016, the contractor requested approximately \$53 million from NNSA for post-2010 incentive payments. A contracting officer denied the claim and later directed the contractor to forfeit the provisional \$21.6 million that had already been paid.

In the opinion, Judge Thomas C. Wheeler questioned the government's good faith and negotiation tactics and described the NNSA contracting officer's behavior as "troubling" and a means to "gain leverage over MOX Services through baseless retaliation."



Check out Daughters of Hanford, a project that highlights women's perspectives of the Hanford nuclear site. The project offers a cross-section of politicians, leaders, and environmental cleanup advocates - all women who were part of history and the future talent putting their minds on the nuclear site's toughest problems. More information [here](#).

DOE BREAKS GROUND ON NEW WIPP VENTILATION SYSTEM

On June 14, DOE broke ground on a new underground ventilation system for the Waste Isolation Pilot Plant (WIPP) near Carlsbad, NM.

The groundbreaking occurred precisely one month after the Department announced the approval of the installation of the \$288 million ventilation system, called the Safety Significant Confinement Ventilation System (SSCVS).

Conveyed in a DOE [press release](#), EM Assistant Secretary Anne White said at the groundbreaking that the SSCVS is “crucial for WIPP and essential for the completion of the EM mission.”

“We need to think bigger and bolder,” she said. “This ventilation system is the perfect example of that.”

The SSCVS will assist with the mining and maintenance operations as well as the emplacement of increased shipments of transuranic (TRU) waste to WIPP from across the DOE complex, including



EM Assistant Secretary Anne White, fourth from left, joins in the groundbreaking of a new underground ventilation system at the Waste Isolation Pilot Plant.

the Idaho, Oak Ridge, Savannah River, Los Alamos National Laboratory, and Waste Control Specialist sites.

The SSCVS installation is expected to be complete by early 2021.



TRUMP SCOTUS NOMINEE ISSUED OPINION ON YUCCA MOUNTAIN



The White House's pick to fill the recent Supreme Court vacancy, Judge Brett Kavanaugh, previously issued the majority opinion in a 2013 United States Court of Appeals for the District of Columbia Circuit [ruling](#) that the Nuclear Regulatory Commission (NRC) was

"flouting the law" when it stopped work on the license review for the proposed nuclear waste deep geologic repository at Yucca Mountain.

The case, which was originally filed by Aiken County, SC, the State of Washington, and others, against the NRC, argued that the Court should order the NRC to comply with the statutory mandate requiring the Commission to act on DOE's

long-pending license application to store nuclear waste at Yucca Mountain. In a 2-1 decision, the court sided with the plaintiffs.

"The President may not decline to follow a statutory mandate or prohibition simply because of policy objections," Kavanaugh wrote. "Of course, if Congress appropriates no money for a statutorily mandated program, the Executive obviously cannot move forward. But absent a lack of funds or a claim of unconstitutionality that has not been rejected by final Court order, the Executive must abide by statutory mandates and prohibitions."

The judge that issued the dissenting opinion was Merrick Garland, the Obama Administration's nominee to fill a 2016 vacancy on the Supreme Court. Judge Garland's nomination was not approved by the Senate, and the vacancy was ultimately filled by the current Administration in 2017.

(Continued from page 2)

Legislative Update

Sciences, Engineering, and Medicine to conduct a review of Environmental Management (EM) cleanup activities, focusing on project management and oversight.

Following an April incident involving a ruptured drum of transuranic waste at Idaho National Laboratory (INL), the Senate committee expressed concern that the incident could have occurred at the Waste Isolation Pilot Plant (WIPP), causing further setbacks for the repository. Therefore, the Senate committee directed the Government Accountability Office to report on procedures and make recommendations regarding the repackaging of transuranic waste at INL.

The House bill met the President's budget request for \$30 million to restart licensing activities for the Yucca Mountain repository. However, the Senate bill authorizes no funding for the project.

The Senate bill prohibits DOE from using any funds to terminate construction at the MOX facility. Secretary of Energy Rick Perry's certification to halt MOX construction was received by Congress in the process of drafting the NDAA for FY 2019, and the Senate noted that it "does not know if the certification followed the requirements for cost evaluation as called for" in the NDAA for FY 2018. Therefore, the Senate bill directs the Comptroller General to review DOE's cost analyses regarding MOX construction and the dilute and dispose alternative.

