

OAK RIDGE ENVIRONMENTAL PEACE ALLIANCE NUCLEAR WATCH NEW MEXICO

FOR IMMEDIATE RELEASE March 26, 2018

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UNITED STATES TO BEGIN CONSTRUCTION OF NEW NUCLEAR BOMB PLANT

Oak Ridge, TN - The National Nuclear Security Administration (NNSA) announced on Friday, March 23, that it was authorizing the start of construction of the Uranium Processing Facility (UPF) and two subprojects at the Y-12 National Security Complex in Oak Ridge, Tennessee. The UPF is a facility dedicated solely to the manufacture of thermonuclear cores for US nuclear bombs and warheads.

Citizen watchdog groups are responding by filing an expedited Freedom of Information Act request demanding a full fiscal accounting of the UPF bomb plant—something the NNSA has refused to provide for the last five years, including to Congress, despite repeated assurances that the project is “on budget.” Both NNSA and Tennessee’s own Senator Lamar Alexander have repeatedly claimed that UPF construction will not exceed \$6.5 billion.

“This project is already a classic boondoggle, and they are just getting started,” said Ralph Hutchison, coordinator of the Oak Ridge Environmental Peace Alliance (OREPA) in Knoxville, Tennessee. “Worse, it undermines US efforts to discourage nuclear proliferation around the world. How can we oppose the nuclear ambitions of other countries when we are building a bomb plant here to manufacture 80 thermonuclear cores for warheads every year?”

The FOIA request, filed jointly by the OREPA and Nuclear Watch New Mexico (NWNM), asks NNSA to provide the “definitive scope, schedule and cost baselines” for the bomb plant. NNSA was required to prepare a baseline cost estimate when the project reached 90% design completion in September 2017. NNSA announced in February in its FY 2019 congressional budget request that it has prepared the baselines, but said it would not release them until next fiscal year 2020’s budget request. Nevertheless, that didn’t keep NNSA from asking Congress for \$703 million for the UPF in FY 2019.

“The public has a right to know,” said Jay Coghlan, director of Nuclear Watch New Mexico in Santa Fe, New Mexico. “When government officials have spent billions of dollars and plan to spend billions more, it’s not enough to say ‘We’re on budget.’ We’re saying, ‘Show us and Congress the money.’”

Coghlan points out that the assertions made in the NNSA press release announcing the beginning of construction are ludicrous. “Secretary of Energy Rick Perry says this project is a great example of DOE’s striving for excellence in project management and being ‘good stewards of taxpayer resources.’ That is a perfect example of what’s wrong with government. Moreover, DOE has the singular distinction of being on the Government Accountability Office’s High Risk List for project mismanagement ever since GAO started the list in 1990.

“This project already has a long history, and it is instructive. In 2013, DOE announced it was 85% finished with the UPF design when it ran into the ‘space/fit’ issue—and more than half-billion taxpayer dollars were just written off. In private business, that kind of thing gets you fired. In DOE’s world of contractors running amok, they not only didn’t get fired, not one Congressional hearing was held and the UPF budget went up the next year!”

The FY 2018 budget passed by Congress this March 22 included \$663 million for the UPF; the FY 2019 Trump budget request raises that figure to \$703 million with an expected jump to \$750 million in FY 2021.

Most of that money will be handed to the Bechtel Corporation that awarded itself a no-bid contract to build the UPF in 2014.

“Bechtel, a paragon of excellence in Rick Perry’s DOE, is also the contractor for the Waste Treatment Facility at Hanford, Washington,” said Hutchison. “The WTF is more than a decade behind schedule. Originally predicted to cost \$4.6 billion with an opening date of 2007, the latest certified estimate is \$16.8 billion and the end of construction is nowhere in sight. Compare this to the UPF, original cost estimate of \$1.5 billion, to be finished by 2018. Now the price tag is \$6.5 billion with a claimed completion date of 2025. I say ‘claimed’ because no actual schedule has ever been published.

