COMMUNITY REUSE ORGANIZATION

two states, one future

March 21, 2014

The Honorable Dr. Ernest Moniz
Secretary of Energy
U. S. Department of Energy
The Forrestal Building
1000 Independence Avenue
Washington DC 20585

Subject: Mixed Oxide Fuel Fabrication Facility (MOX) "Cold-Standby" Decision

Dear Secretary Moniz:

The Savannah River Site Community Reuse Organization (SRSCRO) – is the U. S. Department of Energy's designated Community Reuse Organization for the Savannah River Site (SRS) and is governed by a 22-member Board of Directors composed of business, government and academic leaders from Georgia and South Carolina. The SRSCRO is focused on new missions at SRS and ensuring the site maintains its role as part of this nation's national security infrastructure.

MOX is about SECURITY – international security (agreement with Russia), national security (getting rid of dangerous nuclear material that terrorists want to steal and use), job security (MOX currently employs about 1800 people on the project, with many more around the country as vendors and manufacturers), and energy security (one MOX assembly can provide enough electricity to power 9,000 homes for a year). We as taxpayers may have to make sacrifices to obtain this level of security. The MOX budget should not be usurped to replace budget deficits within other areas of the government, like the Department of Defense (DOD).

The current MOX fuel approach is the most effective and appropriate means for disposing of surplus weapons plutonium. The most compelling reason is the nonproliferation objective of the program. Simply stated, we are disposing of our plutonium by fabricating it into fuel because we want Russia to do the same. To date the US and the Russian Federation have committed over 90 tons of weapons grade plutonium to the plutonium disposition program – enough plutonium to make over 20,000 nuclear weapons. MOX provides a pathway out of the SRS for plutonium previously brought here for disposition.

The Administration's FY15 proposed budget and policy for the MOX program will not achieve this critical goal, and will leave 47 Metric tons of U S excess weapons-grade plutonium in its weapons-usable form in our backyard indefinitely. We will lose the moral high-ground in expecting the Russian Government to destroy an equal amount of their weapons plutonium stockpile.

Reportedly, the only feasible alternative being considered seems to be diluting Plutonium (Pu) through H-canyon with final disposition at the Waste Isolation Pilot Plant (WIPP). However, dilution through H-canyon currently does not meet the definition of "disposition" in the Plutonium Management and Disposition Agreement (PMDA). Additionally, dilution is a reversible process, and does not meet the Spent Fuel Standard. Thus, to make dilution acceptable, US negotiators would have to walk away from the basic tenant of the PMDA, and accept a program which only isolates, but does not destroy weapons grade plutonium. This is a large step backwards for achieving a safer world.

Both the 1994 study and the follow-on 2000 National Academy of Sciences (NAS) studies recommended adoption of the "Spent Fuel Standard" for the long-term disposition of weapons plutonium. While many options were considered, only converting excess weapons plutonium into MOX fuel and irradiating that fuel in nuclear reactors

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meets the Spent Fuel Standard. That determination was the basis for DOE's 1999 Surplus Plutonium Disposition Environmental Impact Statement and subsequent Record of Decision. That determination is equally valid today.

A theme constantly used by those opposed to MOX is the lack of a commercial customer for the MOX fuel. The real story is that several of America's largest nuclear operators have expressed interest in MOX fuel. However, the MOX contractor is unable to complete any commercial contracts until DOE signs the Commercial Agreement (also known as the Master Fuel Contract) that allows the negotiation of sales prices, terms and conditions. Bona fide negotiations of this Commercial Agreement, between NNSA and the MOX contractor, were completed more than a year ago, but DOE has provided no reasons why the Agreement has not yet been signed to date.

Also of concern is the methodology and expense of items used to determine the reported $30 billion "life cycle cost" estimate for MOX. This information has not been publicly provided and is considered questionable and unsubstantiated, along with reported costs for MOX alternatives, until DOE releases this data. Of equal importance is the timeline comparison of any proposed alternative versus the MOX timeline for dispositioning the Pu currently stored at SRS.

Even though, the current official stance of DOE is to place MOX in "cold standby", DOE has not officially stated that Pu shipments into South Carolina have stopped. PL No. 107-314 ("2003 Appropriations Act"), which was amended in 2006 and 2013, and is now codified at 50 U.S.C. § 2566, governs the construction and operation of the MOX facility at the SRS and outlines the methods through which the United States can meet its obligations under the Plutonium Management and Disposition Agreement. Section 2566 also sets forth certain reporting requirements and/or certifications and limitations on shipments of weapons grade plutonium to the SRS. Additionally, the statute provides for "economic and impact assistance" to the State of South Carolina beginning in 2016 if the MOX facility does not stay on schedule.

Based upon all of the above concerns, we insist on receiving the following information:

1. Access to the methodology and costing strategy used to determine the "life cycle" cost for the MOX facility and any and all proposed alternatives. Once received, we will form an independent panel of financial and technical experts to render an opinion on the validity of the data.
2. Written official status on the Commercial Agreement/Master Fuel Contract and the reason why the Agreement has not been signed to-date.
3. Written official status that Pu shipments into SRS have ceased and verification that provisions outlined in 50 U.S.C. § 2566 can be met. If the provisions cannot be met, what options are available to move Pu out of SRS?
4. Show how any of the proposed MOX alternatives meet all of the Plutonium Management and Disposition Agreement (PMDA) and the Spent Fuel Standard.

We are available to discuss our concerns in person. Regardless, we do expect an acknowledgement of the receipt of this letter and written correspondence to the issues raised above.

Respectfully Submitted,

Susan A Winsor

Dr. Susan A. Winsor
Chair, SRS Community Reuse Organization

C: Georgia Governor
South Carolina Governor
Georgia Congressional Delegation
South Carolina Congressional Delegation
Five-county State Legislative Delegation