NNSA announced in April a proposal to repurpose the MOX facility to expand plutonium pit production. In its bill report, the Senate Armed Services Committee directed the NNSA Administrator to facilitate an independent review of estimated construction and life-cycle costs for the pit production alternatives provided in the April assessment.

Now that both chambers have passed their versions of the NDAA, a conference committee will meet to resolve differences between the bills. A list of House conferees is available [here](#), and Senate conferees include Senators Mike Crapo (R-ID), Sherrod Brown (D-OH), and all 27 members of the Senate Armed Service Committee. House Armed Services

Committee Chairman Mac Thornberry (R-TX) has stated that he wants the conference committee to finalize the NDAA by the end of July, potentially setting up a vote for final passage in August.

House and Senate Pass Appropriations 'Minibus,' a Return to Regular Order?

In a legislative climate where passing four or more continuing resolutions to fund the government in short spurts is the new norm, Congress seems to have made striking progress in the effort to return to regular order: both the House and Senate have passed their versions of the FY 2019 Energy & Water Appropriations title, months ahead of the September 30 end of the current fiscal year.

The [House Energy & Water bill](#), which was packaged alongside the Legislative Branch and Military Construction & Veterans Affairs titles in a 'minibus,' passed the on June 8 with a 235-179 vote.

The [Senate Energy & Water bill](#)—also as part of a 'minibus'—passed the Senate on June 25 on a 86-5 non-partisan vote as funding for many partisan issues (such as Yucca Mountain) were not included in the final bill.

With the bills passed in both chambers, the bills now go to conference, where differences between the House and Senate versions will be worked out. The list of conferees from the House is available [here](#), and Senate list is [here](#).

In total, the House FY 2019 bill gives DOE \$35.5 billion, whereas the Senate gives just under \$35 billion. Both amounts are higher than the President's request of \$30.6 billion.

For NNSA, the House provides \$15.3 billion, while the Senate gives \$14.8 billion. The President requested \$15.1 billion for FY2019.

The House gives the DOE Office of Environmental Management \$6.9 billion, and the Senate gives \$7.2 billion—both above the President's request of \$6.6 billion.

The DOE Office of Science for FY 2019 received \$6.6 billion from the House and \$6.7 billion from the Senate. The President requested only \$5.4 billion.

(Continued on page 15)

(Continued from page 14)

Legislative Update

The DOE Office of Nuclear Energy received \$1.3 billion from the House and \$1.2 billion from the Senate. The President requested \$757 million for the office.

For the DOE Office of Legacy Management, the House and Senate each provided \$158.9 million—on par with the President’s FY 2019 request.

Included in the Senate bill was funding to support the Manhattan Project National Historical Park. The Senate provided \$10 million dollars to support the “historic contributions made by the K-25 site to the Manhattan Project” in Oak Ridge, TN, and \$20 million dollars for operations, maintenance, and cleanup activities for the Park at the Los Alamos, NM and Hanford, WA sites. As no comparable language was included in the House bill, final appropriations for the Park will depend on what is decided during conference.

The Senate bill also included an amendment proposed by Senators Mike Crapo (R-ID), Jim Risch (R-ID), and Sheldon Whitehouse (D-RI) which would create a \$15 million pilot program to recycle used naval nuclear fuel for use as fuel in advanced nuclear reactors. The amendment was adopted by the full Senate on an 87-9 vote. The House bill contained no comparable amendments.

House Committee Advances Bills Targeting Nuclear Energy and Waste

The House Energy and Commerce committee held a [markup](#) July 12 where they advanced more than a dozen bill and resolutions to the full House for consideration. Among them were the following three bills:

- The Nuclear Utilization of Keynote Energy Act ([H.R. 1320](#)), which is sponsored by Rep. Adam Kinzinger (R-IL) and Rep. Mike Doyle (D-PA) and would revise the Nuclear Regulatory Commission's (NRC) fee recovery structure, among other provisions .
- The Advanced Nuclear Fuel Availability Act ([H.R. 6140](#)), sponsored by Rep. Bill Flores (R-TX) and Rep. Jerry McNerney (D-CA), which directs the Secretary of Energy to establish and carry out a program to support the availability of high assay low enriched uranium (HA-LEU) for domestic commercial use. HA-LEU is the fuel

type needed by many advanced, generation-IV nuclear reactor designs.

