

# October 2019

## Chamber of Commerce DC Trip

### ➤ **Current Initiatives of Importance to the Community**

Savannah River Site (SRS) is not considered a “closure” site at the local level. It has clearly defined future missions extending well into this century. It is a national asset and the actions we are discussing today will ensure its position for the future. The community strongly supports this position.

In addition, the local community is interested in dove-tailing public/private ventures to support these missions. Both visions point the way toward turning liabilities into assets; at the same time, accelerating the deployment of nuclear technologies through public and private partnerships aimed at solving critical nuclear material storage, processing and disposition challenges.

### ➤ **SRS Contract Re-Bids**

#### **Community Commitment Plans and Economic Development at SRS**

We appreciate that the Department of Energy (DOE) includes a Community Commitment Plan (CCP) clause in the larger SRS contracts. We strongly believe any SRS contractor should be required to be an engaged and constructive partner to the communities in our region. The ability of the contractor to be an active member and contributor to the community will be critical to the successful completion of the required cleanup work and to the sustainable economic use of the site.

The SRS and its contractors benefit greatly from its location in South Carolina and from the workforce and other resources provided by the region. In recognition of these benefits, we support the inclusion of Community Commitment Plan (DEAR 970.5226-3) requirements in all SRS contracts but have concerns on how multiple CCPs will dovetail together.

It is expected that a CCP involve both financial incentives and in-kind contributions toward targeted programs through the five-county area surrounding SRS. Economic development and diversity can be sustained only where DOE activities are integrated into the community’s strategic planning process. DOE needs to focus on long-term reuse and job creation in and around the communities in which the affected workforce resides. It needs to restore and fully fund economic development and diversification and worker transition. In particular, we believe that economic development must be retained as a condition of DOE’s contracts to manage and operate DOE facilities.

### ➤ **Current and Future NNSA Missions for SRS**

#### **Savannah River Plutonium Processing Facility**

We have no doubt the SRS team and facilities are up to the task mentioned above. Plutonium and nuclear material management missions have long been conducted at SRS,

using facilities in various areas. It is important that all of us recognize the value of the immense intellectual capital working at SRS safely and securely for decades. The Site's management and skilled labor force and its one-of-a-kind facilities are uniquely qualified to handle many of the global nuclear challenges facing us now and in the future.

Our biggest concern, and one with some possibility, is the potential for SRS to be left with no enduring mission. Despite its past significant contributions to national security and the fact that it is now in a cleanup mode, as community leaders we believe the Savannah River Site's mission should remain relevant in the years ahead. When it comes to complex nuclear issues and potential new missions in both the Federal and private sectors, America still needs a place for solutions. SRS is that place.

### **Tritium Supply Mission at SRS**

SRS is the only facility in the nuclear security enterprise that has the capability to extract, recycle, purify, and reload tritium.

### **Surplus Plutonium Mission at SRS**

SRS is highly qualified and a safe place for the Surplus Plutonium Disposition Project.

## ➤ **Savannah River National Laboratory (SRNL) move to Office of Science**

Some have compared SRNL today to Oak Ridge National Laboratory (ORNL) in the late 1970s. At that time in Oak Ridge, buildings were falling down, workers were aging and missions were dying. The arrival of a capable and aggressive Laboratory contractor, coupled with a strong alliance with the state's Congressional delegation, quickly turned things around. By galvanizing political support, the Lab management, working with the community, was able to raise ORNL's visibility and set the Laboratory on the road to resurgence and respect.

There is general agreement that a new SRNL landlord with a mindset of foresight and facilitation could greatly enhance SRNL's opportunities for future growth and success. However, with multiple contractors and multiple DOE program offices utilizing separate distinct staff, there is a concern when budget shortfalls occur. Any transitioning workforce cannot easily transfer to the other missions where work exists without some pre-arranged contractual agreements.

## ➤ **Advanced Manufacturing Collaborative (AMC)**

Existing on-site facilities are outdated, physically unattractive, and not suited for the new missions proposed by the new AMC facility. We are hopeful that this new facility will appeal to the younger workforce with higher expectations and more options that are attractive for a workplace environment and a center for private sector collaboration. We see this as a "game changer" for the local area with AMC potential total staff approaching 100 people in support of the AMC mission.

