

Photo by Paul Grondahl

Once an environmental activist, Judith Enck now occupies an office in the state Capitol.

The ultimate insider

Environmental activist has ear of new governor

BY PAUL GRONDAHL
EXPLORER CORRESPONDENT

From her corner office on the second floor of the state Capitol, prime real estate in the corridors of power, Judith Enck has a commanding view across the grassy expanse of Capitol Park to the Alfred E. Smith State Office Building, a striking high-rise in the Art Deco style.

"The favorite part of my day is seeing protesters marching across the park," said Enck, who was appointed deputy secretary for the environment by Gov. Eliot Spitzer in January, which makes her the top adviser on environmental issues in the new Democratic administration.

Not so long ago, Enck was one of those protesters, a strident environmental activist who led a grass-roots charge to pass the state's landmark bottle bill in 1982. She also applied pressure to force the General Electric Co. to agree to pay to clean up PCBs in the Hudson River. And she negotiated with state officials to shut down a state-run garbage incinerator that generated power for the Empire State Plaza office complex and spewed toxic ash over poor, predominantly African-American neighborhoods.

Once a leading voice in the state's environmental movement, working as a leader of Environmental Advocates of New York and the New York Public Interest Research Group, Enck, 47, has moved from outspoken outsider to ultimate insider.

Her transformation from thorn in the side of state government to employee on the state payroll began eight years ago when Spitzer, then New York's attorney general, tapped

"The challenge is to strike a balance between protecting the environment and creating sustainable economic development."

— Judith Enck
SPITZER ENVIRONMENTAL ADVISER

her as his environmental specialist. In that job, she was the point person on environmental policy that led to a series of successful lawsuits against coal-burning power plants in the Midwest, whose pollution leads to acid rain that falls in the wilds of the Adirondacks, damaging forests and rendering lakes inhospitable to fish and other aquatic life.

Her work in the AG's office convinced her fellow greens that she hadn't gone over to the dark side by joining the government. "There was a pool in Albany about how long I would last," Enck recalled with a chuckle during an interview in her Capitol office, where she routinely puts in 12-hour days, including Saturdays.

With her new appointment, environmental activists

have unprecedented access to the governor's chamber. Some felt shut out during the 12 years of Gov. George Pataki's reign. "It's a lovefest with Judith right now," said Jeff Jones, former spokesman for Environmental Advocates, who's now a private consultant in Albany.

Peter Bauer, executive director of the Residents' Committee to Protect the Adirondacks, expects that Enck will see to it that the Department of Environmental Conservation and the Adirondack Park Agency will be more open and transparent in their management of the Park. "We've already seen that with the Park Agency's sending the Big Tupper project to public hearing," he said. "They had a dozen hours of open deliberation, which never would have happened during the Pataki years."

Enck practices the green life she preaches. She takes notes on recycled paper, drives a Toyota Prius hybrid (which gets 52 miles per gallon) and lives in a passive-solar rustic cabin that she built in the exurbs of Albany in 1986 with her husband, Mark Dunlea, a lawyer and associate director of the Hunger Action Network. "Mark sort of knew what he was doing," Enck said, "but basically we were ridiculously overconfident."

They heat the home with a woodstove in winter and for many years cut their own firewood. They compost and recycle aggressively. "I'm a nut about recycling," she conceded.

They're part of a collective known as Common Farms, in which Enck and her husband own their one-acre home site, and also are part of a homeowners' association with 185 acres held in common, on which members recently placed a conservation easement that prohibits development. Common Farms members agree not to use pesticides on their property and maintain their homes as energy-efficient. Members also work together to grow crops in

a community garden.

The couple's son, Reed, 19, is a sophomore at Vassar College. He's majoring in political science and economics and has clearly been influenced by his activist parents. He helped bring pressure to push Coca-Cola off campus, traveled to Mexico to get a firsthand look at issues of economic justice and organized Food Not Bombs, a group of high-school students who walked out of class to protest the Iraq war and collected food to distribute to the poor. "We're so proud of him," Enck said. "He's become more skilled as an activist than his parents."

As a family, they try to make time for an annual wilderness canoe trip in the Adirondacks each summer (last year they paddled the Oswegatchie River). She and her husband make a couple of other ventures into the Adirondacks each year to canoe, but recently they've made a home base at a state campground. "We're going soft as we get older, but I'm still too arrogant to hire an Adirondack a guide like Eliot [Spitzer] did," Enck said.

Enck keeps up to speed on Adirondack issues and would like to see the state acquire additional land within the Blue Line. She's also in favor of beefing up the Adirondack Park Agency and making its enforcement role more vigorous, a priority backed up in Spitzer's budget proposal.

Other environmental priorities include combating global warming, continuing to fight for clean air and revisiting the controversial Adirondack snowmobile plan.

"The challenge is to strike a balance between protecting the environment and creating sustainable economic development," Enck said. "For too long, the discussion has been



Photo courtesy of Judith Enck

Judith Enck walks the walk, with her boss, Eliot Spitzer.

either one or the other. I'm very sympathetic to people who say we need good year-round jobs for residents in the Adirondacks. I saw that clearly growing up in a working-class family in the Catskills."

All this green talk causes Enck to pause, roll her eyes and remind herself not to sound too preachy. "I don't want to come off as some holier-than-thou enviro woman," Enck says. "I'm not without sin."

She has a thing for red licorice, for instance, which she keeps in a bottom desk drawer. She's mostly vegetarian but is known to enjoy a steak or burger. She buys organic, locally-grown health food when she can, but she admitted that she gave her son "a Happy Meal exemption" when he was growing up.

Enck's enviro credentials weren't always so solid. She grew up a tomboy in the small Catskills hamlet of Cairo in Greene County, "riding mini-bikes and snowmobiles, chewing up trails and trespassing," she recalled. The oldest of five kids, her dad was a truck driver and her mom a teacher's aide. She spent winter weekends skiing at Hunter and Windham. Her uncles were New York City cops who would come up to the Catskills and press Judith for intelligence about where she had seen deer so they might know where to hunt. An animal lover, she deliberately threw her uncles off track.

"I wasn't exposed to activism of any sort growing up, and



JUDITH ENCK, Page 59

And she loves the Adirondacks

Judith Enck is a big fan of the Adirondacks. She visits the region three or four times a year, often to go canoeing or camping with her family. We e-mailed her a list of questions about the Adirondacks. Her written replies follow.

Could you describe one or two of your most memorable adventures in the Adirondacks?

Last summer I paddled on Cranberry Lake with a group of friends. Classic beautiful summer day as we leisurely made our way out to an island. Did some swimming, had a picnic, life was good. With virtually no warning, storm clouds started forming. We quickly raced to the canoes and had a very challenging paddle back to shore with strong winds and whitecaps that I didn't think possible on an Adirondack lake. Thankfully, my canoe partner (a seasoned litigator from the attorney general's office) is an amazingly strong paddler. Without her, who knows when we would have made it back to shore.

Last summer we did a family canoe-camping trip on the incredible Oswegatchie River, which predictably was cut short by heavy rains. Also, last spring we did a memorable early-morning paddle on Eagle Lake. The water was like a sheet of glass, and the stillness of the morning was something to treasure for a very long time.