- [H.R. 2389](#), to reauthorize West Valley demonstration project, which is sponsored by Rep Tom Reed (R-NY) and would reauthorize funding for West Valley through FY 2026 and would require a report to Congress considering disposal pathways for the project’s radioactive waste. H.R. 2389 was a subject of a May 2018 [hearing](#) and was passed out of the Environment Subcommittee in June by voice vote.

The Energy and Commerce Subcommittee on Energy also held a [hearing](#) on June 21 during which they advanced the following two bills related to addressing key challenges with the U.S. nuclear energy industry. The bills now head to the full Committee for consideration.

- [Advancing U.S. Civil Nuclear Competitiveness and Jobs Act](#), sponsored by Rep. Bill Johnson (R-OH), which would direct DOE to develop a process to expedite approval for low-risk civil nuclear exports, including delegation of Secretarial approval authority. This legislation passed through subcommittee on a 20-13 vote.
- [H.R. 6141](#), to require the Secretary of Energy to develop a report on a pilot program to site, construct, and operate micro-reactors at critical national security locations, and for other purposes, sponsored by Rep. Joe Wilson (R-SC), Rep. Donald Norcross (D-NJ), Rep. Richard Hudson (R-NC) and Rep. Scott Peters (D-CA), would require a DOE report identifying the key components of a pilot program to site, construct, and operate “micro reactors” at critical Department of Defense or DOE national security facilities. H.R. 6141 unanimously passed by voice vote.

NRC Commissioners Confirmed

On May 24, the Senate confirmed Annie Caputo and David Wright to serve as commissioners of the NRC and reconfirmed Commissioner Jeffery Baran to a second term.

On May 30, the NRC [announced](#) that Caputo and Wright had been sworn in as Commissioners. Caputo and Wright will each serve the remainder of a five-year term ending June 30, 2021 and June 20, 2020, respectively. Commissioner Baran will serve the remainder of his second term, expiring June 30, 2023.

FY 2018/2019 Budget & Appropriations Highlights*

(amounts in thousands of dollars)

	FY 2018 Enacted	FY 2019 Requested	FY 2019 House Bill	FY 2019 Senate Bill
DEPARTMENT OF ENERGY	34,520,049	30,609,071	35,494,251	34,990,015
Environmental Management	7,126,448	6,601,366	6,869,220	7,182,058
Defense Environmental Cleanup	5,988,048	5,630,217	5,759,220	5,988,000
Hanford/ Richland	863,192	658,171	863,192	838,171
Office of River Protection	1,560,000	1,438,513	1,480,053	1,573,000
Idaho National Laboratory	434,071	359,226	433,200	349,226
Lawrence Livermore National Laboratory	1,175	1,704	1,704	1,704
Separations Process Research Unit	4,800	15,000	15,000	15,000
Nevada NNSA Sites	60,136	60,136	60,136	60,136
Sandia National Laboratory	2,600	2,600	2,600	2,600
Los Alamos National Laboratory	220,000	191,629	198,000	220,000
Oak Ridge Reservation	400,219	226,206	290,569	410,000
Savannah River Site	1,312,314	1,656,180	1,376,634	1,400,000
Waste Isolation Pilot Plant	376,571	403,487	396,907	396,907
Non-Defense Environmental Cleanup	298,400	218,400	240,000	353,240
West Valley Demonstration Project	75,000	63,687	75,000	75,000
Gaseous Diffusion Plants	101,304	100,575	100,575	102,000
Uranium Enrichment Decontamination & Decommissioning Fund	840,000	752,749	870,000	840,818
Oak Ridge	194,673	151,039	179,454	195,000
Paducah	205,530	270,224	223,000	206,000
Portsmouth	381,271	415,458	413,557	408,099
Legacy Management	154,606	158,877	158,877	158,877
National Nuclear Security Administration	14,668,952	15,091,050	15,313,147	14,780,000
Weapons Activities	10,642,138	11,017,078	11,200,000	10,850,000
Defense Nuclear Nonproliferation	1,999,219	1,862,825	1,902,000	1,902,000
Naval Reactors	1,620,000	1,788,618	1,788,618	1,620,000
Nuclear Energy	1,205,056	757,090	1,346,090	1,206,000
Science	6,259,903	5,390,972	6,600,000	6,650,000
Yucca Mountain and Interim Storage	---	120,000	220,000	---
Nuclear Waste Disposal	---	90,000	190,000	---
Defense Nuclear Waste Disposal	---	30,000	30,000	---

