

**NORTHERN NEW MEXICO CITIZENS' ADVISORY BOARD
Recommendation to the Department of Energy**

No. 2011-01

“FY 2012 Budget Request for LANL EM Work”

Drafted by the Waste Management Committee

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Background

The Order on Consent was signed on March 1, 2005, by the Los Alamos National Laboratory (LANL), the Department of Energy (DOE), and the New Mexico Environment Department (NMED). In this document, LANL agreed to a schedule for completion of cleanup at various sites on the LANL grounds. At the time of signing this agreement, both sides indicated that appropriate cleanup could be completed by the end of 2015. Headquarters/DOE agreed to provide sufficient funding to the Environment Management (EM) of LANL to meet the cleanup timeframe.

The Northern New Mexico Citizen's Advisory Board (NNMCAB) has consistently recommended as one of its “Top Three Issues” reported to EM Headquarters, the full budget baseline funding of the LANL EM.

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law in February 2009. The Environment Management (EM) of the DOE received \$6 billion to be used for environmental cleanup projects. Of this EM funding, LANL received \$212 million for cleanup, the completion of legacy footprint reduction and specific Decommission and Demolition of Technical Area 21.

Comments and Observations

When the Consent Order was signed in 2005, the national and local economy was in a much better position than it is today. DOE, NMED, and LANL all agreed that the scope of work could be completed, and that all the resources needed for completion would be available. The national and local economy is in a much worse situation now, than it was in 2005. The economy is not expected to fully recover by 2015.

Successful cleanup efforts continue on LANL sites, but on several occasions, NMED has added additional scope of work for LANL to accomplish to the Consent Order, but has not extended the timelines to complete these additions. NMED has fined LANL over \$1.6 million, which is a drastic ‘hit’ to the annual operating budget, and a resource that could have been used for additional cleanup efforts.

Over \$124 million of the \$212 million received from ARRA has been spent or encumbered to date. The remaining balance of ARRA funds available to LANL has been earmarked and will be used for upcoming projects. With the ARRA fully expended before 2015, LANL will not have the additional funding above baseline budget to continue to accelerate the backlog of work, for completion of clean up by 2015.

LANL base budgets have consistently been flat, around the \$197 million figure. It is Headquarters/DOE's goal, to have the Legacy footprint reduced by 90% by 2015. However, LANL base budget has remained flat over the years. Over the past 5 years, budget received at LANL EM has been under funded by approximately \$400 million, which is needed for full completion of clean up included in Consent Order. However, the ARRA funds have helped somewhat with this backlog of work.

Recommendation

No. 1. It is the recommendation of the NNMCAB that Headquarters/DOE continue to provide full baseline funding for FY 2012 to LANL EM, in order to continue the progress on the scope of work included in the Consent Order.

No. 2. It is the recommendation of the NNMCAB that Headquarters/DOE research the possibility of increasing the baseline funding to LANL EM, such that when the ARRA funding is completely spent, continued successful cleanup efforts will be able to take advantage of the trained workforce and the improved procurement and project management skills developed under ARRA and thus not compromise or jeopardize the schedule commitments of the Consent Order.

Intent

It is the intent of the NNMCAB to support FY 2012 funding for LANL at the full baseline level and to support additional funding from Headquarters/DOE thru fiscal year 2015, in order to complete scope on the Consent Order schedule requirements.

References

- 1. FY 2010 Accomplishments presentation by Michael Graham, July, 2010.*
- 2. Compliance Order on Consent, signed March 1, 2005.*
- 3. Recommendation No. 2010-03, Regarding Sufficient Funding for Los Alamos National Laboratory Environment Management Projects and the Consent Order.*