Is buying more land for the Forest Preserve much of a priority for the Spitzer administration?

Yes.

Do you also plan to pursue conservation easements that prohibit development but allow public access and timber harvesting?

Conservation easements are a very effective and practical land-preservation tool that will be utilized along with acquisitions.

Is there a role in the Park for scenic easements, which ban development but do not allow public access?

Scenic easements also will be employed.

Do you think the Adirondack Park Agency's development regulations need to be strengthened?

Shoreline development is an important issue that needs closer examination. The regulations need to be clear to the public and user friendly. Governor Spitzer has proposed adding five new staff to the APA. The agency currently carries a very heavy workload with limited staff, which often results in delays.

Do you think development on ridges, high slopes and mountaintops should be banned?

Not banned, but very carefully evaluated with an eye toward alternative sites.

What do you say to those who argue that restrictions on development hurt the Park's economy? Do you have any plans for improving the economy and quality of life in the Park?

The Adirondack Park should be a model for sustainable economic development. The beauty of the Park is its greatest economic asset, which should lead to an improved year-round tourism industry. People need living-wage jobs and opportunities for economic advancement. Protecting the natural resources of the Park and providing living wages are complementary goals.

Should there be cell-phone coverage throughout the Park? If so, can this be achieved without degrading the scenery?

Cell coverage on the Northway should be expanded, while minimizing aesthetic and scenic impacts.

Does the Spitzer administration support the wind-turbine project proposed near North Creek?

Electricity from wind is a key priority if we are to make progress on acid rain, global warming and negative health impacts from fossil-fuel generation. The Spitzer administration would like to see wind energy greatly expanded in New York. Site-specific concerns should be addressed. We are looking for a massive increase in wind projects across the state.

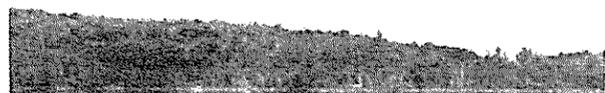


Photo courtesy of Judith Enck

Paddling with her son, Reed.

From Page 21 **LUDITH ENCK**

I was such a square. I didn't become politically conscious until college," she said.

In her junior year at the College of Saint Rose in Albany, she began an internship at the New York Public Interest Research Group's office just up Washington Avenue from the Capitol. Her first assignment was to raise public interest and mount a lobbying effort on behalf of a bottle bill, which required a nickel deposit for redemption of soda and beer bottles and cans, as a way of reducing the solid-waste stream and as an incentive not to toss out the bottles along roadsides. The bill had languished in the Legislature for a decade.

"People said it was a great bill, but it would never pass," recalled Enck, who refused to give up after returning for a second internship at NYPIRG as a Saint Rose senior. When Enck graduated with a double major in history and political science, the bottle bill still hadn't passed, so she accepted a \$100-a-week job with Environmental Advocates to continue to push for the legislation. In 1982, it finally passed.

Now, 25 years later, she's leading the effort on behalf of Spitzer to pass a bigger bottle bill that would include water and fruit juice bottles. The bill also would redirect \$100 million annually in unclaimed non-carbonated bottle deposits that currently go to bottling companies and would instead be placed in the state's Environmental Protection Fund.

Spitzer's environmental budget proposals had Enck's fingerprints all over them. They would add 166 environmental staff positions statewide, includes five at the Adirondack Park Agency and 109 at the Department of Environmental Conservation. The latter include 12 people to run a new Office of Climate Change.

With all the work on the budget, Enck had not had time to unpack the boxes in her Capitol office after five weeks on the job. "I walk in early in the morning and the phone starts ringing and it never stops right through the evening. I wasn't prepared for the volume of calls," said Enck, who has had to

impose a "15-minute rule" on callers and visitors.

One of the few pictures she managed to extricate from the boxes is a signed photograph from *Daily Show* host Jon Stewart. She's a big fan and got to meet Stewart after sitting in the audience for one of the shows. He signed the glossy portrait: "Judith: Wow! I'm reluctant to donate old clothing! Kudos to you."

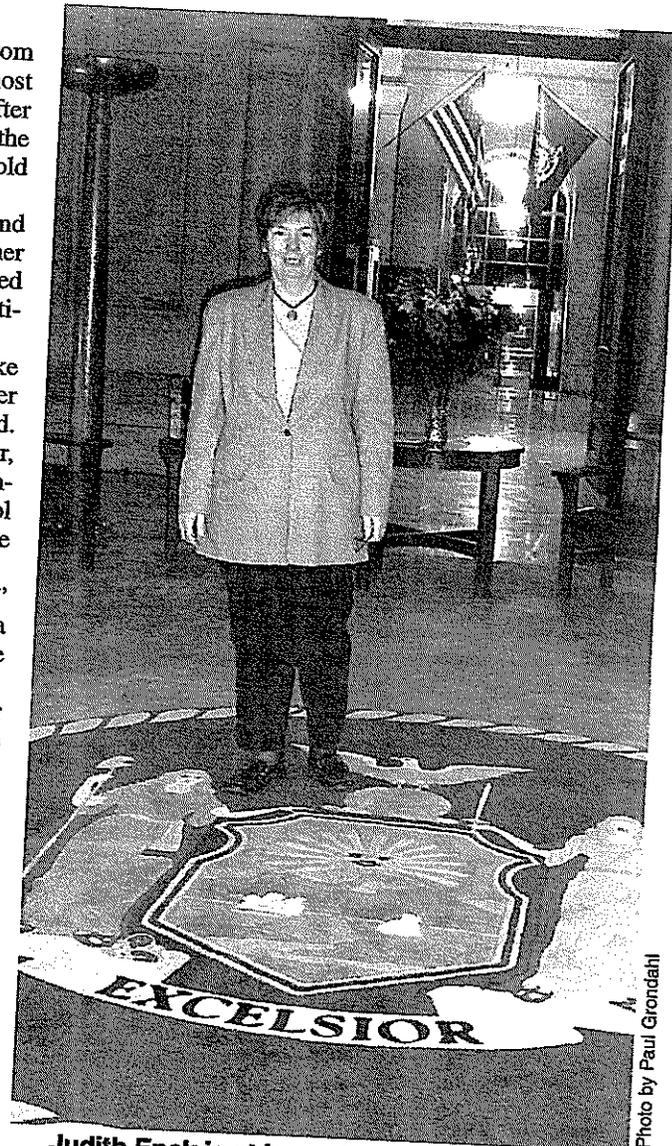
The backstory to Stewart's comments revolve around the discussion she had with him about donating one of her kidneys to her brother-in-law three years ago. When asked about being a kidney donor, she shrugged. "It's the ultimate form of recycling," she said with a grin.

Humor and an easygoing nature are traits that help make Enck an effective advocate as well as a gentle persuader who can lead opposing constituents to common ground. She also has a deceptively simple and aw-shucks manner, a shy laugh and a round, open face that creases into dimples when she smiles. But don't let her laid-back style fool you, according to those who've been on the opposite side of the negotiating table with her.

"She's always been the iron fist in the velvet glove," said John Stouffer, legislative director for the Sierra Club's Atlantic Chapter, who has known Enck for more than a decade.

