



Paducah Citizens Advisory Board

"working for the future"

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Recommendation 13-05: Seek Change to Budget Strategy and Funding Levels to Include Post Operations of the PGDP

July 18, 2013

Background

As legislated in the Energy Policy Act of 1992, the United States Enrichment Corporation (USEC) was formed as a government corporation to restructure and operate the United States government's uranium enrichment business and prepare it for privatization. In May 1999, USEC took over direct operation of the Paducah Gaseous Diffusion Plant (PGDP) enrichment facilities. The Department of Energy (DOE) owns the enrichment facilities and USEC leases the facilities from the DOE. At the time of lease, the DOE was well aware that the plant had a limited lifespan. According to the lease agreement, USEC was obligated to lease the operation for a period of 6 years after which, under qualifying circumstances, could be returned to DOE.

USEC ended enrichment operations on May 31, 2013. DOE has commenced planning for return of the facilities once USEC has completed commercial activities and lease obligations. As site landlord, DOE is responsible for environmental restoration and decontamination and decommissioning (D&D) of the site. In an effort to find an ongoing mission for the site, the DOE issued an Expression of Interest. Should another private company be interested in operating the PGDP, some costs associated with the return of the enrichment facilities to DOE could be deferred for a number of years. Additionally, the DOE recently issued a Request for Offer (RFO) for uranium assets at the site. A decision is expected in the fall.

Assuming there is no viable use of the operating facilities, the DOE must determine whether to take the PGDP directly into decontamination and decommissioning or initiate long-term surveillance and maintenance (S&M) and delayed initiation of D&D. Long-term surveillance and maintenance is not acceptable to our community. Immediate initiation of D&D will result in completion of near-term site remediation, the lowest overall lifecycle cost to DOE, minimize future safety hazards, and allow DOE to maximize the use of trained and qualified workers displaced from terminated gaseous diffusion plant (GDP) operations. Savings to the taxpayer for avoidance of long-term S&M of the GDP could be in the billions of dollars.

In light of the eminent return of the PGDP to the DOE, DOE should consider re-sequencing the current cleanup strategy for the PGDP. This change in strategy could result in better planning and execution of cleanup work for the entire site as well as better support the community in optimizing future use of the site.

As stated in Recommendation 13-04: *Prompt Initiation of PGDP Operating Facility Decontamination and Decommissioning after Transition of Leased Buildings to DOE*, the CAB has recommended that DOE adequately fund the PGDP post operation shutdown and initiate

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immediate D&D of the enrichment facility upon return of the PGDP to DOE. The Citizens Advisory Board (CAB) feels that DOE should more aggressively support the community to create the next economic chapter for the PGDP site.

Support for the community includes:

- Adequate funding for full scale D&D of the PGDP in addition to the ongoing missions of DUF6 conversion and environmental restoration
- Re-sequencing the current clean-up strategy with the gaseous diffusion plant D&D to optimize cost savings and support near-term release of real property and site infrastructure to the community
- Remaining active in the community's quest to find an adaptive reuse strategy that supports reindustrialization of the PGDP site.

The community expects the DOE to support the goal of adaptive reuse including a strategy that supports reindustrialization of the site and fair evaluation of any proposal presented for reuse of the existing facility. The DOE should support the community's efforts to create an end state vision for the site, including near-term and long-term solutions, and support the effort to retain existing PDGP workforce for D&D activities.

Portions of this background were borrowed from DOE document, BJC/OR-573; Site Management Plan, Paducah Gaseous Diffusion Plant, Paducah, Kentucky, Annual Revision—FY 2013; and the Uranium Enrichment Decontamination and Decommissioning Report, Report to Congress, December 2010.

Recommendation

Long-term S&M is not acceptable to our community. DOE should take the PGDP facilities not proposed for current or future operations directly into decontamination and decommissioning rather than long-term surveillance and maintenance. The community expects the DOE to complete its site cleanup including D&D of the GDP by the target date of 2040 which has been communicated to the community for the past decade as shown in Figures 1 and 2 below. Figure 1 shows the original Paducah site programmatic baseline and Figure 2 shows the funding impacted programmatic baseline schedules.

