

The Honorable Lamar Alexander  
United States Senate  
Washington, DC 20510



18 June 2013

Dear Senator Alexander,

Your comment in Oak Ridge earlier this month that you have “pretty much had it with Department of Energy projects that start out costing a billion dollars and end up costing six billion” was a breath of fresh air to those of us who have watched in wonderment as the cost of the Uranium Processing Facility continues to grow even as the scope of the project is reduced and the timeline for completion stretches ever-farther into the future. As you know, the Government Accountability Office has estimated, taking into account funding constraints and the deferment of key dismantlement operations, the total cost of the UPF could now approach \$11.5 billion, with a completion date of 2035. The UPF was one of those projects that started out with a cost range of \$600 million - \$1.5 billion.

The GAO has consistently criticized the National Nuclear Security Administration’s capacity for managing major construction projects. The UPF has now joined the ongoing spending boondoggles at Hanford (the Waste Treatment Facility), Livermore (the National Ignition Facility) and Savannah River (the MOX plant). Each of these facilities is billions of dollars over budget and years behind schedule at varying levels of completion.

The GAO’s critiques of NNSA operations may sound harsh, but they are consistently borne out by the facts on the ground. The Oak Ridge Environmental Peace Alliance last year called for Congress to take a long, hard look at the NNSA; we believe NNSA represents a failed experiment. Rather than achieving management efficiencies as originally envisioned, NNSA has introduced an additional expensive layer of bureaucracy that has proven to be incapable of effective management. Examples of NNSA’s management blunders are too numerous to list, but the “space/fit” design fiasco that has cost more than \$500 million dollars, forced a reduction in the scope of the UPF at the same time it increases the size of the facility, and pushed the schedule for completion out indefinitely is a classic example. NNSA completed an internal investigation and found seven “root causes” for the “space/fit” screw up. Every single one of root causes was directly attributable to management failure.

To date, no outside investigation into the space/fit fiasco has been undertaken, no personnel have been held accountable, no Congressional hearings have been held. We respectfully suggest that if you have indeed had it with these projects, digging into this question is perhaps the most important thing you can do to begin to get a handle on how this happens over and over and over again—at a cost of tens of billions of dollars to taxpayers. If no one is held accountable, and if vague assurances that “we will get it right next time” are accepted at face value, and if Congress continues to fund the UPF without insisting on systemic management changes, there is no incentive for NNSA to do anything other than continue with business as usual. The result will be more than irritating to those of us who have had it with these kinds of projects—we not only will have some more of it, but the taxpayer will pay billions.

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OREPA has long been a critic of the National Nuclear Security Administration; our analysis has also proven correct time and time again. In that spirit, we urge you to give careful consideration to the following recommendations. They are aimed at investing taxpayer money in the most productive way in Oak Ridge, providing a mission for Y12 into the future, and introducing efficiencies into the system. While they may seem radical at first blush, they are fundamentally sound and worthy of thoughtful consideration.

**1. Constrain funding for the UPF until design and mission issues can be sorted out.**

The outcome of last year's decision to double UPF funding to "accelerate construction" was predictably bad. OREPA noted at the time that DOE's own guidance predicts efforts to accelerate construction projects increase project risk and usually extend project cost and schedules. We were right, not because we knew in advance about the space/fit fiasco—we didn't—but because DOE was right. Pushing more money at NNSA in FY 2014 will not incentivize responsible spending—it will pressure NNSA to move forward before security, management, design and mission issues are fully resolved.

**2. Require a forward-thinking examination of security in the UPF design process.**

When the Highly Enriched Uranium Materials Facility was being designed a dozen years ago, the Project On Government Oversight and the DOE's Inspector General's Office called for a below-grade design to reduce security risks for the facility. Their concerns were dismissed, and the HEUMF was built above ground, and on July 28, 2012, POGO and the IG were proven right. The incursion into Y12 by the Transform Now Plowshares activists—thankfully, not hostile forces trained and armed to destroy US weapon production capacity—revealed the fundamental vulnerability of an above-ground facility built in a narrow valley between two heavily wooded ridges.

The UPF is being designed as a sister to the HEUMF, located adjacent to it, with the same vulnerability being designed into the facility. It is almost incomprehensible that avoidable security risks would be designed into the UPF, and the re-design necessitated by the space/fit issue would have seemed a perfect time to reconsider this fundamental security issue. But NNSA has refused to revisit their initial decision to build an above-ground facility.

Senator Alexander, please do not accept the assurances of NNSA that they have adequately addressed security issues. They have not—partly because it is not possible to provide maximum security for an above-ground facility in Bear Creek Valley. On Thursday, June 6, 2013, a 62 year-old woman was waved through the security checkpoint and drove through Y12—she could have been hauling fertilizer and diesel fuel in the trunk of her car and the results could have been catastrophic. The fact that this happened should convince Congress that last summer's incursion, widely hailed as a "wake up call," did not sound the alarm loudly enough. Security is still very broken at Y12—instead of taking common sense actions to minimize risks, NNSA has instead targeted peace demonstrators, erecting expensive and nonsensical fences and adopting tactics of harassment.

**3. Don't build the UPF if we don't need it.** The "need" for the UPF is predicated on four assumptions:

- First, that Congress will fund a full-scale overhaul of the B61 bomb rather than the more limited "Triple Alt" life extension effort. As the price of a full-blown revamping of the B61 (now estimated at more than \$10 billion) comes under scrutiny and major NATO powers move toward a formal request to remove the B61 from Europe, it is fiscally prudent to hit the pause button while we see what, if any, B61 LEP is warranted.

- Second, that Congress will fund a full-scale modification of the W78/88 warhead at its next scheduled Life Extension time. The cost for this LEP is now estimated to be as much as \$28 billion. As it would introduce significant untested design changes into the warhead, both the Navy and Air Force have questioned the wisdom of a W78/88 hybrid.

- Third, that the United States will one day design and manufacture new nuclear warheads.

This assumption was used to justify building a UPF with an 80 warhead/year production capacity. The NNSA stated in its Y12 Environmental Impact Statement (2011) it can meet its current mission requirements (surveillance, maintenance and limited life extension) with a production capacity of less than 10 warheads/year. Of course, US policy forbids producing new nuclear weapons and, at a time when we are attempting to pursue an aggressive nonproliferation agenda around the world, it makes no sense for the US to change that policy. The difference in production capacity, when the UPF is pressed for space, and when every dollar counts, is significant.

- Fourth, that LEPs require completely new secondaries. We believe Congress should require an independent secondary reuse study; documents released at Pantex indicate Pantex can perform replacement of limited life components in the nuclear secondaries of some warheads which is safer and more efficient than shipping the secondaries to Y12 and back to Pantex. When Congress authorized a pit lifetimes study by the JASON, we learned NNSA had underestimated the life of plutonium pits by half. Suddenly the urgent need for a large-scale plutonium pit manufacturing facility at Los Alamos evaporated. Is the same true for secondaries and the UPF? We won't know until we have an independent study.

These four assumptions raise significant questions that should be answered before the US invests \$6.5 - \$11 billion or more in a UPF that is oversized and dedicated to a mission with declining demand (production) while ignoring the mission we know we will need in the future (dismantlement).

Thank you for your consideration of our concerns. We are available to discuss these concerns with you or a member of your staff at any time, and we look forward to hearing from you soon.

Sincerely,



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on behalf of the Board of Directors:

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