

Other Defense Activities Office of Future Liabilities

Overview

Appropriation Summary by Program

(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
Other Defense Activities (Future Liabilities)					
Future Liabilities	0	0	0	0	5,000
Total, Other Defense Activities (Future Liabilities).....	0	0	0	0	5,000
Energy Supply(Future Liabilities)					
Future Liabilities	0	0	0	0	3,000
Total, Energy Supply (Future Liabilities).....	0	0	0	0	3,000
Total, Other Defense Activities and Energy Supply (Future Liabilities).....	0	0	0	0	8,000

Preface

The Department of Energy will establish a new organizational element, the Office of Future Liabilities, to fund and manage environmental liabilities not assigned to the Office of Environmental Management or other organizations within the Department. These needs are expected to grow substantially due to the backlog of environmental liabilities at active DOE sites. It will also assume responsibility for long-term disposal of civilian-used radioactive sealed sources, or “Greater-Than-Class-C” wastes.

Within the Other Defense Activities appropriation, the Future Liabilities program has two programs: Facility Decommissioning and Decontamination, and Program Direction. The other portion of the Office, management of long-term disposal of civilian-used radioactive sealed sources, or “Greater-Than-Class-C” wastes, is proposed for funding from the Energy Supply appropriation.

This Overview will describe Strategic Context, Mission, Benefits, and Significant Program Shifts. These items together put this appropriation in perspective.

Strategic Context

Following publication of the Administration's National Energy Policy, the Department developed a Strategic Plan that defines its mission, four strategic goals for accomplishing that mission, and seven general goals to support the strategic goals. As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. The Office of Future Liabilities will perform critical functions which directly support the mission of the Department. These functions include the cleanup at active sites of facilities and materials which are excess to the current program missions, enabling the Environmental Management program to complete its current cleanup scope and other Departmental programs to focus on their primary missions; and planning and providing for disposition of civilian-used radioactive sealed sources.

The Office of Environmental Management is responsible for the cleanup of the legacy created by over 50 years of nuclear weapons production and energy research, and is aggressively pursuing accelerated risk reduction and closure strategies. The costs to complete the current EM scope are on the order of \$130 billion (in constant 2003 dollars). The majority of the EM scope is for the cleanup at sites where the primary mission of the site has been terminated. The cleanup is focused on the legacy materials such as: the stabilization of high-level radioactive waste, the drying of spent nuclear fuel, the processing and disposal of transuranic waste, and the treatment and disposal of low-level waste, as well as the decontamination and decommissioning of weapons production facilities. Beginning with the FY 2003 Congressional Budget Request, the Department has embarked on a commitment to accelerate the EM cleanup and reduce the overall cost. With this commitment, it was necessary to "freeze" the scope of work and put in-place contracts to incentivize contractors to complete the EM scope on an accelerated basis and at a lower cost. However, additional environmental liabilities including decommissioning and decontamination of excess facilities, cleanup of contaminated media, and disposition of excess nuclear and hazardous materials, continue to be generated by sites with active DOE missions. For example, DOE estimates there are over 2,000 active, contaminated facilities that have or will become excess to program needs by FY 2025. Approximately 290 facilities are currently excess or will become excess during the period FY 2005-2009.

The proposed Office of Future Liabilities, the Office of Environmental Management and the recently created Office of Legacy Management (LM) will coordinate and cooperate in accomplishing their missions. The Office of Environmental Management's primary focus is on the cleanup of the large weapons production facilities, which have been shutdown. The Office of Legacy Management, established in FY 2004, serves as the landlord for inactive sites where EM has completed the cleanup and there is no continuing Departmental mission. Legacy Management will fulfill the long-term stewardship requirements resulting from the cleanup of the inactive sites and will work with local communities and property developers to transfer sites to permit effective local and commercial use. There are also a number of DOE and private sites being cleaned up by parties outside of the Department, or sites that have accepted waste/excess materials from the Department in the past, which may be transferred to Legacy Management for long-term stewardship. The Office of Future Liabilities' primary focus will be at active sites, with responsibility for the cleanup of facilities and materials that are excess to the program missions and other environmental responsibilities.

Mission

The mission of the Office of Future Liabilities is to address environmental liabilities at sites with continuing missions, which may include: the decontamination and decommissioning of facilities, cleanup of contaminated media, disposition of excess nuclear and hazardous materials and management of waste treatment and disposal facilities.