Stouffer had been virtually shut out of the second floor of the Capitol during the Pataki administration. "The level of access to what's going on in the governor's office has increased for me to an unheard-of degree," Stouffer said. "I consider myself a friend of Judith's, but we're still the loyal opposition, and Sierra Club leaders will continue to be among the harshest critics of state government."

Enck admitted that the shift to insider has not been without its moments of doubt. "Sometimes, I pine for the outside," she said. "It's a lot more fun on the outside. It came down to wanting to have the greatest impact and working for a governor I greatly admire. Eliot Spitzer is the only elected official I've ever worked for. I'm doing this job because of him. He's the real deal when it comes to the environment." ■



Judith Enck is at home in the state Capitol.

Photo by Paul Grandahl

An Adirondack Wilderness Resort

Described by *National Geographic* as the "Jewel of the Adirondacks," Elk Lake is the centerpiece of a 12,000-acre private forest preserve in the heart of the High Peaks. Turn-of-the-century lodge and lake-front cottages offer spectacular mountain views. For more information write or call: ELK LAKE LODGE, Box AL, North Hudson, NY 12855 (518) 532-7616. Or visit us online at: www.elklakelodge.com

OLEAN TIMES HERALD

06/16/2007

Kuhl again calls for federal takeover of West Valley cleanup

By RICK MILLER, Olean Times Herald

Rep. John R. "Randy" Kuhl Jr. said Friday he has resubmitted a bill calling for a federal takeover and total cleanup of the West Valley Demonstration Project.

He's looking for Sens. Hillary Clinton and Charles Schumer to follow suit and reintroduce an identical bill in the Senate, as they did two years ago.

The House Bill, the West Valley Remediation Bill of 2007, has changed little since Rep. Kuhl first introduced it in August 2005. It calls for a total cleanup of the town of Ashford site where the nation's first (and only) commercial nuclear fuel reprocessing plant operated from 1966 to 1972.

Rep. Kuhl's bill has been referred to the Energy and Commerce Committee.

By total cleanup, Rep. Kuhl insists that should include underground steel tanks that held 600,000 gallons of highly radioactive liquid waste from the reprocessing of spent nuclear fuel assemblies. He also wants the Department of Energy to clean up a radioactive plume traveling through the soil toward creeks that empty into Cattaraugus Creek, which ends up in Lake Erie, a source of drinking water for millions.

At the same time, the Steuben County Republican who represents the eight-county 29th Congressional District is looking to more than double the budget for West Valley cleanup during federal year of 2008.

President Bush proposed in his 2008 budget to cut cleanup funding at the West Valley site from \$75 million to \$52 million.

Rep. Kuhl is seeking to increase that figure to \$120 million next year. "The additional money would extend the (cleanup) project," he told reporters in a telephone press conference Friday.

"When these bills come out of committee, either we will have been successful in getting additional funding for West Valley, or we won't," Rep. Kuhl said. He's hopeful of getting the funding raised to as much as \$120 million.

The federal/state cleanup at West Valley, which has been ongoing for 25 years, has cost nearly \$2.5 billion, 10 percent of which is paid for by New York state. Much of that went for costs associated with mixing the liquid radioactive waste with glass formed in steel canisters 10 feet high and two feet in diameter. There are 275 of the "hot" glass-filled canisters stored in the process building behind highly shielded walls.

Last year, the New York State Energy Research and Development Authority filed suit again at the Department of Energy in a bid to force a full cleanup of the site.

Since then, Department of Energy "core teams" have been looking into options to their 2005 proposal to demolish some buildings which remain radioactive and cement them over.

The "core teams" are now proposing to removal all of the remains of the buildings once they are demolished. Officials have speeded up the process of removing noncontaminated buildings at the site which are no longer used.

The "core teams" are not proposing to remove the underground tanks, much of which are still highly radioactive and will remain so for thousands of years. Instead, they are proposing to review the status of the tanks once every five years. Earlier the Department of Energy had wanted to fill the tanks with a grout-like cement.

Rep. Kuhl's bill insists that the tanks be removed, however.

There is nothing in Rep. Kuhl's bill dealing with the state's licensed disposal area adjacent to the West Valley Demonstration Project site. The state site received low-level radioactive medical and other wastes until the late 1980s.

State and federal officials recognize the state's low-level radioactive waste burial grounds, which are covered with rubber membrane to keep out more water, need to continue to be closely monitored.

A smaller Nuclear Regulatory Commission low-level waste burial site is located near the state-licensed disposal area. Neither accepts any wastes at the site.

Rep. Kuhl said that while Sens. Clinton and Schumer have not yet submitted a companion bill to his West Valley Remediation Act of 2007, "I have every indication that they will. I don't believe they have yet."

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WNY nuclear clean-up site puts items up for bidding

Associated Press - June 15, 2007 8:25 AM ET

ASHFORD, N.Y. (AP) - The federal government is putting equipment from a nuclear waste clean-up site in western New York up for auction.

But the feds say bidders don't have to worry about taking home something that glows.

Officials at the West Valley Demonstration Project say everything that's up for sale has been tested for radiation and is safe.

The demonstration project is located in the northern Cattaraugus County town of Ashford, 40 miles south of Buffalo. It was started in 1980 to clean up high-level nuclear waste products from a nuclear waste processing plant that shut down in the 1970s.

With operations at the facility winding down, officials are selling off excess equipment.

Some of the items being auctioned off tomorrow include hardware, tools, motors, office furniture, cots and sleeping bags.

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West Valley auction puts some hot stuff up for bid

By Christopher Michel NEWS BUSINESS REPORTER

Updated: 06/15/07 7:06 AM

One of the last places most people would expect to find a deal on hardware, industrial supplies and even cots might be a nuclear waste clean up site.

Yet with cleanup efforts winding down at the West Valley Demonstration Project in the Town of Ashford, an auction Saturday will put more than two acres of excess supplies up for bid.

But don't worry, everything has been tested for radiation and is safe.

The demonstration project was started in 1980 to clean up high-level nuclear waste products from a nuclear waste processing plant that shut down in the 1970s.

Terry Dunford, a West Valley spokesman, said 650 lots of goods will be available for bid Saturday. All items in the lots are grouped together with other like items .

“This is our second auction of excess supplies and is bigger than the first. There is literally over two acres of items to bid on,” Dunford said.

Among the items to be auctioned will be electronics, industrial tools and equipment, wire and cable, valves and fit

tings, pumps and motors, laboratory supplies and office furniture.

“There will be some bizarre items to bid on as well, like a pallet of sleeping bags and satellite dishes. Medium and small businesses, as well as people who need tools for their workshops, will best benefit from this auction,” Dunford said.

Initially, items from West Valley that were no longer of use for the clean up effort were made privately available to municipalities, state and federal governments. Now, the remaining items will be opened to the public to bid on.

Currently, West Valley employs more than 300 workers, sharply lower than its peak of about 1,200 workers when the project was at its height in the 1990s.

“The project is a project, and like all projects, it will have an end date. Right now, we are closer to the end, than we are to the beginning,” Dunford said.

