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United States Department of Energy
Before the Subcommittee on Strategic Forces
Committee on Armed Services
United States Senate

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Good morning, Chairman Nelson and Members of the Subcommittee. I am pleased to be here today to answer your questions on the integration of American Recovery and Reinvestment Act of 2009 (Recovery Act) funding within the Department of Energy's Office of Environmental Management (EM) program.

As you are aware, in January 2009, the Department completed and presented to Congress a comprehensive report assessing initiatives to accelerate the reduction of environmental risks and challenges posed by the legacy of the Cold War. The report, "Status of Environmental Management Initiatives to Accelerate the Reduction of Environmental Risks and Challenges Posed by the Legacy of the Cold War," was prepared pursuant to Section 3130 of the National Defense Authorization Act for Fiscal Year 2008 and summarizes EM's initiatives to accelerate risk reduction.

The report submitted to Congress also outlined one of EM's key strategic planning initiatives: to reduce the legacy footprint of the EM complex. Footprint reduction is accomplished by focusing cleanup activities on decontamination and demolition of excess contaminated facilities, soil and groundwater remediation, and solid waste disposition, all of which have proven technologies and an established regulatory framework. Within this rubric, EM has demonstrated that additional investments in the program could yield significant environmental cleanup progress and create jobs quickly.

Because of its strategic planning efforts over the last 18 months, EM was positioned to quickly leverage additional investments in footprint reduction activities to help achieve National economic and environmental objectives of both the Recovery Act and the EM program.

Recovery Act and EM Base Program

EM's plan is to allocate the \$6 billion of Recovery Act funding provided by Congress to support footprint reduction and near-term completion cleanup activities. Given the economic climate over the past several years, footprint reduction cleanup activities have often been deferred in order to fund higher-risk activities.

At the same time, EM will remain focused on the highest risk activities in EM's portfolio, including the management of radioactive tank waste, surplus special nuclear materials (SNM), and spent nuclear fuel (SNF) and essential activities required to maintain a safe and secure posture in the EM complex. These activities comprise the majority of base program funding and represent the biggest challenges facing the EM program. EM continues to move forward and clear hurdles in finalizing design, constructing, and operating of three unique and complex tank

waste processing plants to treat approximately 88 million gallons of radioactive tank waste for ultimate disposal. With a total cost estimate of \$14.3 billion, investments are still needed to complete building and operating these necessary facilities and process the tank waste, which is one of the primary risk and cost drivers in the program. EM also faces the challenge of selecting and implementing disposition options needed to prepare certain types of SNM and SNF for ultimate disposal. These higher risk activities will continue to comprise a large portion of EM's annual budget request.

Recovery Act Funding and Oversight

Since much of the Recovery Act cleanup work is associated with compliance milestones, EM will be better positioned to meet its compliance commitments going forward. This work will be accomplished primarily through existing contract vehicles and will create thousands of new jobs that require limited training.

EM is well poised to effectively spend the \$6 billion in Recovery Act funding because this type of cleanup is associated with:

- Proven technologies—on-the-shelf plans and projects ready to be implemented
- Regulatory infrastructure in place—established regulatory framework with regulator and community support
- Acquisition structure in place—flexible contract vehicles allow quick expansion of environmental cleanup workforces
- Project Management structure in place—ability to track and measure performance

EM has identified opportunities at 17 sites in 12 states that meet these Recovery Act principles. EM must be able to fully account for and communicate the accomplishments achieved with Recovery Act funding and assure that Recovery Act work scope is integrated with ongoing EM budgeting and planning activities to ensure seamless integration of Recovery Act work within existing baseline work.

As a result, EM will segregate cleanup scope funded within the normal appropriation process from work funded from the Recovery Act for both budget execution and project performance tracking and reporting. EM will be able to clearly articulate between existing programmatic performance (base program) and the additional cleanup progress that is achieved as a result of the additional resources invested in the program. This will provide a basis to continue the optimization of planning scenarios that can support future funding allocation decisions.

EM has chartered an integrated project team (IPT), the EM Recovery Act Team, to ensure proper planning and execution of Recovery Act funds. The IPT is led by the Chief Project Manager (CPM) who is the senior-most federal official within the project chain of command and who has ultimate responsibility and accountability for delivering the project successfully. The CPM is a member of the federal Senior Executive Service and possesses the executive core competencies required to lead the project through this period of government transformation. The CPM is supported by Federal Project Directors (FPD) who have satisfied the certification requirements prescribed in the Department's Project Management Career Development Program (PMCDP), and have been certified by the PMCDP Certification Review Board. The FPDs are senior federal

managers and are seasoned project directors certified by the PMCDP Certification Review Board at FPD Levels 3 and 4. The IPT members are experts in the areas of safety/operational readiness, planning, project management, budget, contracting, regulatory compliance, and communications. The team is actively engaged with the field office sites in all elements of Recovery Act implementation.