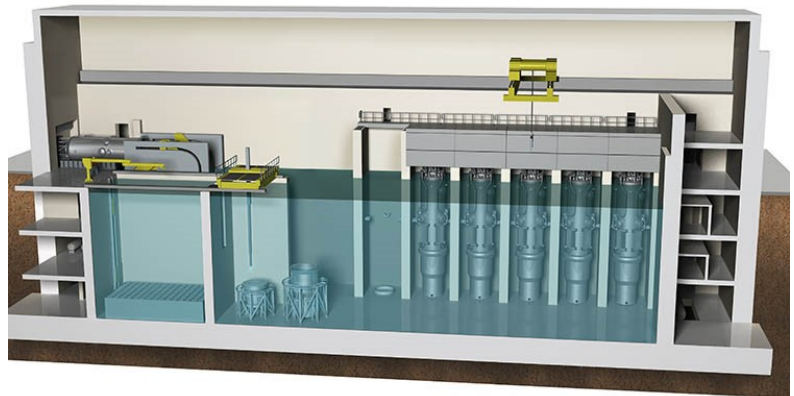
* These figures are compiled from different sources: the Office of Management and Budget, the Congressional Appropriations committee reports, and press releases. There are some discrepancies in how each source calculates government spending.

NUSCALE POWER ANNOUNCES BREAKTHROUGH IN SMR DESIGN CAPACITY

NuScale Power, the company whose small modular reactor (SMR) design has been selected by the Utah Associated Municipal Power Systems (UAMPS) for the development of a generating station at the Idaho National Laboratory (INL), [announced](#) on June 6 that their reactor can generate 20 percent more power than originally planned—making it “even more competitive with other electricity generation sources.”

Through advanced testing and modeling, NuScale was able to determine that the 12-module SMR plant currently planned by UAMPS would have a capacity of 720 MWe as opposed to the previously-estimated 600 MWe. This change lowers the cost of the electricity generated from \$5,000 per kilowatt to \$4,200 and lowers the levelized cost of electricity (LCOE) by up to 18 percent, moving NuScale toward meeting a \$65 per MWh (LCOE) target it has for the UAMPS project. This would make it competitive with several new generating resources entering service in 2022, reports [Power Magazine](#).

Currently, NuScale’s SMR design certification application is under review at the Nuclear Regulatory Commission. The NRC recently completed its Phase 1 review of the application—considered to be the longest and most intensive of the remaining five phases of review. NuScale and UAMPS expect to have their generating station at INL operational by the mid-2020s.



LIQUID WASTE OPERATIONS RESUME AT SRS

After a 15-month outage, liquid waste operations at the Savannah River Site (SRS) have successfully restarted, DOE [announced](#) on June 12.

The outage was scheduled to replace and upgrade equipment and facilities, including the Defense Waste Processing Facility (DWPF). A melter, used to vitrify high-level waste (HLW) into a glass that is then packaged in stainless steel canisters, was the key component replaced at DWPF.

DOE also conducted upgrades and modifications to the interim salt waste processing facilities during the outage. This work included replacing three of the facility’s contactors and decontaminated salt solution pre-filters, vent modifications, and other maintenance activities. The interim facilities are undertakings ahead of the Salt Waste Processing

Facility (SWPF), a \$2.3 billion plant currently in commissioning and testing phases, reports the [Aiken Standard](#).

During the outage, DOE also maintained the SRS Tank Farms, including rebuilding waste transfer valves and valve boxes. Work on a waste transfer line and transfer pump continued on Tank 49 in H Tank Farm in preparation of SWPF future work.