State and federal government officials are working on a projected date of completion for the project. In the meantime, the remaining work force is removing the existing infrastructure and shipping low-level nuclear waste from the site.

The auction will be run by Cash Realty & Auctions, beginning at 10 a.m. Saturday at the demonstration project site.

cmichel@buffnews.com

Find this article at:

<http://www.buffalonews.com/145/story/99329.html>

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NYSERDA is advocate for nuclear cleanup and 'Way Forward'

Editor:

As life-long residents, home owners and taxpayers in the Town of Ashford and as individuals with combined work experience of 42 years at the West Valley site, we would like to add our voices to the discussion of the proposed "Way Forward."

Last week's *Journal* printed a letter from Grover Riefler asking the New York State Energy Research and Development Authority (NY-SERDA) to be team players and support the proposed "Way Forward." The fact is that NYSERDA played a significant role in the genesis of the basic concept that has developed into the "Way Forward" and has repeatedly expressed support for the proposal.

The basic "Way Forward" proposal is to proceed with the decontamination and removal of the highly contaminated Main Process Plant Building and the

contaminated soil and groundwater under and around it. This and other contaminated building removal activities would proceed while additional studies are performed to better inform the remaining controversial decisions. Can the two radioactive waste disposal areas stay in place? Can the four underground HLW tanks be turned into another disposal area and left in place? Do one or more of these facilities need to be exhumed and disposed of elsewhere?

NYSERDA has spent much of the last three weeks meeting with representatives from the U.S. Department of Energy, the U.S. Environmental Protection Agency, the U.S. Nuclear Regulatory Commission, Cattaraugus County, the Town of Ashford, the Citizen Task Force and the West Valley Coalition on Nuclear Wastes to promote the concept of an expedited administrative pro-

cess to allow the "Way Forward" to proceed as quickly as possible and with as much stakeholder support as possible. NYSERDA has sought and received New York State Governor's Office support, as well as the support of the New York State Department of Environmental Conservation. NYSERDA endorses the "Way Forward" work scope and is striving to make sure it can be implemented as expeditiously as possible. NYSERDA is trying to help DOE obtain funding, retain jobs and most importantly to make sure cleanup of the radioactive contamination at the site continues.

Chris and Colleen Gerwitz
West Valley



BIDDERS WELCOME — West Valley Nuclear Services Company Warehouse Manager Dave Pritchard, left, and Communications Administrator Terry Dunford move a ladder to be auctioned on Saturday. Photo by Laura Magee

WVDP to hold auction

The West Valley Demonstration Project will hold a surplus auction at 10 a.m. Saturday, June 16 in the Town of Ashford.

This auction will be similar to one held in March, although items are spread over a two-acre area – nearly twice as big as the last surplus auction.

Small business owners, large business owners, scrap dealers, electricians, bargain hunters and other interested individuals are encouraged to attend. Available items include office equipment, tool boxes, eyewash stations, pumps, filters, heaters, work benches, wiring devices, air compressors, pumps, electrical switch boxes, lifting jigs, cots, sleeping bags and more. A Cincinnati Milling Machine, model 4, serial number 3J4V5B4, will also be up for auction.

The auction will take place at 7023 Henrietta Road (located near the corner of Henrietta and Rt. 219 adjacent to the high-level bridge across Cattaraugus Creek). Heading south from Buffalo on Route 219, take the first right turn after you cross into Cattaraugus County. Go about 300 yards and the warehouse is the first building on the left.

If you would like more specific information on the auction, go to www.cashauction.com or call 716/885-2200.

The WVDP is a U.S. Department of Energy environmental cleanup and waste management project located about 35 miles south of Buffalo. The Project is conducted in cooperation with the New York State Energy Research and Development Authority. West Valley Nuclear Services Company, part of Washington Group International, manages and operates the WVDP.

SURPLUS AUCTION

West Valley Nuclear Service Company!

Sat., June 16th, 10:00 AM

7023 Henrietta Rd., Springville, NY

Items Include: Cincinnati Milling Machine, Tables, Office Chairs, 2 Door Supply Cabinets, Lateral Files, Office Panel Systems, Kennedy Tool Boxes, Book Cases, File Cabinets, Nuts & Bolts Bins, Eyewash Stations, Pumps, Filters, Concrete Curbs, Work Benches, Stair Walking Dollies, Leak Detectors, Submersible Pumps, Chromalox Heaters, Northern Telecom Phone System, Band Saw Blades, 7000 lb. Hoist Rings, Spill Kits, Braided Hose, Ventilation Ducting, Elbows, Conduit & Pipe Fittings, Delmonox Compressed Air Purification System, Conveyor Track, Hubbell Wiring Device, Bosch Jack Hammer, Air Compressor, Large Plastic Yard Tub, Corrosives Cabinet, Eltron Air Filter, IR Pump, Chemical Pumps, Electrical Valves, Chemineer Vac Pumps, Hoffman Centrifugal Blower, Square "D" Electrical Switch Boxes, Baldor 150 HP Motor, Large US Motors, Melter Viewing Systems, Cooling Technologies Air Chiller, 3M Quantimatic IV Printer, Print Fold 340, IBM4230 Printer, 3M 908 Card Duplicator, Spools of Wire, Lifting Jigs, Cinder Block, In Line Grinder, Rubber Inflatable Bags, Waste Transfer Pumps **AND MUCH MORE!**

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Volume 28 Nos. 25 & 26

Double Edition

June 12, 2007

FISCAL YEAR 2008 U.S. DEPARTMENT OF ENERGY ENVIRONMENTAL MANAGEMENT BUDGET TRACKER (Dollar in Millions)							
	FY 2006 APPROPS	FY 2007 FINAL APPROPS	FY 2008 BUDGET REQUEST (House Bill)	FY 2008 HOUSE AUTH. (Floor Bill)	FY 2008 SENATE AUTH.	FY 2008 HOUSE APPROPS (Revised)	FY 2008 SENATE APPROPS
Defense Environmental Cleanup	8,316.05		5,383.91	5,383.91	—	5,768.01	—
Non-defense Environmental Cleanup	349.69		180.94	—	—	208.04	—
Uranium Enrichment D&D Fund	566.60		573.51	—	—	618.75	—
Subtotal, Environmental Management	7,222.34		6,118.35	—	—	6,674.80	—
Uranium Enrichment D&D Fund Payment Offset	(832.85)		(463.00)	(463.00)	—	(463.00)	—
Use Prior Year Balance and Other Adjustments	—		—	—	—	—	—
TOTAL ENVIRONMENTAL MANAGEMENT	6,589.53		5,655.35	—	—	6,209.80	—
BREAKDOWN BY SITE							
Closure Sites							
Ashfobule	15.84		0.30	0.30	—	0.30	—
Columbus	26.83		—	—	—	—	—
Fernald	349.84		—	—	—	—	—
Miamberg	170.58		30.31	30.31	—	30.31	—
Roky Flats Environmental Technology Site	514.71		—	—	—	—	—
Total, Closure Sites	1,078.10		43.68	42.44	—	42.44	—
Carlsbad	228.33		219.74	219.74	—	219.74	—
Idaho	538.10		509.43	504.03	—	600.82	—
Oak Ridge	902.25		409.69	—	—	488.82	—
Portsmouth/Raduch Project Office	422.62		381.22	—	—	429.72	—
Rickland	618.53		857.42	877.08	—	949.98	—
River Protection	848.33		963.44	963.44	—	963.44	—
Savannah River Site	1,270.97		1,208.09	1,206.09	—	1,160.46	—
NNSA Sites	299.93		273.04	271.13	—	271.13	—
Headquarters	62.08		53.15	—	—	—	—
West Valley Demonstration Project	76.33		54.40	—	—	60.90	—
All Other Sites	88.73		69.58	—	—	95.08	—
Program Direction	241.39		309.76	309.76	—	341.76	—
Safeguards and Security	281.19		273.38	273.38	—	278.38	—
D&D Fund Deposit	446.49		463.00	463.00	—	463.00	—
<small>*Congress did not pass FY07 Energy and Water Appropriations. Work is ongoing on a year-long Continuing Resolution that would set FY07 funding base on FY06 levels. Copyright © 2007 Brown & Brown Publications, Inc. All rights reserved. No part of this data may be reproduced by any means without the permission of the publisher.</small>							