- **The CAB recommends that adequate funding be authorized to fund this work. DOE's current long range funding plan for the Paducah Site, including the DUF6 facility and current remediation projects, will require at least \$400 M per year in order to facilitate the ongoing missions and D&D of the GDP. This level of funding should be maintained until the remediation and cleanup target date of 2040 is met as outlined in the 2010 UE D&D Report or until site remediation is complete.**
- **The CAB recommends that DOE commit to a comprehensive D&D and environmental remediation strategy that integrates the community's efforts associated with adaptive reuses. The community desires to accelerate D&D, which facilitates the following benefits: optimize potential benefits from soils and burial**

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ground work, facilitate easier access to challenging, yet contained groundwater sources, and take full advantage of the community's skilled and trained work force.

- The CAB recommends that DOE support the community's goal of adaptive reuse including development and implementation of a strategy that supports reindustrialization. Specifically, DOE should align and sequence D&D and environmental restoration work to align with how and when the community has a need for property for reuse. The CAB understands that this will likely conflict with existing milestone cleanup strategy, however, the CAB feels that the community will realize a greater benefit by changing the budget strategy to post-GDP shutdown scope.
- Additionally, DOE and the regulatory agencies and stakeholders should ensure that flexibility is built into the overall strategy so that it can be modified to align with the implementation of adaptive reuse over time.
- The CAB encourages Kentucky DEP and EPA cooperate with DOE to support this change to align with the community's desire for reindustrialization while continuing to be environmentally responsible.