We are encouraged to hear of possible FY20 funding for AMC. Such a facility could be a catalyst in the local community for an innovation campus with private sector and university

collaboration in Research & Development (R&D) and industrial/technology startups. It would also be a valued asset to the potential move to the Office of Science as the new SRNL landlord.

### ➤ **SRS/Regional Workforce Challenges**

One important aspect for the local communities is the large transition from a more experienced workforce to a younger workforce in our region, not only at SRS but also at Fort Gordon. In fact, SRS and Fort Gordon together are responsible for a current estimated 37,000 jobs, making the federal government and its associated contractors the largest industry sector in the region.

The larger potential impact on the five-county region, especially when considered with the ongoing growth at Fort Gordon, is a result of the influx of new residents into the region. Approximately 2,500 to 3,000 new workers could move to the area associated with SRS. In addition, Fort Gordon, located outside of Augusta, GA, is expanding to house the Army Cyber Command. This move expects to create 4,700 civilian and military jobs. Including family members, the Army estimates 13,000 new residents in the Augusta metro area by 2020. Around 2,400 of these will be school-age children. This influx of new residents will influence the regional housing markets, the public education system, and the demand for community amenities.

At these numbers, our region will see a major impact, and the local communities need to help contractors by having amenities to help attract and retain this new workforce. There will be changes. The workplace priorities of this new millennial workforce include finding a job (and employer) with a purpose and finding the right “fit” with a work environment. Millennials want their work to have a purpose, to contribute something to the world, and they want to be proud of their employer. DOE needs to highlight the meaningful careers they have in environmental cleanup, national security, and leading-edge technologies to this new workforce.

### ➤ **Funding/Budget Impacts**

A government shutdown is never good for SRS to accomplish its missions. It is always better to have a stable and adequate budget that SRS can depend on. As FY20 negotiations continue, we hope the proposed Continuing Resolution (CR) is indeed a short one and Congress moves quickly to full government funding or to an omnibus funding package. Budget uncertainties directly impact the recruitment and retention of highly skilled SRS workers.

SRS missions and pension payments are currently competing for the same funds and this competition could intensify. Budget concerns include the expected increases needed to support the pensions of SRS retirees over the next 5 years. There is not a separate line item in the budget to cover this expense, which will range from \$100 million to over \$300 million. These funds come out of the operating budgets. Pension payments and Environmental Management (EM) priorities are competing for the same budget dollars. Both DOE and our Congressional delegation need to take action soon to minimize this impending impact on the SRS missions.

➤ **MOX Surplus/Excess Needs to Benefit Local Community**

DOE needs to make identifying excess real and personal property a priority. By making this a priority DOE can accomplish two goals: 1) decrease overhead at its facilities, and 2) assist local communities with creating jobs or accomplishing other reuse goals. DOE should continue to provide these properties to communities at no cost so that the community can use the property for economic development and other public purposes, thus reducing the negative economic impacts of MOX closure for the local communities.

➤ **Waste Disposition by Characterization**

We applaud DOE's efforts to examine alternative disposal pathways for waste in our communities that, under the previous interpretation, could only go to a High-Level Waste (HLW) repository. Changing the interpretation of the HLW definition opens new avenues for disposition of wastes currently stored at SRS and expedites SRS cleanup. Waste disposition by characterization has the potential for considerable cost savings across the complex. From some reports, the savings could range from \$40 to \$100 billion. For SRS, it could mean over 2,000 vitrified glass containers could eventually be disposed as transuranic (TRU) waste with a disposal path other than Yucca Mountain.

➤ **Cybersecurity Collaboration**

We are currently socializing the concept of cybersecurity collaboration between the Department of Defense (DOD) and DOE in an effort to make policy makers, national security leaders, cybersecurity technology providers, and critical infrastructure owner/operators aware of this unprecedented opportunity. We hope these decision makers will immediately investigate the untapped resources that exist in the SRS region and capitalize on these opportunities, which will benefit the Nation from an economic, energy sector, and national security perspective.

## **Current Initiatives Background**

### ➤ **SRS Contract Re-Bids**

#### **Liquid Waste/Integrated Mission Completion Contract at SRS**

In February 2019, DOE announced the termination of the SRS liquid waste (LW) solicitation, citing changes to the overall requirements and opportunities to integrate nuclear material management missions into it. In May 2019, DOE released a Sources Sought notice on FedBizOpps for the new Savannah River Site (SRS) Integrated Mission Completion (IMC) Procurement. This Sources Sought notice is being issued to conduct market research.