NTS LLRW Disposal Volumes

DOE APPROVED GENERATORS	Disposal Location	WVE: 05Q1/2007			FY 2007 TOTAL			WNP TOTAL	
		Weekly Shipments	Volume (F ³)	Volume (M ³)	FY 2007 Shipments	Volume (F ³)	Volume (M ³)	Volume (F ³)	Volume (M ³)
ABERDEEN	Area 3	0	0.00	0.00	0	0.00	0.00	120	3.40
	Area 5	0	0.00	0.00	-41	52,467.76	1,488.29	156,378	4,428.13
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
ARGONNE NATIONAL LABORATORY	Area 3	0	0.00	0.00	0	0.00	0.00	2,358	66.77
	Area 5	0	0.00	0.00	0	0.00	0.00	0	0.00
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
BECHTEL JACOBS (ORR)	Area 3	0	0.00	0.00	0	0.00	0.00	171,564	4,857.87
	Area 5	0	0.00	0.00	10	9,096.20	257.58	380,060	10,669.64
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
BROOKHAVEN NATIONAL LABORATORY	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
	Area 5	0	0.00	0.00	0	0.00	0.00	2,989	83.79
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
BWX Y-12	Area 3	0	0.00	0.00	0	0.00	0.00	1,810	45.59
	Area 5	4	4,253.48	120.48	65	70,241.94	1,989.03	156,874	4,408.19
	Mixed	0	0.00	0.00	1	330.12	9.35	330	9.35
DURATEK, INC.	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
	Area 5	0	0.00	0.00	1	109.68	3.11	1,044	29.58
	Mixed	0	0.00	0.00	0	0.00	0.00	3,792,355	107,387.52
FERNALD	Area 3	0	0.00	0.00	0	0.00	0.00	2,791,860	79,056.66
	Area 5	0	0.00	0.00	0	0.00	0.00	0	0.00
	Mixed	0	0.00	0.00	0	0.00	0.00	30,471	862.84
FOSTER WHEELER (ORR)	Area 3	0	0.00	0.00	0	0.00	0.00	4,407	124.80
	Area 5	0	0.00	0.00	3	4,407.32	124.80	42,424	1,201.31
	Mixed	0	0.00	0.00	0	0.00	0.00	38,004	1,076.15
GENERAL ATOMICS	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
	Area 5	0	0.00	0.00	0	0.00	0.00	0	0.00
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
IDAHO NATIONAL LABORATORY AMWTP (BBW)	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
	Area 5	0	0.00	0.00	0	0.00	0.00	0	0.00
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
IDAHO NATIONAL LABORATORY ICP (CYE)	Area 3	0	0.00	0.00	5	1,207.39	34.19	1,207	34.19
	Area 5	0	0.00	0.00	7	2,082.35	58.57	2,083	58.57
	Mixed	0	0.00	0.00	0	0.00	0.00	9,883	274.19
IDAHO NATIONAL LABORATORY SEA	Area 3	0	0.00	0.00	14	11,427.17	323.58	80,864	2,231.48
	Area 5	0	0.00	0.00	0	0.00	0.00	990	28.03
	Mixed	0	0.00	0.00	0	0.00	0.00	4,903	136.01
LOS ALAMOS NATIONAL LABORATORY	Area 3	0	0.00	0.00	0	0.00	0.00	343,230	9,719.19
	Area 5	2	2,690.30	76.18	38	35,407.20	1,002.62	138,858	3,826.38
	Mixed	0	0.00	0.00	2	405.90	11.49	406	11.49
LRRR	Area 3	0	0.00	0.00	0	0.00	0.00	10,213	289.20
	Area 5	0	0.00	0.00	0	0.00	0.00	6,974	197.48
	Mixed	0	0.00	0.00	0	0.00	0.00	525,435	14,878.68
MOUND	Area 3	0	0.00	0.00	0	0.00	0.00	2,159,150	61,140.31
	Area 5	0	0.00	0.00	0	0.00	0.00	0	0.00
	Mixed	0	0.00	0.00	4	7,063.00	200.00	7,063	200.00
NELLS RANGE (NSTec)	Area 3	0	0.00	0.00	0	0.00	0.00	349,800	9,899.57
	Area 5	0	0.00	0.00	80	29,925.81	847.40	138,762	3,872.66
	Mixed	0	0.00	0.00	0	0.00	0.00	16,778	475.04
NUCLEAR FUEL SERVICES, INC.	Area 3	0	0.00	0.00	0	0.00	0.00	13,440	380.58
	Area 5	0	0.00	0.00	39	45,272.21	1,281.97	56,863	1,610.19
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00
PADUCAH	Area 3	0	0.00	0.00	0	0.00	0.00	236,166	6,657.48
	Area 5	0	0.00	0.00	0	0.00	0.00	409,006	11,551.78
	Mixed	0	0.00	0.00	0	0.00	0.00	0	0.00

