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Highlights

Highlights of [GAO-08-277T](#), a testimony before the Committee on Energy and Natural Resources, U.S. Senate

Why GAO Did This Study

Cleaning up the nation's three uranium enrichment plants will cost billions of dollars and could span decades. These plants—located near Oak Ridge, Tenn.; Paducah, Ky.; and Portsmouth, Ohio—are contaminated with radioactive and hazardous materials. In 1992, the Energy Policy Act created the Uranium Enrichment Decontamination and Decommissioning Fund (Fund) to pay for plant cleanup. Fund revenues come from an assessment on domestic utilities and federal government appropriations.

In 2004, GAO reported on the Fund's sufficiency to cover authorized activities. GAO recommended that Congress consider reauthorizing the Fund for 3 more years, to 2010, and require the Department of Energy (DOE) to reassess the Fund's sufficiency before it expired to determine if further extensions were needed. Because decisions not yet made by DOE could affect the cost of cleanup and the Fund's sufficiency, GAO also recommended that DOE develop decontamination and decommissioning plans for the Paducah and Portsmouth plants that would identify the most probable time frames and costs for completing the cleanup work.

This testimony is based on GAO's 2004 report. It summarizes the extent to which the Fund may be sufficient to cover authorized activities and the status of DOE's progress in developing decontamination and decommissioning plans for the Paducah and Portsmouth plants.

To view the full product, including the scope and methodology, click on [GAO-08-277T](#). For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

URANIUM ENRICHMENT

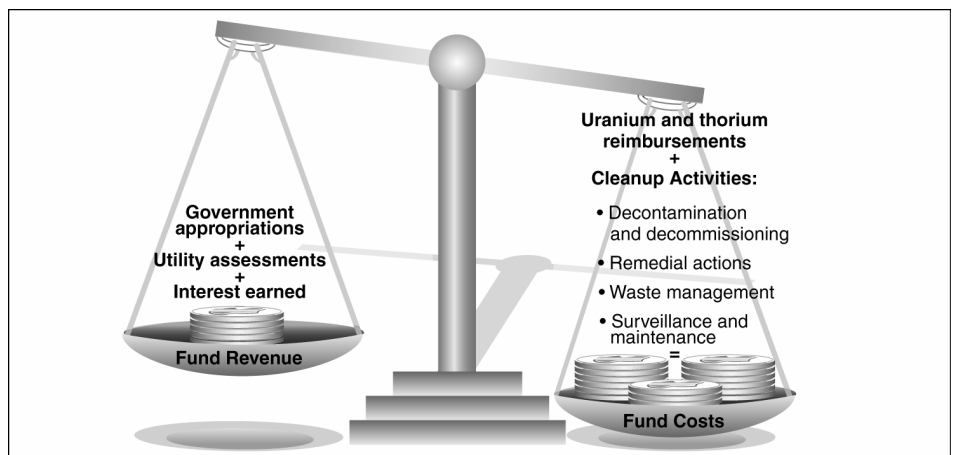
Extension of Decontamination and Decommissioning Fund May Be Needed to Cover Projected Cleanup Costs

What GAO Found

GAO's analysis showed that the Fund will be insufficient to cover all authorized activities. Using DOE's estimates for the cleanup costs at the three plants and current and likely revenue projections, GAO developed a number of simulation models that factored in annual cost and revenue projections and uncertainties surrounding inflation rates, costs, revenues, and the timing of the final cleanup work at the Paducah and Portsmouth plants. Specifically, GAO's baseline model demonstrated that by 2044, the most likely date for completing all cleanup activities at the plants, cleanup costs will have exceeded revenues by \$3.8 billion to \$6.2 billion (in 2007 dollars). Importantly, GAO found that the Fund would be insufficient irrespective of which estimates were used or what time frames were assumed.

DOE has not yet issued plans for the decontamination and decommissioning of the Paducah and Portsmouth plants as GAO recommended. According to DOE officials, the department is developing a report to Congress that will contain updated information for both plants. DOE did not make that information available to GAO, however, and hence GAO was unable to assess how any new schedule or cost estimates may affect the Fund's sufficiency. Until DOE issues plans that provide the most probable time frames and costs for completing decontamination and decommissioning at the Paducah and Portsmouth plants, it is not possible to more precisely determine the total funding needed to cover the authorized cleanup activities.

Cleanup Costs Outweigh Fund Revenues



Source: GAO.