EM is in the process of assigning Recovery Act Site Representatives to support the field offices. These individuals will streamline communications and decision-making between Headquarters and the field sites, while facilitating the integration, rapid sharing of lessons learned, and compliance with Recovery Act requirements.

As a prerequisite to receiving Recovery Act funds, the site offices have been required to submit to Headquarters checklist items that ensure each site is in a state of readiness and has implemented measures that prevent waste, fraud, and abuse. The checklist items verify that each site office has the necessary systems and processes in place for safety, oversight, contracting, change control, reporting, risk management, and regulator and stakeholder involvement.

The Recovery Act team will maintain a project management discipline in accordance with DOE Order 413.3A, through the use of clear performance measures, project and cost reviews, frequent rigorous reporting, utilization of the Earned Value Management System, and Risk Management Plans. The Recovery Act team is in close coordination with the Department's Office of Engineering and Construction Management to ensure full compliance with project management orders and policies.

Approximately 90 percent of the Recovery Act work scope can be accommodated using modifications of existing prime contracts. Additionally, subcontracting is expected, as well as the continued implementation of small business contracts. Where appropriate, EM will utilize the Indefinite Delivery Indefinite Quantity (IDIQ) contract mechanism. IDIQ contract mechanism streamlines the contract process and provides for an indefinite quantity of supplies or services during a fixed period of time. Contract actions are being supported by the EM Consolidated Business Center (CBC) and the Army Corps of Engineers for independent cost estimating.

Safety is of the utmost importance to EM. Recovery Act activities will be executed in full compliance with all of the Department's safety requirements including the Integrated Safety Management System (ISMS) and Nuclear Safety Management, 10 CFR 830. Site offices have developed Federal Resource Oversight Plans, Contractor Readiness Self-Assessment Plans, and Vulnerability Assessment and Risk Mitigation Plans. Safety will also be a primary focus in the ongoing site readiness evaluations being implemented to assess the overall project, financial, technical, safety, and administrative readiness.

EM endeavored to select Recovery Act projects that had an established regulatory framework. EM Headquarters and site-level managers will continue to work with state and federal regulators, Congress, tribal nations, union officials, and all other stakeholders on Recovery Act planning and implementation process. The EM Recovery Act Team has also created a public website

dedicated to the Recovery Act, and we are providing planning and implementation documentation to the Department's Inspector General as requested.

Recovery Act Funding Across the Cleanup Complex

Washington (Total funding \$1.961 billion)

Richland Operations Office (\$1.635 billion) - Demolish nuclear facilities and support facilities, remediate waste sites, remediate contaminated groundwater, and retrieve solid waste from burial grounds. Recovery Act funds will utilize the River Corridor cleanup contract to accelerate cleanup of facilities, waste sites, and groundwater along the Columbia River to support shrinking the active area of cleanup at the 586-square-mile Hanford Site to 75 square miles or less by 2015.

Office of River Protection (\$326 million) – Upgrade the infrastructure and systems to transfer radioactive liquid waste from aging underground tanks to a waste treatment facility for immobilization and disposal to meet the 2019 startup date.

South Carolina (Total funding \$1.615 billion)

Savannah River Site (\$1.615 billion) - Accelerate decommissioning of nuclear facilities and contaminated areas throughout the site, including in-place decommissioning of two nuclear materials production reactors. Recovery Act work includes shipping more than 4,500 cubic meters of waste out of South Carolina and will reduce the site's industrial area by 40 percent, or 79,000 acres, by September 2011.

Tennessee (Total funding \$755 million)

Oak Ridge (\$755 million) - At the East Tennessee Technology Park, Oak Ridge National Laboratory, and Y-12 sites, accelerate demolition and disposal of remaining uranium enrichment plant buildings, surplus Manhattan Project era buildings, and highly contaminated uranium processing buildings, and perform soil remediation to protect area groundwater. For instance, Recovery Act funding will allow EM to begin to address the environmental liability associated with the Integrated Facility Disposition Program, which includes removal of at risk materials and stabilization and deactivation of facilities. Recovery Act funding will also accelerate cleanup of the most significant sources of off-site mercury release to East Fork Poplar Creek to prevent further contamination of the area.