DOE APPROVED GENERATORS	Disposal Location	WVE: 5031/2007			FY 2007 TOTAL			WMP TOTAL	
		Weekly Shipments	Volume (FP)	Volume (MF)	FY 2007 Shipments	Volume (FP)	Volume (MF)	Volume (FP)	Volume (MF)
PANTEK	Area 3	0	0.00	0.00	0	0.00	0.00	34,950	999.87
	Area 5	0	0.00	0.00	1	1,359.00	38.51	134,068	3,818.00
PERMAFX	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
	Area 5	0	0.00	0.00	27	22,427.27	635.07	22,962	636.89
PORTSMOUTH***	Mixed	0	0.00	0.00	0	0.00	0.00	2,856	75.21
	Area 3	0	0.00	0.00	0	0.00	0.00	51,828	1,481.94
PRINCETON	Area 3	0	0.00	0.00	5	2,897.28	82.04	859,730	18,892.90
	Mixed	0	0.00	0.00	88	115,938.12	3,283.00	115,938	3,283.00
RMI ENVIRONMENTAL SERVICES	Area 3	0	0.00	0.00	0	0.00	0.00	25,322	717.04
	Area 5	0	0.00	0.00	0	0.00	0.00	3,405	96.42
ROCKETDYNE BOEING	Area 3	0	0.00	0.00	0	0.00	0.00	30,597	1,092.95
	Area 5	0	0.00	0.00	0	0.00	0.00	14,901	421.95
SANDIA NATIONAL LABORATORIES	Area 3	0	0.00	0.00	0	0.00	0.00	185,240	5,330.36
	Area 5	0	0.00	0.00	18	9,790.97	277.25	71,770	2,032.30
SAVANNAH RIVER	Area 3	0	0.00	0.00	0	0.00	0.00	72,766	2,060.50
	Area 5	0	0.00	0.00	5	2,170.15	61.45	150,156	2,836.11
STOLLER-NAVARRO JOINT VENTURE	Mixed	0	0.00	0.00	1	15.97	0.45	413	11.89
	Area 3	0	0.00	0.00	0	0.00	0.00	92,761	2,626.70
UT-BATTELLE (ORNL)	Area 3	0	0.00	0.00	20	1,815.90	51.42	42,968	1,213.88
	Mixed	0	0.00	0.00	1	622.00	17.81	3,094	87.81
WEST VALLEY	Area 3	0	0.00	0.00	0	0.00	0.00	427	12.09
	Area 5	0	0.00	0.00	2	83.05	1.79	14,406	407.93
INACTIVE OFFSITE WASTE GENERATORS	Mixed	0	0.00	0.00	0	0.00	0.00	56	1.59
	Area 3	0	0.00	0.00	0	0.00	0.00	1,278	36.13
INACTIVE ONSITE WASTE GENERATORS	Area 3	0	0.00	0.00	0	0.00	0.00	4,115	116.52
	Area 5	0	0.00	0.00	0	0.00	0.00	89,818	2,537.70
GRAND TOTAL**	Mixed	0	0.00	0.00	132	72,885.90	2,083.42	120,968	3,414.10
	Area 3	0	0.00	0.00	0	0.00	0.00	0	0.00
INACTIVE OFFSITE WASTE GENERATORS	Area 3	0	0.00	0.00	0	0.00	0.00	5,522,128	155,389.18
	Area 5	0	0.00	0.00	0	0.00	0.00	7,539,231	199,328.81
INACTIVE ONSITE WASTE GENERATORS	Mixed	0	0.00	0.00	0	0.00	0.00	283,373	8,024.20
	Area 3	0	0.00	0.00	0	0.00	0.00	8,211,498	232,523.82
GRAND TOTAL**	Area 5	0	0.00	0.00	0	0.00	0.00	78,538	2,187.31
		18	14,211.88	402.43	607	499,419.70	14,141.39	35,105,968	894,172.33

Total offsite waste received in FY 07 = 469,431.04 FP 13,292.81 MF
 Total onsite waste received in FY 07 = 29,985.85 FP 846.16 MF
 Offsite waste comprises approximately 74.92% of the total waste inventory
 Onsite waste comprises approximately 25.08% of the total waste inventory
 Number MLLW shipments in FY07 = 0 WVE: 5031/2007 103 FY2007
 Total mixed waste received in FY 07 = 123,737.75 FP 3,505.28 MF
 Total mixed waste capacity remaining = 575,935.62 FP 16,310.24 MF

* Subject to revision

Aspen Daily News

Printed From: http://www.aspendailynews.com/article_20124

Check the nuclear facts

Letter to the Editor -

Sun 06/10/2007 09:01PM

Editor:

[Send To Printer »](#)

On June 8, a letter from Douglas Conner asserts that this nation's only nuclear reprocessing plant was built in Barnhill, South Carolina. He goes on to apparently blame President Carter for the fact that the plant never became operational. The writer needs to check his facts.

This nation's first nuclear reprocessing facility was built in the hamlet of West Valley in rural western New York. During the time the plant operated there were countless leaks and accidents. Radioactivity traceable to the West Valley nuclear site were found in Great Lakes water hundreds of miles away. The workers were sickened and the public was put at great risk. Today the plant is no longer operational but the wastes remain buried in ground that is highly subject to erosion or stored on-site above ground.

The US Department of Energy uses every trick in the book to delay the promised cleanup of the site. In the meantime, the public is at greater risk as the deep and widening gullies surrounding the site approach the buried wastes. And of course we have no national repository for high level radioactive wastes, so the highly deadly vitrified wastes sit waiting for a home. Prior to the importation of radioactive wastes, western New York had no radioactivity beyond safe background levels natural to the earth.

What is now named the West Valley Demonstration Project was and is a total disaster. President Carter was right to outlaw the commercial reprocessing of nuclear wastes. President Bush wants to overturn Carter's decision in order to expand nuclear power worldwide. Permits to mine uranium are at an all-time high. It's the latest gold rush.

Local watchdogs have been working to cleanup the West Valley nuclear site since the 1970s. We have the U.S. and DOE in federal court now. If it were up to us, there would no movement to advance nuclear energy until the West Valley site is fully cleaned. Then once our site was clean we'd want to see the rest of the nuclear mess left all across this country cleaned. That would give the proponents of nuclear power pause to reconsider the wisdom of their approach.

Judith Einach

**Director, Coalition on West Valley Nuclear Wastes
Buffalo, New York**

Springville Journal, Thursday, June 7, 2007

Ashford taxpayer grateful for nuclear waste cleanup progress

Editor:

As a Town of Ashford home owner and taxpayer, I would like to say "thanks" to the Washington Group International Company for the ongoing cleanup of the nuclear waste and its removal recently announced in "The Way Forward."

It has been our hope as citizens of Cattaraugus County to finally see progress in the cleanup efforts which now are being made. I would like to thank the Department of Energy (DOE), the United States Environmental Protection Agency (EPA), Region 2, the Nuclear Regulatory Commission (NRC) as well as U.S. Senator Charles E. Schumer for their combined effort in promoting "The Way Forward."

"The Way Forward" provides an immediate pathway to continue cleanup operations while a long term solution is negotiated. I would like also to ask the New York State Energy Research Development Authority (NYSERDA) to become a team player by joining the above agencies in supporting "The Way Forward" to avoid decommissioning/demolition delays, layoffs and eventual work stoppage. As citizens, we have no interest in "compromising the NYSERDA legal position" regarding issues relating to the cleanup, but seek their cooperation on a long range plan for nuclear removal.

Grover Riefler
West Valley

MONITOR

WEAPONS COMPLEX

Waste Management ♦ Clean Up

Volume 18 No. 24

June 4, 2007

AT WEST VALLEY DRUM CELL WASTE REMOVAL REACHES HALFWAY MARK

West Valley Nuclear Services Company, which is carrying out the cleanup of the West Valley Demonstration Project in upstate New York, has reached the ‘halfway point’ in its efforts to ship higher-activity low-level waste off-site for disposal. At issue is West Valley’s so-called ‘drum cell’ waste, consisting of approximately 20,000 containers of material created through the site’s Radwaste Treatment System, which was used from 1988 from 1995 to treat supernate resulting from reprocessing activities by mixing it with concrete. DOE had initially planned to dispose of the containers on-site at West Valley, but later agreed not to do so without first preparing an Environmental Impact Statement to settle a lawsuit filed by a local environmental group in the late 1980s. To date, about 10,000 of the 71-gallon, square-sided containers, each weighing up to 1,200 pounds, have been retrieved from storage, with approximately 5,000 of the containers having been shipped by rail to the Nevada Test Site for disposal, WVNSCO spokesman Terry Dunford said last week. “Two cranes are moving 24 hours a day . . . basically trying to get those wonderful things out the door,” he added.

