Briefing on Potential Unfunded Liabilities for the Environmental Management Program

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Unfunded Liabilities Background

- FY2008 HEWD language directed DOE to produce a Report to Congress identifying the scope of liabilities EM may assume in the future.
- The December 2007 memo from EM to Departmental elements requested nominations facilities and materials for potential transfer from non-EM PSOs to EM.
- Response to the December memo and the Integrated Facilities Disposition Project (IFDP) at Oak Ridge comprise the candidate transfer inventory

PSO Submittals: Facilities and Materials Nominations

- Three PSOs submitted candidate transfers —NNSA, SC and NE.
- Nominations were submitted for ORNL, ANL, BNL, SLAC, Fermi, Y-12, LANL, LLNL, NTS, SRS & INL.
- Information was received on facilities proposed for transfer through FY2014. ANL and SLAC submitted nominations for transfer beyond 2014, as well as phases 2 and 3 of the IFDP.

EM Review of Nominations and Transfer Criteria

- EM developed criteria for transferring facilities and materials based on DOE Order 430.1A. Facilities and materials each have individual criteria for determining transfer status.

- EM met with PSOs in order to obtain additional information about their submittals, prior to the facility evaluations.

- Facility walk downs were conducted to determine the condition of facilities.

- Proposed Facility Inventory was combined with IFDP inventory, and then cross-walked to the FIMS database to create the current inventory.

Potential Scope of PSO Nominations

- Inventory includes 340 total facilities and materials.
- 222 of the 340 nominations are IFDP facilities. (The 222 does NOT include the IFDP facilities already in the EM baseline.)
- The remaining 118 non-IFDP submittals consist of 84 facilities & 39 groups of materials/wastes.
- 153 of the 340 are recognized as becoming excess by 2014.
- Table on the following page displays the facility data.

Proposed Transfer of Facilities to EM (Non-IFDP Facilities vs. IFDP Facilities)

	2008 or before	2009	2010	2011-2014	Beyond 2014	Total by PSO
SC	6	0	7	8	2	23
NNSA	8	0	0	15	0	23
NE	0	0	27	11	0	38
Total Non-IFDP	14	0	34	34	2	84
IFDP Transfers	Includes	Phase 1	Total of	71	151	222
Totals (by year)				153 (through 2014)	153	306

Cost Estimates of Future Liabilities

- Cost estimates were developed for the new potential work scope.
- Cost range for the IFDP is $2.5B - $6.5B, with a point estimate of $4.6B.
- A second cost estimating model was used for the non-IFDP facilities, and is referenced in the report. The non-IFDP cost range is $1.2B - $2.7B, with a point estimate of $1.8B.
- Total cost range estimated for unfunded liabilities is $3.7B - $9.2B, with a point estimate of $6.4B.

Next Steps

- Congressional Report on Unfunded Liabilities has been delivered to Congress.
- EM has met with each PSO to discuss potential transfers.
- CD-0 packages are being prepared for NNSA, SC and NE transfers, and approvals by the Deputy Secretary are expected in the fall 2008.

Schedule Assumptions and Conditions for Acceptance

- Acceptance of unfunded liabilities is generally contingent on:
  - Increased Congressional budget allocation and/or internal DOE/EM re-prioritization of new scope; or
  - Funding transfer and/or continued Program (NE, SC, NNSA) funding at the appropriate level; or
  - Scheduling acceptance consistent with the availability of "head-room" in the EM baseline (out-years); and
  - Completion of stabilization requirements
  - Until such time as transfers are documented in a sign MOA and the date specified, continued surveillance and maintenance to prevent/minimize facility degradation (and increase the cost of D&D) shall be funded and managed by the owning program (NE, SC, NNSA)