As stated in the Departmental Strategic Plan, DOE's Strategic and General Goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from offices which support the programs in carrying out the mission. Future Liabilities performs critical functions which directly support the mission of the Department. These functions include the cleanup at active sites of facilities and materials which are excess to the current missions, enabling the Environmental Management program to complete its current cleanup scope and other Departmental programs to focus on their primary missions; and planning and providing for disposition of civilian-used radioactive sealed sources.

Benefits

With the establishment of the new Future Liabilities organization, the Environmental Management program will remain focused on completing their current scope. In addition, with this new organization completing the cleanup of future environmental liabilities, the sites with current programs will retain a strong focus on their missions of national nuclear security and science and energy technology. The creation of a new Office of Future Liabilities is expected to produce a number of significant benefits, including the following:

- allow reuse of "built" capabilities in active areas of a site by the decontamination and decommissioning of contaminated facilities, thereby minimizing the current DOE footprint;
- maintain functional capabilities of waste disposal, and treatment and nuclear material stabilization after Environmental Management completes its mission at sites; optimize use of existing, possibly one-of-a-kind facilities and assure that future waste disposal and treatment approaches make corporate DOE sense;
- provide incentives to disposition excess nuclear and hazardous materials, which will result in reduced risk to the worker, the public and the environment;
- establish organizational responsibility to deal with newly identified contaminated media as well as future contamination."

Significant Program Shifts

The activities proposed for the Office of Future Liabilities in FY 2005 will address liabilities that were previously unassigned or are not being addressed because they are not aligned with the core mission of other Department programs and, as such, represent new Departmental activities.

Other Defense Activities Office of Future Liabilities

Funding by Site

(dollars in thousands)					
	FY 2003	FY 2004	FY 2005	\$ Change	% Change
Chicago Operations Office					
Brookhaven National Laboratory					
Future Liabilities	0	0	1,500	+1,500	100%
National Nuclear Security Administration					
Y-12 Site Office					
Future Liabilities	0	0	2,500	+2,500	100%
Washington Headquarters					
Future Liabilities	0	0	1,000	+1,000	100%
Total, Other Defense Activities (Future Liabilities)	0	0	5,000	+5,000	

Site Descriptions

Chicago Operations Office Brookhaven National Laboratory

Introduction

The Brookhaven National Laboratory is an Office of Science multi-purpose research and development laboratory encompassing over 5,000 acres located in central Suffolk County on Long Island, about 60 miles east of New York City. Brookhaven National Laboratory conducts research in physics, biomedical and environmental sciences, as well as in energy technologies.

Decontamination and Decommissioning will focus on facilities that are currently contaminated and excess--Building 650 (Reclamation Facility and Hot Laundry) and Building 650A (storage building to support Building 650).

Y-12 Site Office

Introduction

The Y-12 Plant is approximately 811 acres and is located about two miles southwest of Oak Ridge, Tennessee. The Y-12 site originally was a uranium processing facility and now dismantles nuclear weapons components and serves as one of the Nation's storehouses for special nuclear materials.

Excess production facilities at Y-12 will be decontaminated and decommissioned. Demolition of the facilities will also be assessed.

Washington Headquarters

The Federal workforce will be based in Headquarters and will provide leadership, establish policy and provide overall direction and administrative support for the Future Liabilities program. Contractor assistance will also provide support and technical expertise to Federal staff in carrying out organizational and program planning, as well as other tasks as the office is being established.

Future Liabilities

Funding Profile by Subprogram

(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Original Appropriation	FY 2004 Adjustments	FY 2004 Comparable Appropriation	FY 2005 Request
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Future Liabilities

Facility Decontamination and Decommissioning	0	0	0	0	4,000
Program Direction.....	0	0	0	0	1,000
Total, Other Defense Activities (Future Liabilities).....	0	0	0	0	5,000

Mission

The mission of the Office of Future Liabilities is to address environmental liabilities at sites with continuing missions, which may include: the decontamination and decommissioning of facilities, cleanup of contaminated media, disposition of excess nuclear and hazardous materials and management of waste treatment and disposal facilities.

The mission also includes policy management and funding responsibility for the Department “Greater-Than-Class-C” program to address civilian-used radioactive sealed sources currently stored by the Department and other wastes that have radioactive properties for which there is currently not a facility to dispose of them. These activities are funded within the Energy Supply portion of the program.

