

Statement of James A. Rispoli  
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Before the  
United States Senate Committee on Energy and Natural Resources

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Good morning. My name is James Rispoli, Assistant Secretary for Environmental Management at the Department of Energy (DOE). I am pleased to be here today to answer your questions regarding the Uranium Enrichment Decontamination and Decommissioning (UED&D) Fund. Mr. Chairman, I want to thank you and the Committee for your interest in this complex and challenging program of decontaminating and decommissioning the Nation's gaseous diffusion uranium enrichment plants – also called “GDPs” – in Oak Ridge, Tennessee; Paducah, Kentucky and Piketon, Ohio. These three uranium isotope separation facilities were created in part to support the production of nuclear materials for the Nation's weapons arsenal and are some of the largest buildings ever constructed.

In 1992, the U.S. Congress enacted the Energy Policy Act of 1992 (EPAct 1992), which amended the Atomic Energy Act of 1954 and created the UED&D Fund. The primary purpose of the Fund is to provide resources for the cleanup liability of past uranium enrichment operations at the GDPs

through deposits from annual appropriations, domestic nuclear utility contributions, and accumulated interest. EPAct 1992 provided that as long as sufficient funds remained, all costs for decontamination and decommissioning and environmental remedial action cleanup efforts of the Department shall be paid from the Fund until such time as the Secretary certifies and Congress concurs that such activities are completed.

Much work remains to complete this important program. The task of completing decontamination, decommissioning and environmental remedial action projects involves the planning and execution of large projects. These facilities are contaminated with a mixture of industrial, chemical, special nuclear and radiological materials. Since the establishment of the Fund, the Department has completed cleanup of three out of the 12 massive process buildings, 242 of 523 support facilities, 116 of 231 planned environmental remedial actions, and disposal of 12.8 million cubic feet of the expected 46 million cubic feet of waste materials. As a direct result of past cleanup efforts, we are nearing the completion of cleanup at the first of the three GDPs, namely, the East Tennessee Technology Park (ETTP), formally known as the K-25 Plant, in Oak Ridge, Tennessee. The ETTP's five main process buildings alone covered 114 acres. Our current projection to

complete the cleanup of this site is 2012. Detailed progress for each site is contained within DOE's fifth Triennial Uranium Enrichment Decontamination and Decommissioning Report (fifth Triennial Report), which the Department recently provided to Congress.

A major benefit of the work completed at ETTP and the other plant sites is the accumulation of project experience upon which to base a more accurate cost estimate for the remaining work. In order to provide the Congress with this information, the Department has recently completed an extensive revision of the previously reported cost estimates including independent cost estimates for the Portsmouth and Paducah Plants by the U.S. Army Corps of Engineers. The results of this revised estimate are captured in a "Base Case" to illustrate a projected cost estimate and several sensitivity cases. The Base and sensitivity cases address a range of economic factors, scope, and schedule assumptions. Utilizing this recent information, the "Base Case" and sensitivity case options became the cornerstone of the Fund analysis provided in the fifth Triennial Report. Our conclusion is that the UED&D Fund would need, in addition to the current balance of \$4.1 billion, between \$8 billion to \$21 billion more to complete the GDP cleanup activities, with \$11 billion estimated under the Base Case. All estimates assume that the

Government will make up its contribution shortfalls which occurred when the Department did not deposit its full obligations during the first three years of the UED&D Fund.

Significant cleanup activities remain to be performed at the GDPs. In order to sustain funding over the life-cycle of these D&D and environmental remedial action projects, DOE is recommending that the UED&D Fund be reauthorized to allow the Government to make up its contribution shortfalls to the Fund. If the Congress reauthorizes the Fund to allow the Government to complete its obligation under EPAct 1992, we project the Fund will remain sufficient until approximately the 2020 timeframe. We also recommend that environmental remedial action activities, as an integral part of the D&D workscope, continue to be funded from the UED&D Fund. The Department recognizes that there are a range of options available to address the projected shortfall in the Fund: Government only contributions, both Government and nuclear utility contributions, direct appropriations, or some combination of these options. One of these options will be needed to provide funding to complete the cleanup at the three GDP sites.

As required by EPAct 1992, the Secretary of Energy was directed to collect special assessments from domestic utilities that benefited from the uranium

enrichment operations. The assessments were based upon a ratio of each utility's share of material purchased from the government resulting in a total annual assessment of \$150 million, adjusted for inflation, for the 15 years. In FY 2007, the domestic nuclear utilities completed their 15-year assessment obligation as enacted in EPAct 1992.

DOE continues to focus on the recommendations from the GAO and the Congress to improve our cost estimates, schedules and plans for the GDPs. We continue to seek disposal alternatives and recycling opportunities with our stakeholders to reduce cost and shorten cleanup schedules. Our most recent initiatives include a business strategy to develop a competitive procurement for the cleanup of the Portsmouth facilities. We are leaning heavily on our lessons learned from projects at ETTP and other decontamination projects with a history of waste minimization. We look forward to continued discussions with the Congress as new opportunities are realized, and as our GDP cleanup projects progress.

Thank you for allowing me this opportunity to testify before your Committee. This completes my formal statement. At this time, I would be pleased to answer any questions.

