

To: West Valley Citizen Task Force
From: Bill Logue, Citizen Task Force Facilitator
Date: November 14, 2012
Subject: **Summary of the October 24, 2012 Meeting**

Next Meeting

The next Citizen Task Force Meeting will be:

Time & Date: **6:30 – 9:00 PM, December 19, 2012**
Location: Ashford Office Complex
9030 Route 219
West Valley, NY

Note: Participants must be U.S. citizens and have photo identification. Please contact Bill Logue (860-521-9122, Bill@LogueGroup.com) with questions or comments concerning this summary or future meetings.

CTF Members and Alternates Attending

Rob Dallas, Lee James*, Paul Kranz, Lee Lambert, Kathy McGoldrick, Joe Patti, John Pfeffer, Warren Schmidt, Bill Snyder, Ray Vaughan, Eric Wohlers.

Agency Participants and Observers

Department of Energy (DOE): Bryan Bower.

New York State Energy Research and Development Authority (NYSERDA): Tom Attridge, Paul Bembia, Andrea Mellon.

CH2M Hill B&W West Valley, Inc. (CHBWW): Lynette Bennett, Dan Coyne.

Observers: Barbara Warren.

Introductions and Announcements

Bill Logue welcomed all present and reviewed the meeting materials.¹ He highlighted issues discussed on the Agenda Work Group call.

Budget Briefing

The CTF Agenda Work Group requested a presentation from DOE on the process of developing the budget for the West Valley Demonstration Project (WVDP) and the implications of reduced funding on work at the site. Bryan Bower of DOE presented an overview of the current Federal budget climate, the DOE budget process and budget, recent WVDP budgets and the FY 2013 budget for WVDP.

Mr. Bower began by showing a graphic displaying the federal debt and the annual deficit as a percentage of the Gross Domestic Product (GDP) with projections through about 2020. The debt began climbing with the onset of the recession and will continue to rise through about 2015. The annual deficit rose with the American Recovery and Reinvestment Act but has been declining. He noted that the last time the debt was at 80% of the GDP was in the 1940's during World War II. Projecting about 70 years into the future, assuming spending and revenue at the current rate, beginning in 2025 revenues only cover non-discretionary expenses (Social Security, Medicare, Medicaid, other expenses and interest) of the government.

¹ Each is listed at the end of this summary and may be found at www.westvalleyctf.org under 2012 Meeting Materials.

*Participated by telephone.

Mr. Bower then reviewed the FY DOE budget request of \$27.155 billion. Within that, a significant portion is Weapons Activity followed by Environmental Management, including Legacy Management, and Science. Smaller portions include Nuclear Nonproliferation, Naval Reactors, Office of Administration, Energy Efficiency & Renewable Energy, Nuclear Energy, Fossil Energy R&D, Electricity Delivery and Energy Reliability, Advanced Research, Energy Information, and areas devoted to mission support and provision & regulation. He displayed a graphic showing that the Congressional Request in the President's Budget has been \$2-3 billion more than the congressionally budget in recent years.

The budget allocation for WVDP is within the non-defense portion of the DOE Environmental Management (EM) budget. For FY 2012 the defense portion of EM was just over \$5 billion, Uranium Enrichment was just over \$472 million and Non-defense just over \$235 million. The President's request was higher overall but lower for non-defense and uranium enrichment. The House and Senate marks for 2013 are both lower for non-defense. Mr. Bower stated that it is difficult to move funding from one category to another.

Mr. Bower stated that the WVDP is within the non-defense portion of the DOE EM budget. He explained that it was a commercially licensed facility, and he explained that the legislative history for initially funding the WVDP shows that Congress specifically moved it from a defense to a non-defense account. Mr. Bembia of NYSERDA noted that New York State's 2006 litigation provides New York State's arguments as to why the West Valley HLW should be considered defense HLW (60% of the spent fuel was from Hanford, and other reasons). Mr. Bembia said that the CTF might be interested in reading the 2006 litigation to see NYSERDA's arguments in regard to this issue.

WVDP is grouped within the small and closure sites for purposes of budgetary analysis. These are the sites that receive the majority of the non-defense spending. Among those WVDP is the largest program. Comparing the FY 2012 enacted budget and the 2013 President's budget and House and Senate marks it became evident that the FY 2012 budget of \$66.3 million would likely be reduced to about \$49.9 million in FY 2013. This is a 25% reduction. With the exception of the closure sites and Brookhaven National Labs, none of the other small sites suffered a similar percentage of reduction. During the discussion both Mr. Bower and Mr. Coyne, of CHBWV, noted that thinking of WVDP as a small site could be misleading because it is a very complex given the issues of HLW, TRU waste, ownership and oversight/regulatory overlay by DOE and NRC.

WVDP receives about \$1.6-2 million annually in defense EM budget allocation for security and cyber-security. Due to the elections and likelihood of continuing resolutions and a reduced budget, WVDP is carrying over some FY 2012 funding to reduce the impact on the workforce.