“Stabilizing and safely storing the radioactive waste at SRS is an important part of DOE’s Environmental Management mission,” DOE-Savannah River Manager Mike Budney said.

The installation of the DWPF melter and other maintenance work during the outage better positions SRS to advance the liquid waste mission safely and successfully, DOE stated.



June 19, 2018

Anne White, Assistant Secretary
Office of Environmental Management
U.S. Department of Energy
1000 Independence Ave. S.W.
Washington D.C. 20585

Dear Assistant Secretary White:

The National Governors Association (NGA) Federal Facilities Task Force (FFTF) and the Environmental Council of the States (ECOS) are writing to express interest in participating in policy conversations about the definition of high-level waste within the cleanup of the nuclear weapons complex. Members of our state organizations play critical roles, in coordination with the Department of Energy's (DOE) Office of Environmental Management (EM), in the national effort to clean up sites in states where nuclear materials were produced during the Cold War.

The FFTF, coordinated by NGA's Center for Best Practices, serves as a forum for continued dialogue among governor-appointed representatives from the states that host, or are directly impacted by, cleanup efforts. ECOS represents state environmental agency leaders, who are co-regulators of the cleanup efforts and who coordinate with DOE on regulations, budgets, cleanup strategies and protection of human health and the environment in their states.

Recently, attention to the definition of high-level waste at these sites has been renewed in response to the September 2017 publication of an Energy Communities Alliance (ECA) report titled, "Waste Disposition: A New Approach to DOE's Waste Management Must Be Pursued." The report encourages DOE and Congress to consider alternative paths to move waste disposition and cleanup forward, including a recommendation to accelerate cleanup by basing waste classification decisions on the characteristics of the waste and the risks to human health and the environment rather than on the origin of the waste.

We appreciate ECA bringing attention to the issue, and ECOS and FFTF members are generally supportive of making cleanup more efficient and effective. Because this important decision about how high-level waste is defined will have wider implications at certain sites, careful consideration of any policy changes would best be informed by the state entities who oversee and regulate the cleanup. States have voiced specific concerns in response to the report and are prepared to participate in and inform any dialogue that might be prompted by ECA's report.

We look forward to working with you to continue advancing the mission of DOE EM and protecting public health, safety and the environment.

Sincerely,

A handwritten signature in black ink, reading "Scott Pattison".

Scott Pattison, Executive Director and CEO
National Governors Association

A handwritten signature in black ink, reading "Sam Sankar".

Sam Sankar, Executive Director
Environmental Council of the States

Cc: Elizabeth Lisann, Senior Advisor, Office of Environmental Management, U.S. DOE
Seth Kirshenberg, Executive Director, Energy Communities Alliance



2018 Congressional Calendar



Both chambers in session
 Senate only in session

July

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
1	2	3	4 Independence Day	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15 Eid al-Adha	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
						1
2	3 Labor Day	4	5	6	7	8
9 Rosh Hashana (begins)	10	11	12	13	14	15
16	17	18 Yom Kippur (begins)	19	20	21	22
23	24	25	26	27	28	29
30						

October

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
	1 FY '19 (begins)	2	3	4	5	6
7	8 Columbus Day	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
				1	2	3
4	5	6 Election Day	7 Diwali	8	9	10
11	12 Veterans' Day (observed)	13	14	15	16	17
18	19	20	21	22 Thanksgiving Day	23	24
25	26	27	28	29	30	

December

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
						1
2 Hanukkah (begins)	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 Christmas Day	26	27	28	29
30	31					

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2018 Upcoming Events

August 20-23	DOE Legacy Management 2018 Long-Term Stewardship Conference , Grand Junction, CO; visit here for details.
September 4-3	Radwaste Summit , Henderson, NV; visit here for details.
September 11	ECA Board of Directors Meeting , Alexandria, VA; contact meganc@energyca.org for details.
September 11-13	2018 National Cleanup Workshop , Alexandria, VA; see page 3-4 and visit www.cleanupworkshop.com for more information.
October 2-4	2018 ETEBA Business Opportunities and Technical Conference , Knoxville, TN; visit here for details.
November 14-16	2018 Intergovernmental Meeting with DOE , New Orleans, LA; contact meganc@energyca.org for details.

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