The purpose of this potential end-state contract is to achieve significant reduction in financial liability and environmental risk that provides the best overall optimal solution towards completion of the DOE-EM mission at the SRS Integrated Mission Completion (IMC) by accomplishing the maximum amount of environmental cleanup in the least amount of time and at the best value to the U.S. taxpayer.

The areas of consideration in the IMC contract include LW facilities: Tank Farms and associated systems, structures and components, S-Area, Z-Area, ETF, and SWPF in J-Area, once the SWPF is transitioned to the Contractor. It also includes the office trailers and other supporting facilities in areas B, E, G and T-Areas, NM facilities: H-Canyon, H Area Outside buildings, HB-Line, RBOF, L- Area, F-Canyon, F/H Laboratory and 235-F, and Deactivation and Decommissioning (D&D)

The U.S. Department of Energy has extended the Savannah River Remediation (SRR) contract during the acquisition planning. SRR, the SRS liquid waste contractor, was given an 18-month contract extension. AECOM leads SRR and is partnered with Bechtel National, BWXT and CH2M. The contract extension goes to September 2020. Currently no option period has been identified with this extension, but DOE could, as it has done in the past, still execute contract option periods. SRR's contract was otherwise set to expire March 3, 2019.

#### **Management & Operating Contract at SRS**

In October 2018, the U.S. Department of Energy has paused its search for the next SRS management and operations contractor. The postponement, according to the Federal Business Opportunities solicitation website, is to account for the joint National Nuclear Security Administration/DOE Office of Environmental Management review of NNSA activity at the site.

In July 2019, the DOE Savannah River Operations Office extended the management and operations contract of Savannah River Nuclear Solutions, LLC (SRNS). SRNS is a partnership comprised of Fluor, Newport News Nuclear, and Honeywell. The period of performance for the extension is Aug. 1, 2019 to Sept. 30, 2020, with two 12-month options (Oct. 1, 2020 through Sept. 30, 2022).

This extension enables SRS to maintain management and operations services while the Energy Department develops an acquisition strategy and subsequent contract competition for those services. Services provided by SRNS that will continue during the contract extension period include environmental management cleanup, developing and deploying technologies to support the cleanup mission, providing capability for supporting the enduring nuclear weapons stockpile, and processing and storing nuclear materials in support of U.S. nuclear nonproliferation efforts.

### **Paramilitary Security Services Contract at SRS**

This contract will provide security functions in the areas of Program Management, Protective Force, Physical Protection, Information Security, Personnel Security, Law Enforcement, Aviation Operations and Material Transportation Security and Coordination. The current SRS Paramilitary Security Services is held by Centerra-SRS, LLC and will expire on October 7, 2019.

In March 2019, DOE issued a Final Request for Proposal (RFP) for the Savannah River Site (SRS) Paramilitary Security Services. At the time of this publication, DOE is evaluating the proposals it received for the Paramilitary Security Services for SRS. The selected contractor would have to implement a safeguards and security program to meet requirements for DOE, EM, and the NNSA. On August 22, 2019, the DOE Savannah River Operations Office (SR) announced its intention to extend the current contract with Centerra Group, LLC at the SRS. It is anticipated to be extended by 4 months through February 07, 2020 with two 4-month options.

## ➤ **Current and Future NNSA Missions for SRS**

### **Savannah River Plutonium Processing Facility**

NNSA and the Department of Defense jointly announced in 2018 that the recommended alternative for supplying plutonium pits - needed to meet future stockpile requirements - will also rely on SRS. Under this proposed strategy, the Mixed Oxide Fuel Fabrication Facility, an unfinished facility under construction at SRS, would be repurposed as the Savannah River Plutonium Processing Facility to produce no fewer than 50 pits per year by 2030, with Los Alamos National Laboratory producing another 30 pits per year. Preliminary work is underway to enable a final decision on the proposed strategy.

We have no doubt the SRS team and facilities are up to this task. Plutonium and nuclear material management missions have long been conducted at SRS, using facilities in various areas. It is important that all of us recognize the value of the immense intellectual capital working at SRS safely and securely for decades. The Site's management and skilled labor force and its one-of-a-kind facilities are uniquely qualified to handle many of the global nuclear challenges facing us now and in the future.