Mr. Bower reviewed the overall process of developing the budget and noted that the initial formulation is two years prior to budget execution. In the year prior to execution the process continues between DOE and Office of Management of the Budget, then submittal to Congress. Thus the 2014 budget is currently in final discussion between OMB and DOE before being submitted in February 2013 and the 2015 budget is in initial formulation now.

In conclusion, Mr. Bower noted that it costs approximately \$20 million per year to monitor and maintain the site safely ("min-safe") and pay pensions. Min-safe and the canister relocation are the funding priorities. With reduced funding, scheduled activities for waste shipment and demolition would be delayed and costs would increase for: upgrades and maintenance of storage facilities; continued monitoring and maintenance

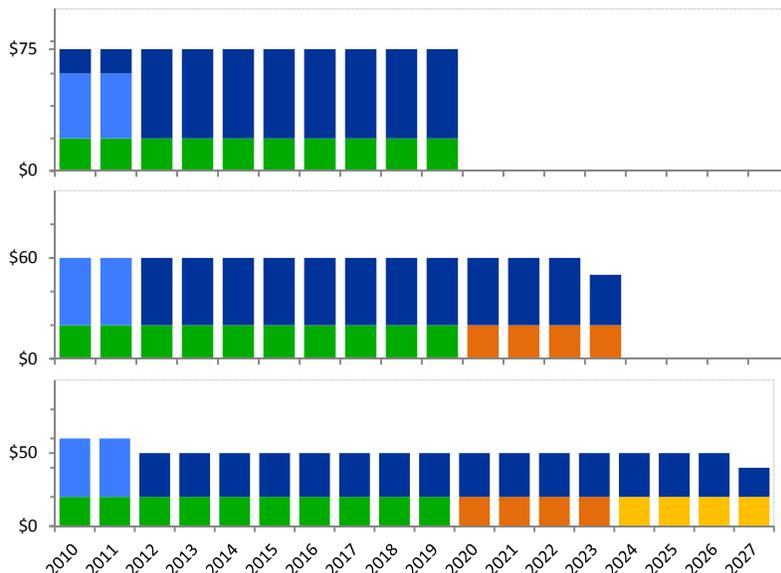
of stored wastes and facilities slated for demolition. About another \$100 million in cleanup remains inside the Main Plant Process Building (MPPB) and \$50 million to move the canisters before demolition of the MPPB can begin.

In discussion, several people noted that the EIS had projected that the Phase 1 cost would be \$1 billion this was later revised to \$75 million per year for 10 years to complete Phase 1 activities. Recent funding has been at about \$60 million and projected funding is now at \$50 million. The impact is that more will be spent on Min-safe and work will be delayed resulting in greater overall expenses. A graphic, created after the meeting, is below which illustrates these points. Members noted that they could anticipate that some funding reduction would be fair given the economy but that WVDP had suffered disproportionately.

The above points will be made in a letter to be sent to EM leadership at DOE requesting a meeting in Washington. At the time of the visit, CTF representatives will also try to arrange a meeting with the congressional delegation.

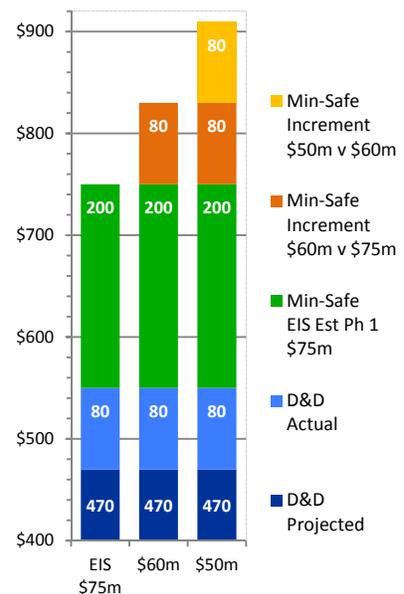
Annual Expenditures

\$ in millions



Total Expenditures

\$ in millions



Other Business

The CTF reviewed the draft Guiding Principles distilled from the 1998 Final Report and agreed to have them posted on the website. The group will also begin work on “dashboard metrics” to convey progress, lack thereof and issues where the group has had impact such as preventing the grouting of the tanks.

The group asked for an update on studies and proposed repairs to the rail spur leading to the site.

Observer Comments

An observer commented that EM non-defense was about 3.6% of the overall DOE budget and this was not sufficient.

Action Items

Action	Who; Date
Provide a copy of the WVDP Act Legislative History to Ray Vaughan	DOE; 11/15/2012
Draft Letter to DOE and Legislative Delegation Requesting Meetings	Logue; 11/2/2012

Documents Distributed

Document Description	Generated by; Date
Meeting Agenda	Logue; 10/24/2012
WVDP Budget Overview Presentation	DOE; 10/24/2012
Agenda Work Group Call Summary	Logue; 10/12/2012
DOE & NYSERDA Letter to CTF on Comments on Phase 1 Studies Erosion Working Group Recommendations for Erosion Studies	DOE; 10/15/2012
News clippings distributed at the October 24, 2012 Meeting	NYSERDA; 10/24/2012