



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

December 14, 2015

The Honorable Ernest J. Moniz
United States Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Moniz,

I have appreciated your willingness, over the last few years, to discuss the federal government's work at the Savannah River Site. As I have expressed before, it is important that the federal government keep the commitments it has made to the citizens of South Carolina related to this site, and one such commitment is approaching.

As you are aware, the United States Department of Energy (DOE) is statutorily mandated by 50 U.S.C.A. § 2566 to dispose of one metric ton of defense plutonium through production (MOX Production Objective) at the Mixed Oxide Fuel Fabrication Facility (MOX Facility) currently under construction at the Savannah River Site in Aiken, South Carolina or remove not less than one metric ton of defense plutonium or defense plutonium materials from the state by January 1, 2016. As you are also aware, failure to meet this deadline will subject DOE to a \$1 million per day economic and impact assistance payment, not to exceed \$100 million per year, payable to the State of South Carolina.

Despite this clear statutory mandate, it does not appear that DOE will meet its MOX Production Objective nor does it appear that DOE has plans to remove the required defense plutonium or materials by the deadline.

We have always said that promises made must be promises kept.

For that reason, we have continued to work with state officials and our federal delegation to make sure the federal government, which has invested hundreds of millions of dollars in MOX, keeps its promise to our people.

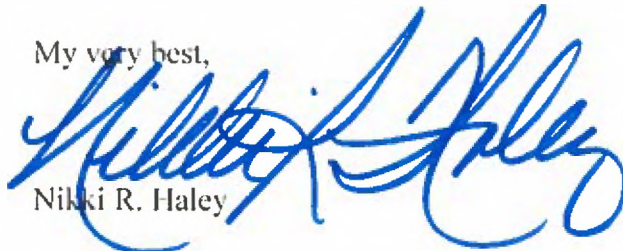
South Carolina cannot stand idly by while DOE violates federal law and fails to fulfill its commitment to the State. South Carolina is certainly grateful to play an important role in the

United States' nuclear nonproliferation efforts and for the benefits the MOX Facility brings to our state, but this does not come without risk to South Carolina. The security, economic, and environmental interests of South Carolina are at stake with long-term storage of these materials in our state, particularly when there is no apparent or immediate plan for its disposal or removal.

Therefore, please accept this letter as notice of South Carolina's intent to enforce federal law and collect from DOE the \$1 million per day economic and impact assistance payment beginning on January 1, 2016. If DOE refuses to make these payments in violation of federal law, South Carolina will almost certainly be forced to pursue litigation to protect its rights.

If I can be of further assistance to you in this matter, please contact me. God bless.

My very best,



Nikki R. Haley

cc: South Carolina Attorney General Alan Wilson
South Carolina Congressional Delegation
Aiken County, South Carolina Legislative Delegation