Idaho (Total funding \$468 million)

Idaho National Laboratory (\$468 million) - Accelerate demolition of excess nuclear and radiological facilities resulting in a footprint reduction of more than 800,000 square feet. Recovery Act funds will be used to leverage the efficiencies realized through existing decontamination and decommissioning (D&D) contracts. The value of the D&D work conducted at Idaho translates into \$1.60 of work being completed for every Recovery Act dollar spent. The acceleration of D&D projects at Idaho will reduce project cost, and help to avoid surveillance and maintenance and escalation costs for D&D activities. Recovery Act funding will also allow for the retrieval of targeted waste per the Agreement with the State of Idaho and accelerate the shipment of waste offsite for disposal.

New Mexico (Total funding \$384 million)

Carlsbad (WIPP-\$172 million) - Accelerate completion of legacy transuranic waste shipment preparation and shipments to the Waste Isolation Pilot Plant repository from one large quantity site and seven small quantity sites. Accelerate shipments from four other large quantity sites.

Los Alamos National Laboratory (LANL-\$212M) - Demolish 35 buildings and structures across the complex, reducing the footprint by more than 260,000 square feet.

New York (Total funding \$148 million)

Brookhaven (\$42 million) - Demolish surplus ancillary structures associated with a nuclear research reactor. Remove contaminated soil and buried pipelines and dispose of off-site, protecting the surrounding soil and groundwater.

Separations Process Research Unit (SPRU) (\$32 million) – Cleanup of the North Field Land Area, removal of contaminated soil for off-site disposal, perform sampling to confirm cleanup results, and re-grading and re-seeding the area.

West Valley (\$74 million) - Design and construct a storage system for high-level waste canisters and move high-level waste canisters from the former waste treatment facility to the new system, allowing the former treatment facility to be decontaminated and demolished earlier than planned. Begin demolition of former process buildings and install a system to prevent migration of groundwater contamination. Accelerate radioactive waste treatment and disposal activities to shrink the area of site contamination.

Ohio (Total funding \$138 million)

Miamisburg (\$20 million) - Complete remediation of Operable Unit 1 (historic landfill).

Portsmouth (\$118 million) - Demolish surplus facilities, including electrical switchyard structures, cooling towers, and one pump house, and cleanup 65 acres of contaminated soils. Remove the source of the highest contaminant concentration groundwater plume on site, preventing further potential groundwater contamination.

Utah (Total funding \$108 million)

Moab (\$108 million) - Accelerate removal of uranium mill tailings away from the Colorado River and dispose of an additional two million tons of mill tailings by 2011, accelerating site cleanup. Recovery Act work will be accomplished by increasing the number of railcars and shipments.

Illinois (Total funding \$99 million)

Argonne National Laboratory (\$99 million) - Accelerate demolition of excess contaminated facilities and waste cleanout activities several years early.

Kentucky (Total funding \$79 million)

Paducah (\$79 million) - Remove and dispose of large process equipment and demolish surplus chemical processing facilities, shrinking the area of contamination.

California (Total funding \$62 million)

ETEC (\$54 million) - Provide \$38.8 million for the U.S. Environmental Protection Agency to conduct radiological assessments necessary to complete an environmental impact statement and enable completion of site cleanup. Any additional cleanup work at ETEC will be conducted if regulatory approval is obtained.

SLAC National Accelerator Laboratory (\$8 million) - Accelerate excavation and disposal of contaminated soil and accelerate installation of groundwater treatment systems.

Nevada (Total funding \$44 million)

Nevada Test Site (\$44 million) - Identify waste characteristics within the soil at three corrective action sites and install groundwater monitoring wells to provide additional data on groundwater contamination to support future cleanup work. Demolish three major facilities and two smaller structures, removing contaminated materials.

Multiple States (Total funding \$69 million)

Uranium Thorium Payments, Statutory Reimbursement (\$69 million) - Reimburse cleanup costs to companies that formerly processed uranium and thorium for sale to the federal government. These payments may allow companies to accelerate completion of site cleanup work.

Management & Oversight/Reserve at Headquarters and Sites (Total funding \$70 million)

The integration, policy management, and other activities funded by the Recovery Act will ensure that EM's cleanup mission proceeds in a consistent and responsible manner.

Conclusion

Mr. Chairman and Members of the Subcommittee, I would like to reiterate that Recovery Act funding provided by Congress will be utilized to support footprint reduction and near-term completion cleanup activities, and will be executed in a transparent manner in accordance with the goals and objectives of the Recovery Act. In addition, much of the Recovery Act funding work is associated with compliance milestones, which better positions EM to meet its compliance commitments going forward.

EM has made long-term commitments to address its highest risks—especially tank waste management. While the major portion of EM's current budget is devoted to building the capability for tank waste treatment and disposition, future investments will be needed to complete construction of these facilities and to process the tank waste.

I look forward to working with this Committee and Congress to continue to accomplish the Department's cleanup commitments. I thank you for your attention, and I would be pleased to answer any questions.