This new office will aggregate requirements, support budget formulation, establish performance metrics, develop acquisition strategies, negotiate execution commitments and distribute funding to support remediation/cleanup and waste management requirements, except those managed by the Office of Environmental Management or the Office of Legacy Management. The approach to managing and executing the particular requirement will be established by the Office of Future Liabilities, in conjunction with the Program Secretarial Officers as appropriate. The Office of Future Liabilities will also work with the Lead Program Secretarial Offices, who are responsible for designated sites, and the site managers who provide the site landlord functions. The Office of Future Liabilities may execute requirements by: 1) working directly with the Program Secretarial Officer who in turn, will be responsible for completing the work through the Lead Program Secretarial Officer and the site manager; and 2) work through the Lead Program Secretarial Officer with the site manager.

Activity Description

In FY 2005, in addition to program planning and other work necessary to set up the new office, Future Liabilities will initially focus on work in one area: decontamination and decommissioning of excess contaminated facilities. The following provides the description of the activities to be addressed in this program in FY 2005 and other activities that may be included in the future:

- Facility Decontamination and Decommissioning: Facilities excess to Program Secretarial Office requirements and that have nuclear, hazardous and/or toxic material contamination. Facilities may be cleaned up or demolished depending on the extent of contamination and the future owner and use.
- Contaminated Media (Soil and Water Remediation): Soil under and around facilities, in process areas and/or in disposal areas, which are above regulatory compliance or agreement levels. Water, either surface or subsurface, which has been contaminated by process activities, material leaks or disposal practices. Soils may be remediated in-place or removed or the contamination allowed to naturally attenuate or degrade. Water may be actively remediated through pump-and-treat system or a more passive approach.
- Stored Legacy Waste: Waste stored for a number of years and generated by past Defense and Science mission activity. Waste will be treated as necessary and disposed.
- Excess Nuclear Materials Disposal: Nuclear materials will be stabilized and treated as necessary and disposed.
- Active Sites Long-term Stewardship: Continued support for remediation systems (typically for soil and water cleanups) to monitor effectiveness, take samples and provide necessary operation, maintenance and repair. This includes maintenance of institutional controls and maintenance of remedies put in place for facilities that have been decontaminated and decommissioned.
- Active Sites External Environmental Requirements: The continued support for post cleanup operations and systems such as permits, and local stakeholder interactions, that had been initiated as part of the EM cleanup activities.

Acquisition Strategy

Scope, cost and schedule baselines will be established for the work in each category at each site and a change control process will provide a tracking mechanism for the scope, cost and schedule for the entire program. The Office of Future Liabilities will work with the site manager to put in place performance-based contracts, which will continually incentivize the contractor to reduce costs and accelerate schedules. These contracts will be competed to stimulate competition for: management talent, technical expertise, key personnel experience, corporate proven track record, best value, enhanced schedules and risk acceptance. Putting these contracts in place will provide the Office of Future Liabilities with a high confidence the requirement will be completed within the cost, schedule, and performance goals.

Benefits

The Department of Energy will establish a new organizational element, the Office of Future Liabilities, to fund and manage environmental liabilities not assigned to the Office of Environmental Management. These needs are expected to grow substantially due to the backlog of environmental liabilities at active DOE sites. It will also assume responsibility for long-term disposal of civilian-used radioactive sealed sources, or “Greater-Than-Class-C” wastes.

With the establishment of the new Future Liabilities organization, the Environmental Management program will remain focused on completing their current scope. In addition, with this new organization

completing the cleanup of future environmental liabilities, the sites with current programs will retain a strong focus on their missions of national nuclear security and science and energy technology.

The creation of a new Office of Future Liabilities is expected to produce a number of significant benefits, including the following:

- allow reuse of “built” capabilities in active areas of a site by the decontamination and decommissioning of contaminated facilities, thereby minimizing the current DOE footprint;
- maintain functional capabilities of waste disposal, and treatment and nuclear material stabilization after Environmental Management completes its mission at sites; optimize use of existing, possibly one-of-a-kind facilities and assure that future waste disposal and treatment approaches make corporate DOE sense;
- provide incentives to disposition excess nuclear and hazardous materials, which will result in reduced risk to the worker, the public and the environment; and
- establish organizational responsibility to deal with newly identified contaminated media as well as future contamination.