Project to Be Completed by Sept. 30

WVNSCO expects to complete the project, which was not included in the scope of the pending interim site cleanup contract, by Sept. 30, Dunford said. Washington Group, which owns WVNSCO, is one of three main competitors for the new cleanup contract, which is set to be worth \$75 million annually and run through mid-Fiscal Year 2011.

Other teams competing for the work include one consisting of CH2M HILL, Fluor, Jacobs and AREVA; and a team led by small business S.M. Stoller. DOE is expected to announce the award of the contracts, months behind schedule, later this summer. ■

URS TO PURCHASE WASHINGTON GROUP INTL.

In a deal set to shake up the Department of Energy marketplace, engineering giant URS Corporation announced May 28 that it will purchase Washington Group International. The sale, valued at approximately \$2.6 billion in cash and stock, is set to be completed later this year, subject to regulatory and stockholder approval. Long having been relegated to ‘back bencher’ status within the DOE market, URS immediately vaults into the top tier of contractors with the purchase of Washington Group, which is either the prime contractor or a part of the management team at most DOE sites. “On the federal government side, you know Washington Group is a major DOE contractor ... the URS Corporation is not very active at DOE at this time, although we have a history of working there. So combined it provides a great opportunity to grow that position,” URS Chief Financial Officer Thomas Hicks said in a conference call with investors May 29. “Both companies are well respected and have a long heritage of working for the DoD and the DOE ... and we think there are great opportunities there moving forward.”

Officials from both companies stressed the increased capabilities that will be brought to bear in ‘growth markets,’ including nuclear power plant construction and decommissioning. “Through this combination, both companies will be better positioned to capture growth from favorable trends across the engineering and construction sectors, including the increased investment in infrastructure projects, the focus on emissions reduction and energy independence in the power market, and the increased use of outsourcing by federal agencies, such as the U.S. Departments of Defense and Energy,” URS Chairman and CEO Martin Koffel said in a May 28 press release. “Together, we will have the resources to meet increasing client demand for a single firm that can provide the full range of engineering and construction services required for large, complex projects in these high growth markets, both in the United States and abroad.” Added Washington Group CEO Stephen Hanks, “The increased scale and resources of the combined company, including URS’ significant design resources, will further support our ability to compete for new opportunities in high-growth markets.”

Impact of Sale Uncertain

While URS is a relatively small player in the Dept. of Energy marketplace, Washington Group has long been considered one of the ‘big five’ cleanup contractors, along with Bechtel, BWX Technologies, CH2M HILL and Fluor. A look across the DOE complex shows the wide breadth of Washington Group’s involvement, with the company holding contracts at Hanford, the Idaho National Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, the Savannah River Site, the Waste Isolation Pilot Plant and the West Valley Demonstration Project. In the short-term, it appears that the sale will have little impact at the sites where Washington Group currently holds contracts, given that the company is set to operate for the first year of the sale as a separate division of URS.

URS Committed to DOE Market

In the long-term, though, it remains what impact the sale could have on Washington Group’s plans to compete for new work at Hanford and to retain its Savannah River presence, given that the purchase could result in significant changes in management and corporate attention. Even so, the two companies stressed their continued interest in the DOE marketplace in their joint statement. “The combined company is expected to be a major contractor to the federal government, including a ... top provider of engineering, management and environmental services to the U.S. Department of Energy,” the companies said in the release. Notably, URS has previously acquired a former key player in the Dept. of Energy market, with the 2002 purchase of original Rocky Flats cleanup contractor EG&G. In their conference call last week, URS officials noted the benefits of their acquisition of EG&G as they work to integrate

Washington Group once the sale is completed. “We do have origins in DOE and what that brings to us is a very similar operating culture across our federal businesses. So we believe culturally our organizations will work very well together,” EG&G Division President Randy Wotring said. “The Washington Group adds a very complementary skills and we believe that we’ll be able to add value to our customers in both the Department of Energy and the Department of Defense as we move forward.”

Sale Set to Impact Sellafield Competition

In addition, the sale is set to result in a major shakeup of the teams competing for the contract to manage the Sellafield site in the United Kingdom. Washington Group, which is leading a team also consisting of AMEC and AREVA, is one of the four main competitors for the Sellafield Parent Body Organization contract. Other teams include CH2M HILL, a team of Bechtel-Serco-BWXT and a team of Fluor-Toshiba. While it remains to be seen what impact the sale will have on the Sellafield competition, Hanks said last week that he believes Washington Group’s position will be strengthened. “It is a huge international competition, probably one of the biggest we’ve ever participated in,” he said. “What URS adds to our ability to win that contract are very good, very strong, technical human resources that can add substantial strength to our team. Martin [Koffel] and I sometime this summer will be meeting with the Nuclear Decommissioning Authority and the message that we will be have for them is that this transaction will actually enhance the skill sets of the team that we have put together to win that program.”■

'World Is Changing A Bit'

6/1/2007 - West Valley Demonstration Project Closes In On Goal

By SHARON TURANO

WEST VALLEY — Even though staff at the West Valley Demonstration Project may not know the final outcome of their work, they are moving toward that goal.

Terry Dunford, spokesman, said the demonstration project's "world is changing a bit," as it moves into the decommissioning of a nuclear plant that operated until the 1970s.

Since then, the state and federal governments, with the help of private contractor West Valley Nuclear Services Co., have been working to clean the defunct facility.

Work has included filling glass rods with radioactive waste and shipping that off site, building a remote-handled waste facility to move waste from the site.

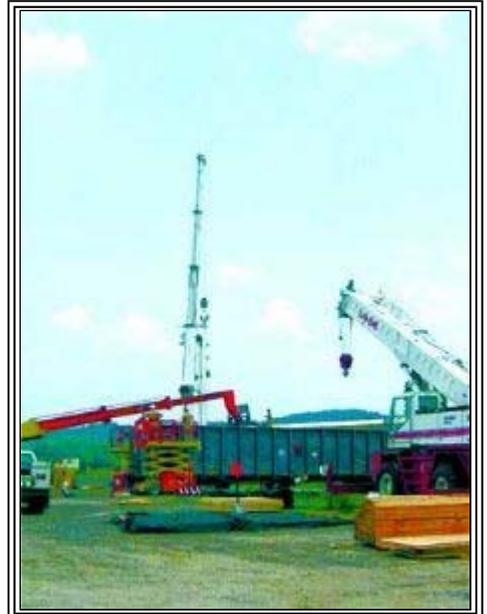
While state and federal officials continue to talk about the best solutions for the site's future, staff is removing waste and reducing infrastructure by demolishing it. About 500,000 cubic feet of waste has been shipped by truck, and 900 drums per week of low-level waste is now being shipped by train to Nevada.