Our biggest concern, and one with some possibility, is the potential for SRS to be left with no enduring mission. Despite its past significant contributions to national security and the fact that it is now in a cleanup mode, as community leaders we believe the Savannah River Site's mission should remain relevant in the years ahead. When it comes

to complex nuclear issues and potential new missions in both the Federal and private sectors, America still needs a place for solutions. SRS is that place.

### **Tritium Supply Mission at SRS**

Tritium must be replenished regularly because it radioactively decays at 5.5 percent per year. Tritium availability is dependent on both the production of new tritium and the recovery and recycling of tritium from returned warhead components. Mission requirements necessitate that tritium production double by the mid-2020s.

NNSA's tritium strategy focuses on increasing tritium production in Tennessee Valley Authority reactors and modernizing infrastructure at SRS to support the tritium supply chain. The tritium organization within the Savannah River Tritium Enterprise (SRTE) performs most of the weapons activities at the site.

### **Surplus Plutonium Mission at SRS**

The current plutonium disposition mission is to dispose of and manage excess weapon-useable plutonium from both domestic stockpiles and plutonium returned from abroad. SRS is expediting removal of surplus plutonium from South Carolina. NNSA is also evaluating the "Dilute and Dispose" approach as the preferred, cost-effective alternative to disposition 34 metric tons of weapon-grade plutonium. Dilute and Dispose entails mixing the plutonium with an adulterant material (a.k.a. "downblending") to ensure it is not recoverable without extensive processing, followed by geological repository disposal at the Waste Isolation Pilot Plant in New Mexico.

This process is officially known as the Surplus Plutonium Disposition Project. In FY2019, Congress authorized design work to support the project. Recently, NNSA requested appropriations for the project as a capital line item. The Surplus Plutonium Disposition Project entails the installation of new gloveboxes, ventilation, "fire protections and other support equipment" at SRS.

Operations at SRS's K Area Complex (KAC) provide for the storage and management of much of DOE's excess plutonium and other special nuclear materials (SNM). The principal operations building formerly housed K Reactor, which produced nuclear materials to support the U.S. during the Cold War for nearly four decades. It was DOE's last operating production reactor, shutting down in 1992. A DOE decision in 2000 allowed K Reactor to go through significant seismic, structural and security upgrades to become DOE's only Category 1 SNM storage facility designated for interim safe storage of plutonium and highly enriched uranium at SRS.

### ➤ **SRNL as an Office of Science National Laboratory**

There is preliminary investigation underway in having the Office of Science sponsor SRNL. The Office of Science (SC) is currently the steward of 10 of the 17 DOE laboratories; these 10 laboratories provide essential support to the missions of the SC science programs. SC is the nation's largest supporter of basic research in the physical sciences and the lead federal agency supporting fundamental research for energy production and security.

Some have compared SRNL today to where Oak Ridge National Laboratory found itself in the late 1970s. At that time in Oak Ridge, buildings were falling down, workers were aging and missions were dying. The arrival of a capable and aggressive Lab contractor coupled with a strong alliance with the state's Congressional delegation quickly turned things around. By galvanizing political support, the Lab management, working with the community, was able to raise ORNL's visibility and set the Laboratory on the road to resurgence and respect.

➤ **Advanced Manufacturing Collaborative (AMC)**

Both the House and Senate National Defense Authorization Act of FY20 included a request for the SRS Advanced Manufacturing Collaborative (AMC) to support design and construction of a modern research and development facility accessible by commercial industry and academia. The proposed level of construction funding is \$50 million. Final appropriations language will dictate how these funds will be made available.

➤ **SRS/Regional Workforce Challenges**

The current Workforce Opportunities in Regional Careers (WORC) Program strengthens the local workforce pool needed to support DOE-EM and NNSA missions, particularly in the SRS region. Funding comes from both DOE-EM and NNSA at the local level. The WORC Program includes student scholarships, student retention strategies, student outreach and promotion of relevant education and training programs.

WORC academic partners in South Carolina are Aiken Technical College, University of South Carolina Aiken and University of South Carolina Salkehatchie. WORC academic partners in Georgia are Augusta Technical College and Augusta University. The SRS Community Reuse Organization (SRSCRO) serves as the fiscal agent and provides coordination of regional efforts for the WORC Program.

In June 2019, the Under Secretary for Nuclear Security of DOE and Administrator of the NNSA, Lisa Gordon-Hagerty, made a new announcement regarding ongoing support for workforce programs at the institutions mentioned above. NNSA will provide a new contribution of \$1 million per year for the next five years in the Workforce Opportunities in Regional Careers (WORC) program administered by the Savannah River Site Community Reuse Organization (SRSCRO).