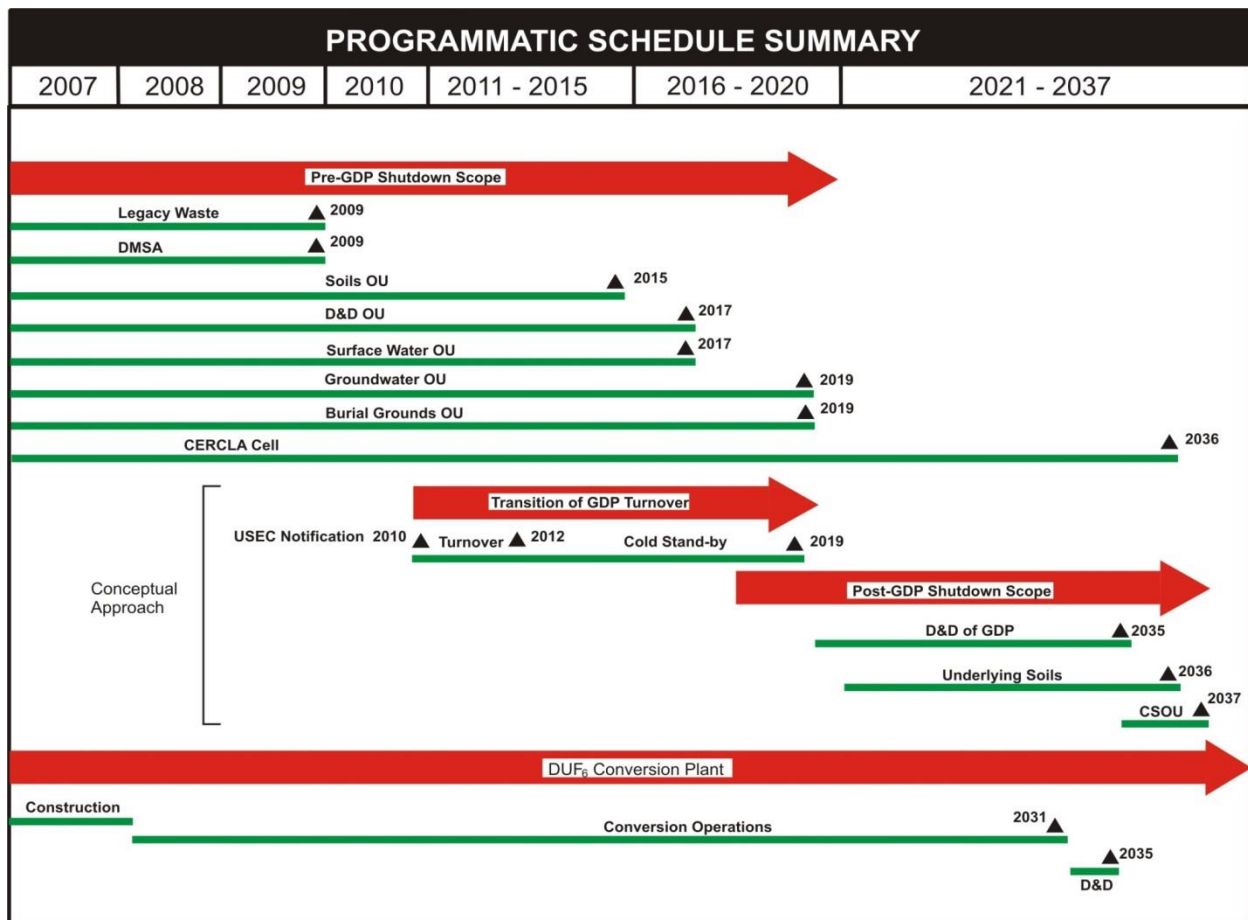


Figure 1. Budget: Original Paducah Site Programmatic Schedule

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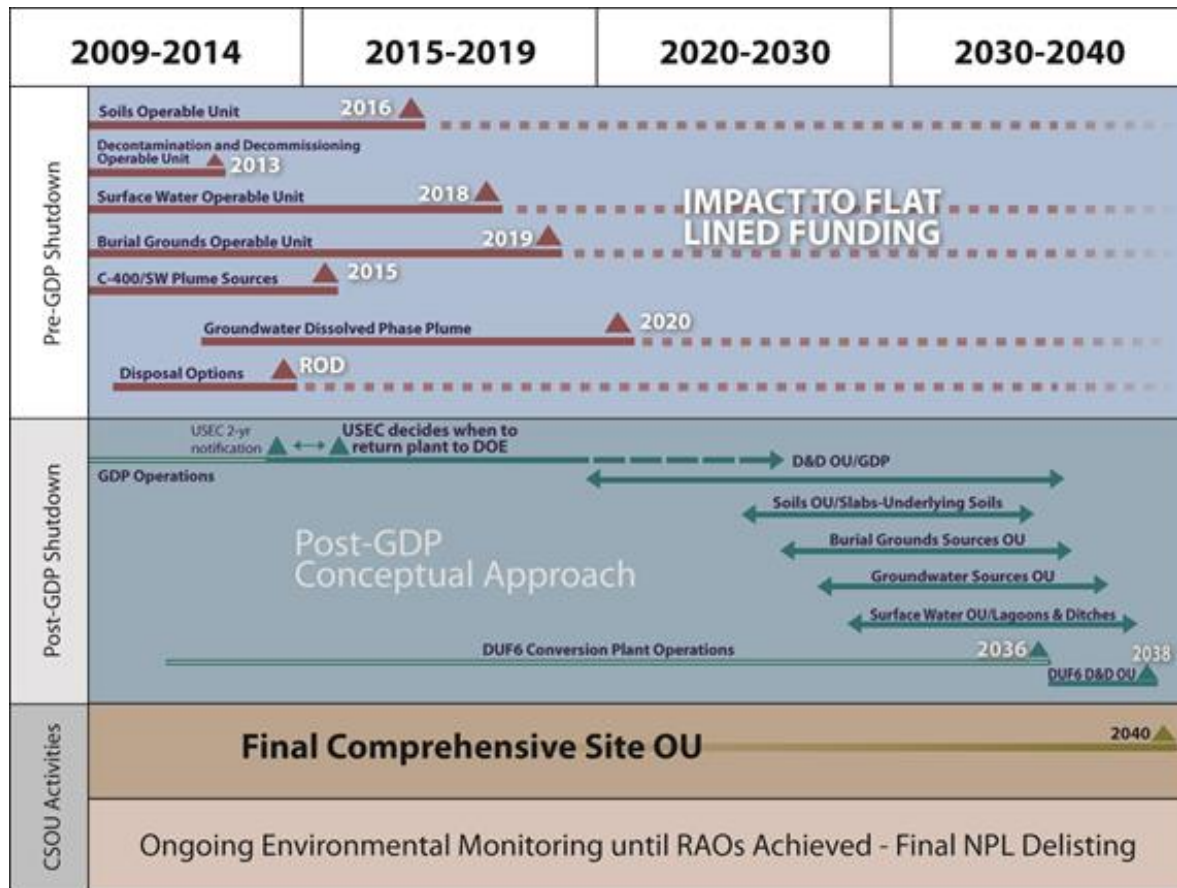


Figure 2. Budget: Impacted Paducah Site Programmatic Schedule