Once this phase of the project is complete, decontamination of the original facilities used when the nuclear plant was in operation will begin. That is projected to take about four to five years, said Bryan Bower, director of the West Valley site for the federal Department of Energy.

While that work is being continued, the federal and state authorities are hammering out a preferred alternative for the future of the site, he said. Long-term stewardship of it, where to put high-level waste and who is responsible for it are sticking points to coming up with the solution. Alternatives vary from making the site pristine again, to monitoring it, moving it and combinations of the alternatives.

While that final outcome is not yet agreed upon, Dunford said the work at the site is "closer to an end."

"Every project has a beginning and an end," he said, adding this one is moving closer to its end, even if authorities are unsure what that end will be.



Trains are loaded with low-level radioactive waste Thursday to be shipped from the West Valley Demonstration Project to a Nevada disposal site.

P-J photo by Sharon Turano

WVDP making progress

By PATTI CECALA
Associate Editor

In an effort to make progress, West Valley Demonstration Project began a new phase of cleanup in which five infrastructures will be torn down.

A core team has made some progress in the cleanup efforts at the WVDP and on May 21 the Main 1 Warehouse was the first of the five infrastructures to be demolished by heavy equipment.

The steel building, which was built in 1963 to support the original nuclear waste plant, was cleaned of radiation before being demolished and hauled away to an unnamed landfill.

The demolition of buildings is not the only progress being made in this new phase of cleanup. Some 20,000 stainless steel concrete filled canisters containing hardened rods of slurry are expected to be hauled out by train to a location in Nevada about 100 miles from Las Vegas by September.

According to Al Konetzni, president of West Valley Nuclear Services Co., about 5,000 of the canisters have been shipped already and 8,000 are ready to go.

"This is a good step forward," said Konetzni. "This is great for New York State and Western New York."

Another task Konetzni wants to complete in the near future is the drying of four highly radioactive tanks which are buried beneath the ground.

"The safe thing to do is dry out those tanks now," said Konetzni. "Dry tanks can't leak. Decisions have been deferred for two years. It's time to get going on this."

The core team will meet again in June to discuss further cleanup of the site.

The Buffalo News

Tuesday, May 29, 2007

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URS buying Washington Group for \$2.6B

By **REBECCA BOONE** - Associated Press Writer

Updated: 05/29/07 12:48 AM

San Francisco-based URS Corp. is buying Washington Group International for \$2.6 billion, the engineering and construction companies announced Monday.

The boards of directors of both companies unanimously approved the deal, which calls for Washington Group stockholders to receive \$43.80 in cash and .772 shares of URS stock for each Washington Group share.

The transaction is valued at \$80 per share, or a 14 percent premium over Washington Group's closing stock price on Friday.

"URS has a history of anticipating change in the industry, and this transaction is the next logical step in building for future growth," URS chief executive Martin Koffel said in a prepared statement.

The deal combines two of the nation's largest engineering and construction firms. URS has 29,500 employees in 20 countries, while Washington Group has 25,000 employees worldwide.

The deal, which is subject to approval by the stockholders of each company and regulators, is expected to close in the second half of this year, the companies said.

The combined company would operate under the name URS Corp., and would have one of the largest teams of nuclear scientists and engineers in the industry and a backlog of projects exceeding \$11 billion in more than 50 countries, company officials said.

Koffel would remain as CEO of the combined company, and one member of the Washington Group board of directors will serve on the combined company's board.

URS will "have a significant presence in the anticipated resurgence of the nuclear industry, including fuel sourcing, enrichment, power generation and spent fuel reprocessing and disposition," Washington Group CEO Stephen Hanks said.

Boise-based Washington Group International, once named Morrison Knudsen Corp., helped build Hoover Dam and the San Francisco Bay Bridge. It earned nearly \$81 million on more than \$3.4 billion in revenue during the 2006 fiscal year, but business has not always been so good for the company.

In May 2001, it emerged from its second bankruptcy filing in six years. At the time, executives blamed the company's financial troubles on undisclosed liabilities it incurred when it bought Raytheon Engineers and Constructors, the power unit of defense and aircraft giant Raytheon Co.

The purchase gave Washington Group a strong foothold in the power and defense market, but it came with hidden costs. Of more than 300 contracts acquired in the purchase, a dozen cost much more to complete than Raytheon had disclosed to Washington Group. Raytheon estimated its costs at less than \$800 million, while Washington Group later pegged them at \$3 billion.

Washington Group sued Raytheon, and the companies later settled without any cash changing hands or either company admitting any wrongdoing. Eventually, Raytheon was required to pay \$2.5 billion to complete the projects because of previous guarantees to project owners.

Former Washington Group shareholders also sued Raytheon for their losses. Raytheon settled that lawsuit in 2005 for \$39 million without admitting any wrongdoing.

Past URS projects have included a renovation of the Pentagon and an expansion of the San Francisco International Airport. URS has a history of acquiring other companies: In 1995, it bought fellow design engineering firm Greiner Engineering Inc., a deal that Koffel said made it one of the top 20 design and construction management firms in the country at the time.

URS to acquire Washington Group for \$2.3 billion

Tue May 29, 2007 7:09AM EDT

PHILADELPHIA (Reuters) - Construction services company URS Corp. (URS.N: [Quote](#), [Profile](#), [Research](#)) said on Monday it would acquire Washington Group International Inc. (WNG.N: [Quote](#), [Profile](#), [Research](#)) for about \$2.3 billion to expand into the engineering and management of nuclear, infrastructure and environmental projects.

Under terms of the deal, Washington Group shareholders will get \$43.80 in cash and 0.772 shares of URS common stock for each Washington Group share they own. That values Washington Group at about \$80 per share, or \$2.3 billion based on Washington Group's 29.2 million shares outstanding.

In addition to overseeing massive construction projects such as the development of transportation, water and wastewater systems around the world, the combined company also will offer engineering, construction and maintenance services for fossil fuel and nuclear power plants.

"It positions us in markets that coincide with growth in the economy and markets that are growing," URS Chairman and Chief Executive Martin Koffel said in telephone interview, citing the power and nuclear power industries.

"This whole deal was strategically driven, but it's got attractive financial metrics as well," he said.

The price marks a 14-percent premium over Washington Group's closing stock price of \$69.97 on Friday. U.S. financial markets were closed on Monday for Memorial Day.

Washington Group trades at about 24.4 times Wall Street earnings estimates for 2007, slightly below the construction and engineering sector's average valuation of about 26.2 times earnings. The URS deal values Washington Group at about 28 times earnings.

URS said it expects the acquisition to boost revenue growth, long-term profitability and cash flow. The deal will be neutral or slightly beneficial to earnings per share in 2008, and boost earnings in 2009 and beyond, URS said.

URS estimated cost synergies of \$50 million to \$55 million in 2008 from the deal. Some layoffs will result as the companies combine administrative staff, said URS Chief Financial Officer Thomas Hicks.

Together, the companies would have 2007 revenues of about \$8.6 billion, projects in more than 50 countries, and more than 54,000 employees.