

Why GAO Did This Study

Decontaminating and decommissioning the nation's uranium enrichment plants, which are contaminated with hazardous materials, will cost billions of dollars and could span decades. In 1992, the Energy Policy Act created the Uranium Enrichment Decontamination and Decommissioning Fund (Fund) to pay for the plants' cleanup and to reimburse licensees of active uranium and thorium processing sites for part of their cleanup costs.

This report discusses (1) what DOE has done to reduce the cleanup costs authorized by the Fund, and (2) the extent to which the Fund is sufficient to cover authorized activities.

What GAO Recommends

GAO recommends that the Congress consider reauthorizing the Fund for an additional 3 years and require DOE to reassess the Fund's sufficiency before it expires to determine if further extensions will be necessary. GAO also recommends that DOE develop plans for the Paducah and Portsmouth plants that identify the most probable time frames and costs for completing the cleanup. DOE generally agreed with our recommendations, but stated its reluctance to develop plans for the plants now. GAO believes that without these plans, DOE will be unable to develop a more precise cost estimate or reassess the Fund's sufficiency.

www.gao.gov/cgi-bin/getrpt?GAO-04-692.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin Nazarro at (202) 512-3841 or nazarro@gao.gov.

URANIUM ENRICHMENT

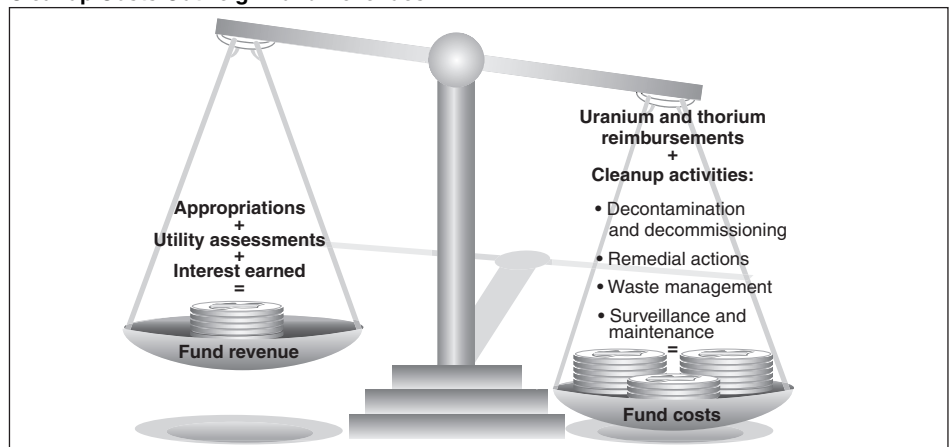
Decontamination and Decommissioning Fund Is Insufficient to Cover Cleanup Costs

What GAO Found

The Department of Energy (DOE) has taken steps to reduce cleanup costs by taking actions that address recommendations made by the National Academy of Sciences and by pursuing an accelerated, risk-based cleanup strategy at the plants. In some cases, however, DOE has only partially addressed the Academy's recommendations. For example, one recommendation suggested that DOE develop three plans—namely, headquarters level, plant-complex level, and site level—that address and integrate the decontamination and decommissioning of the facilities. Only one plant has developed a plan, however. Additionally, DOE is pursuing an accelerated, risk-based cleanup strategy at the plants that it believes will reduce cleanup costs. According to DOE officials, an accelerated, risk-based strategy will accelerate time frames for cleanup, and establish “realistic cleanup criteria” in DOE's regulatory cleanup agreements.

Despite DOE efforts to reduce costs, we found that based on current projected costs and revenues, the Fund will be insufficient to cover the cleanup activities at the three plants. Specifically, our Baseline model demonstrated that by 2044, the most likely time frame for completing cleanup of the plants, costs will have exceeded revenues by \$3.5 billion to \$5.7 billion (in 2004 dollars). Importantly, we also found that the Fund would be insufficient irrespective of which model we used, including models that estimated the final decommissioning at the plants under (1) accelerated time frames, (2) deferred time frames, or (3) baseline time frames, and with additional revenues from federal government contributions as authorized under current law. Because the Paducah and Portsmouth plants are now estimated to cease operations by 2010 and 2006, respectively, extending the Fund by an additional 3 years would give DOE an opportunity to develop plans, including more precise cost estimates, for the cleanup of these plants and to better determine if further Fund extensions will be necessary.

Cleanup Costs Outweigh Fund Revenues



Source: GAO.