



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 27, 1997

MEMORANDUM TO: Robert C. Pierson, Chief
Special Projects Branch
Division of Fuel Cycle Safety and Safeguards

THRU: Michael Tokar, Section Leader
TWRS Section
Special Projects Branch
Division of Fuel Cycle Safety and Safeguards

FROM: Robert E. Shewmaker
TWRS Section
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Division of Fuel Cycle Safety and Safeguards

SUBJECT: NOTES FROM SEMINAR ON DOE WASTE MANAGEMENT PROGRAM AND
PRIVATIZATION: PROSPECTS FOR THE FUTURE BY AL ALM,
ASSISTANT SECRETARY FOR ENVIRONMENTAL MANAGEMENT, DOE

The seminar was sponsored by the Federal Bar Association's Energy, Environment and Natural Resources Section and the D.C Chapter of the Association and held at the Law Offices of Kirkpatrick and Lockhart on December 19, 1996. The invited speaker was Mr. Al Alm, Assistant Secretary for Environmental Management, Department of Energy, in a presentation entitled, DOE's Waste Management Program and Privatization: Prospects for the Future." Mike Stein of OGC, NRC is the Chairperson of this Section of the Federal Bar Association. The format was very informal with a presentation by Mr. Alm and then an open discussion, question and answer session. The number in attendance was approximately 15, several of whom were reporters for some of the environmental newsletters and trade publications.

Mr. Alm opened his remarks by indicating that the DOE efforts and programs in the environmental arena are directed at meeting the existing environmental laws in the cleanup of DOE installations around the country. When the program began in 1989 the expenditures in the environmental area amounted to approximately \$2.2B which by 1993 had become \$5.5B and is now tagged at approximately \$6.0B per year. Overspending has been estimated at \$7.3B to date which was driven by fixed operating costs for maintenance, the Regulatory/Stakeholder Agreement, and the Defense Nuclear Facilities Review Board reviews. These spending rates lead to estimates such as a \$227B bill for environmental restoration over the next 70 years to achieve completion. He indicated that at these spending rates the Congress was beginning to severely question the expenditures and it became obvious that some new approaches to cost cutting must be devised. Three goals were defined which were to: 1) eliminate high risk conditions first, 2) correct health and safety issues, and 3) to cut overall costs of cleanup. The efforts to accomplish this are being developed and are to be reflected in the 10-year plan for cleanup that is currently undergoing a re-draft but estimates are for a reduction of up to \$85B by accelerating the cleanup and applying new

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technology. Facilities with high-level transuranic waste like Savannah River, Hanford, and INEL, however, will not be able to be cleaned up in this 10-year time frame.

Mr. Alm believes that such savings are achievable using the elements of the DOE contract reform initiatives of 1993 with goals defined and measured on a quarterly basis and based on the privatization concept. The development of the DOE Site Integration Controller is expected to aid in reducing costs also. The original schedule for the detailed plan to accomplish these goals has been delayed as outlined in a letter that Mr. Alm sent to the stakeholders in November of 1996. Currently, the first draft of the plan is to go to Congress by the end of March 1997 with the final plan to be available by November 1997. Part of the efforts already underway include the privatization of the tank waste remediation program at Hanford and the development of an advanced waste treatment facility at INEL. The shift toward the private sector is to acquire new technology and to speed up the cleanup efforts and achieve cost savings.

No level of detail was provided and Mr. Alm did not have the support staff to answer any detailed questions, but only addressed and discussed points from a broad, high-level viewpoint.

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