This new \$1 million per year investment is in addition to that ongoing funding. Growing NNSA missions at SRS in support of the nation's nuclear deterrent, including the proposed plutonium pit mission and the long-standing tritium mission, prompted NNSA to enhance its efforts to develop an enduring workforce that will carry out these long-term missions.

➤ **Funding/Budget Impacts**

A government shutdown is never good for SRS to accomplish its missions. It is always better to have a stable and adequate budget that SRS can depend on. As FY20 negotiations continue, we hope the proposed Continuing Resolution (CR) is indeed a short one and Congress moves quickly to full government funding or to an omnibus funding package.



➤ **MOX Surplus/Excess Needs to Benefit Local Community**

Due to the termination of the Mixed Oxide Fuel Fabrication Facility (MOX), there are millions of dollars of surplus property that will need to be removed. Although not substantiated, values being circulated could be almost \$2 billion. It has been reported that the MOX contractor procured too early and prematurely. Currently, there are 43 acres of laydown yards, plus on-site & off-site warehouses of new/unused equipment with square footage in tens of thousands.

➤ **Waste Disposition by Characterization**

In 2013, representatives of the five counties surrounding the SRS and of the Carlsbad, NM community began discussing using the Waste Isolation Pilot Plant (WIPP) to dispose of some waste currently stored at SRS, which technically meets the definition of transuranic (TRU) defense waste and could be accepted at WIPP. There was general agreement among these stakeholders that WIPP had the potential to be a disposal site for such waste and that this approach would benefit both the SRS region and the Carlsbad community.

SRS currently has approximately 2,000 canisters of vitrified waste that meet the current Waste Acceptance Criteria for WIPP but cannot go there due to its current classification by antiquated regulatory definitions as high-level waste. Classifying DOE waste by risk could allow wastes, such as the canisters of vitrified waste at SRS, to be dispositioned expeditiously using existing disposal routes.

On June 5, 2019, the DOE issued the Supplemental Notice Concerning U.S. Department of Energy Interpretation of High-Level Radioactive Waste (HLW). DOE interprets the statutory term such that some reprocessing wastes may be classified as non-HLW and may be disposed of in accordance with its radiological characteristics. The Supplemental Notice provided additional explanation of DOE's interpretation as a result of public review and comment.

DOE has not made, and does not presently propose, any changes or revisions to current policies, legal requirements or agreements with respect to HLW. Decisions about whether and how this interpretation of HLW will apply to existing wastes, and whether such wastes may be managed as non-HLW, will be the subject of subsequent actions.

One of these subsequent actions was the Federal Register Notice of the intent to perform an Environmental Assessment (EA) for the Commercial Disposal of Defense Waste Processing Facility (DWPF) Recycle Wastewater from the Savannah River Site. This analysis, which is part of the National Environmental Policy Act (NEPA) of 1969, was highlighted by DOE Under Secretary for Science Paul Dabbar in his June 13, 2019 Op-ed in *The State* newspaper: DOE offers path to long-overdue progress at Savannah River on a waste stream at the Savannah River Site.

The DWPF recycle wastewater would be treated, characterized, and if the performance objectives and waste acceptance criteria of a specific disposal facility are met, DOE could consider whether to dispose of the waste as non-HLW under the Department's High-Level Radioactive Waste (HLW) interpretation. DOE will issue another Federal Register Notice

later this year on the availability of the Draft Commercial Disposal of Recycle Wastewater EA.

➤ **Cybersecurity Collaboration**

The SRS region is ideally positioned and equipped to assist in the national security missions and the defense of the energy grid and other critical energy infrastructure assets due to unique assets and is an ideal place to form a cybersecurity collaboration between the Department of Defense (DOD) and DOE. Local regional synergies, available collaborative opportunities, and a growing local workforce currently exist and are expanding mainly due to the U.S. Army Cyber Command transfer to Fort Gordon in Augusta, GA which brings with it unparalleled technological, political and economic influence to the region. This partnership will promote the mutual exchange of information and resources to improve the security and resilience for both DOE and DOD.

SRS brings a strong security ingress/egress and has significant landmass to host numerous cyber-related exercises and demonstration projects. The local region brings a stable economy that allows for a high quality of life and a low cost of living within a vibrant community.