“In 2015, Bechtel was forced to pay the government \$800,000 for weaknesses and noncompliances at the WTF, and \$125 million to settle a False Claims Act in 2016 in a case involving Hanford whistleblowers. Bechtel is also currently under investigation for failure to provide documentation certifying the reinforcing steel used at the WTF meets technical specifications.”

Hutchison concluded, “As chair of Senate Energy and Water Appropriations, I hold my own Senator, Lamar Alexander, responsible for cleaning the UPF mess up. He needs to include all UPF costs instead of engaging in a budgetary shell game that enriches contractors who cheat on safety and fleece taxpayers.”

UPF TIMELINE

2004 UPF proposed to consolidate all enriched uranium operations at the Y-12 National Security Complex, replacing deteriorating facilities that fail to meet environmental standards and posed worker safety issues and allowing decontamination, decommissioning and demolition of numerous high-risk legacy facilities at Y-12.

2006 Cost estimate for Uranium Processing Facility: \$600 million - \$1.5 billion
Cost estimate for design of UPF \$97 million.

2011 Construction cost estimate rises to \$3.4 billion.

2012 Design team reaches 85% design completion, realizes facility is not big enough to hold all necessary equipment. This “space/fit issue” requires redesign at a cost to taxpayers, according to NNSA, of \$537 million. NNSA declined to reclaim any of that money from the contractor.

2013 Cost estimates by the Government Accountability Office (\$11 billion+) and the Department of Defense's Office of Cost Assessment and Program Evaluation (\$19 billion) bring the UPF project to a screeching halt.

2014 NNSA appoints a "Red Team" to assess UPF project and propose alternatives. The Red Team proposes dramatic reduction in mission scope for the UPF, to nuclear weapons production-only. Red Team also proposes breaking "Big Box" design into five separate facilities, relaxing design standards for most of the separate facilities, and continuing operations at two unsafe facilities until 2030 or 2040. NNSA says it will provide no more cost information until the latest design reaches 90% design completion.

2014 Citizens challenge plan change, saying that the National Environmental Policy Act requires additional environmental analysis and the use of old buildings presents unacceptable risk.

2014-2015 Consolidated Nuclear Security, LLC, composed of Lockheed Martin and the Bechtel Corporation, takes over the Y-12 management contract. CNS gives Bechtel the UPF construction contract without requiring the usual bidding process.

2015 The Defense Nuclear Facilities Safety Board raises concerns about seismic and safety issues for the two old buildings, saying they cannot be retrofitted to meet current standards.

2016 NNSA releases analysis declaring no further environmental study is needed. NNSA admits old buildings are not safe, do not meet current standards, and will not be brought up to code because of cost considerations.

2017 The Oak Ridge Environmental Peace Alliance, Nuclear Watch New Mexico, and Natural Resources Defense Council file suit in federal court in Washington, DC challenging the adequacy of environmental analysis for the latest enriched uranium plan and NNSA's failure to engage public in planning process as required by law.

2017 Government Accountability Office confirms safety issues with uranium operations in old buildings until 2030 or 2040, and notes their upgrades will likely add a billion dollars or more to the price tag of modernizing enriched uranium operations (originally all within the scope of the UPF cost estimate). Actual spending on UPF passes \$3 billion mark.

February 2018 NNSA announces in its FY 2019 Congressional Budget Request (p. 333) that "definitive scope, schedule and cost baselines" have been completed but will not be published until NNSA's FY 2020 budget request is published next year.

March 23, 2018 NNSA announces authorization of beginning of construction of UPF. Judge approves change of venue to Eastern District of Tennessee for citizen groups' UPF lawsuit.

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OREPA and Nuclear Watch's Freedom of Information Act request is available at
<https://www.nukewatch.org/importantdocs/resources/FOIA-UPF-baseline-3-26-18.pdf>

NNSA Press release announcing authorization for UPF construction:
<https://nnsa.energy.gov/mediaroom/pressreleases/uranium-processing-facility-authorized-start-construction-main-buildings>