Facility Decontamination and Decommissioning

Funding Schedule by Activity

(dollars in thousands)

	FY 2003	FY 2004	FY 2003	\$ Change	% Change
Facility Decontamination and Decommissioning					
Brookhaven National Laboratory	0	0	1,500	+ 1,500	+100%
Y-12 Plant.....	0	0	2,500	+2,500	+100%
Total, Facility Decontamination and Decommissioning	0	0	4,000	+4,000	+ 100%

Description

Facilities that are excess to Program Secretarial Officer requirements and have radiological and/or hazardous material contamination will be addressed within this program. Decommissioning of facilities within this program is not being addressed by other Departmental programs. The facilities may be cleaned up or demolished depending on the extent of contamination, risk-based end-state and the future owner and use.

Benefits

The creation of a new Office of Future Liabilities will undertake the decontamination and decommissioning of contaminated excess facilities at sites with ongoing missions. These facilities are no longer needed, and are now being maintained in a minimum safe condition. Decontamination, decommissioning and, in most cases, demolition of excess facilities will eliminate potential safety and contamination risk arising from aging and eroding buildings and structures, as well as any costs needed to maintain the facilities. It will also allow reuse of “built” capabilities in active areas of a site, thereby minimizing the current DOE footprint.

Detailed Program Justification

	FY 2003	FY 2004	FY 2005
Brookhaven National Laboratory	0	0	1,500
<p>For Building 650 and 650A, the funding will be used to prepare the cleanup performance specification, put the contract in-place for the entire cleanup and begin the cleanup. Expected contaminants for these radiological facilities are Cesium 137 and Cobalt 60. Approximate sizes of the facilities are 12,800 square feet for Building 650, and 1,200 square feet for Building 650A. Building 650A will be completed (building demolished and debris disposed offsite, and Phase 1 of Building 650 will be initiated (characterization completed, demolition planned, and removal well underway of remaining wastes and equipment). Completion of the Building 650 Phase 2 scope, through building demolition and disposal, would occur in subsequent years. Total estimated costs for the entire 650/650A project are \$6.8 million, excluding contingency.</p>			
Y-12 Plant	0	0	2,500
<p>The will be used to prepare the cleanup performance specification, put the contract in-place for the entire cleanup, and begin the cleanup of facilities. Completion of this project would occur in subsequent years. Total estimated costs for the entire project are \$11.5 million, excluding contingency.</p>			
Total, Facility Decontamination and Decommissioning			4,000

Explanation of Funding Changes

	FY 2005 vs. FY 2004 (\$000)
Brookhaven	
Supports new cleanup activities at Brookhaven.	+1,500
Y-12	
Supports new cleanup activities at Y-12.....	+2,500
Total Funding Change, Facility Decontamination and Decommissioning	+4,000

Program Direction

Funding Profile by Category

	dollars in thousands/whole FTEs				
	FY 2003	FY 2004	FY2005	\$ Change	% Change
Headquarters					
Salaries and Benefits.....	0	0	450	+450	100%
Travel.....	0	0	10	+10	100%
Support Services	0	0	530	+530	100%
Other Related Expenses	0	0	10	+10	100%
Total, Headquarters			1,000	+1,000	
Full-Time Equivalents	0	0	4	+4	100%

Mission

Program Direction provides for the Federal workforce responsible for the overall direction and administrative support of the Future Liabilities program. Federal personnel develop policy, conduct analyses and integrate activities across sites, develop priorities and budget requests, and track expenditures. The program direction funds for FY 2005 will support personnel at Headquarters.

Detailed Justification

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Salaries and Benefits	0	0	450
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Provides for 4 full-time equivalents with the responsibility for the overall direction and administrative support of the Future Liabilities program. The federal workforce performs a variety of functions that are inherently governmental, such as policy direction, program management, and contract administration.

Travel	0	0	10
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Includes all the costs of transportation of persons, subsistence of travelers, incidental travel expenses.

Support Services	0	0	530
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Provides for technical and administrative support for cost-effective, short-term expertise and assistance not available from within the federal workforce. Will provide support in preparation of the out-year estimates and prioritization of requirements as the office is being established.

(dollars in thousands)

FY 2003	FY 2004	FY 2005
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Other Related Expenses..... **0** **0** **10**

Provides for the physical and administrative support to the Federal workforce. Examples include rent, supplies, printing, and training.

Total, Program Direction **0** **0** **1,000**

Explanation of Funding Changes

FY 2005 vs. FY 2004 (\$000)

Salaries and Benefits +450
Supports the establishment of a new office.

Travel +10
Supports the establishment of a new office.

Support Services +530
Supports the establishment of a new office.

Other Related Expenses +10
Supports the establishment of a new office.

Total Funding Change, Program Direction..... **+1,000**