

Project Operating Plan – Title X Uranium/Thorium Reimbursement Program

Attachment B: Title X Uranium/Thorium Reimbursement Program Project Operating Plan

BACKGROUND

| | |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Recovery Act Project: | Title X Uranium/Thorium Reimbursement Program |
| TAFS: | 89-09/10-5657 |
| Project Identification Code: | 2002170 |
| Recovery Act Bill Reference: | P.L. 111-5 Title V – Energy and Water Development, Uranium Enrichment Decontamination and Decommissioning Fund |
| Project Cost: | \$68,950,000 |
| Budget Authority: | 05999, FF.05.10.00.0 - \$68.950,000 |
| Program Office: | Environmental Management (EM) |
| Recovery Program Plan: | EM - Uranium Enrichment Decontamination and Decommissioning Fund |
| Management Office: | Environmental Management - Headquarters David Mathes, (3010 903-7222, david.mathes@em.doe.gov) |

LEADS

Implementation: N/A
Breakthrough: N/A
Laboratory: N/A

I. SUMMARY & OBJECTIVES

- **Summary:** This American Recovery and Reinvestment Act Program supports the mission of DOE and Office of Environmental Management to protect the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production. This is achieved by reimbursing licensees of certain uranium (U) and thorium (Th) processing sites for the portion of their cleanup costs attributable to the production and sales of U and Th to the Federal Government during the Cold War Era. Cleanup generally consists of the demolition and disposal of mills that processed U and Th ores; consolidation and capping of U and Th mill tailings (process waste) in disposal cells; and cleanup and treatment of groundwater. Upon completion of cleanup and termination of Nuclear Regulatory Commission licenses, the disposal cells are transferred to the Department's Legacy Management Program for Long-Term Surveillance and Maintenance. Each site cleanup is regulated by the NRC or an Agreement State; i.e., DOE has no regulatory authority or responsibility for the cleanups. Also there is no contract or grant mechanism between DOE and the licensees. Reimbursements to each licensee are based on a DOE and Defense Contract Audit Agency audit of claims submitted by licensees annually for prior year costs.
 - The Federal Government has a legislated financial liability for the environmental cleanup of U and Th processing sites that sold their product to the Federal Government.

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- Cleanup of these sites is an environmental legacy of the Cold War. What distinguishes these sites is they are privately owned, and DOE's liability is limited to the share of their production related to federal sales.
- Twelve U & Th licensees are currently eligible to receive reimbursements. Direct payments are made to licensees following audit and approval of eligible costs in claims submitted by each licensee.

This Recovery Act work ties to the following DOE and EM Strategic Goals and Themes:

DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production.

DOE Strategic Goal 5 – Management and Excellence – Enabling the Department's mission through sound management and business practices.

EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come

- **Public Benefits:** This funding will allow the Department to eliminate its current backlog of reimbursements owed to 12 licensees, and the funds may enhance licensees' ability to continue cleanup and accelerate closure of their sites. Since, DOE has no contract or regulatory authority for these cleanups, DOE does not have metrics associated with the health and environmental benefits of the cleanups.
- **Recovery Act Project Impacts:** This is an ongoing Project – funding will eliminate DOE's current backlog of payments to licensees and may enhance licensees' ongoing cleanup efforts.
 - The goal of this project is to eliminate the government's liability for environmental cleanup at sites that produced U and Th during the Cold War Era for DOE and its predecessors.
 - The funding provided by the Recovery Act may enable to the licensees of these sites to accelerate the completion of cleanup programs and eliminate the environmental risks at these sites.

II. COST & SCHEDULE

Budget

FY reimbursements totaling about \$32 million to 12 licensees will be made in April or May of 2009 (\$10 million from FY 2009 Appropriation), reimbursements totaling about \$18 million will be made in April of 2010, and the balance will be paid in FY 2011.

Under 10 CFR 765 these annual reimbursements are to be made by the end of April each year:

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- \$400,000 will be used for Federal in-house activities: audit of claims
- \$1,050,000 retained for Federal Recovery Act hold backs
- \$68,550,000 will be paid to 12 non-federal U & Th licensees
- The maximum total federal liability for this Program is \$868 million, of which \$573 million has been reimbursed through FY 2008
- The legislative line item for this project is Title X, Subtitle A of the Energy Policy Act of 1992 with funds to be provided from the Uranium Enrichment Decontamination and Decommissioning (UED&D) Fund.
- Title X is 17.9% of the total appropriation for the UED&D Fund in this legislation.
- Funds will be distributed directly to licensees. Pending availability of the funds the payments will be made in April of FY 2009, 2010 and 2011.
- *N/A What is the timing for contract or grant solicitations and awards?*
- *N/A Are there any implementation barriers that are specific to this project that would not be captured in the PSO level discussion?*

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Table 1a: Budget Implementation 12 Week Obligations (\$M)

| | Week of ARRA Activities (Beginning Week of March 9) | | | | | | | | | | | |
|-----------------------------------------------|-----------------------------------------------------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
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Table 1b: Budget Implementation 12 Week Expenditures (\$M)

| | Week of ARRA Activities (Beginning Week of March 9) | | | | | | | | | | | |
|-----------------------------------------------|-----------------------------------------------------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
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Table 2a: Budget Implementation Monthly & Yearly Obligations (\$M) [ENTER INTO SHAREPOINT DIRECTLY]

| | FY 2009 Q3 | | | FY 2009 Q4 | | | FY 2010 Q1 | | |
|-----------------|------------|-----|-----|------------|-----|------|-----------------|-----|---------|
| | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| [Project Title] | | | | | | | | | |
| | FY 2010 Q2 | | | FY 2010 Q3 | | | FY 2010 Q4 | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept |
| | | | | | | | | | |
| | FY 2011 Q1 | | | FY 2011 Q2 | | | FY 2011 Q3 & Q4 | | |
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr – Sept | | |
| | | | | | | | | | |
| | FY 2010 | | | FY 2013 | | | FY 2014 | | FY 2015 |
| | | | | | | | | | |

REMINDER: All data entered into the SharePoint Recovery Data Collection site will be final at COB April 6. Programs should ensure all appropriate concurrences are obtained and that all project level data submitted electronically via the Recovery Data Collection site is comprehensive, accurate, and up to date.

Table 2b: Budget Implementation Monthly & Yearly Expenditures (\$M)

| | FY 2009 Q3 | | | FY 2009 Q4 | | | FY 2010 Q1 | | |
|-----------------------------------------------|------------|-----|-----|------------|-----|------|-----------------|-----|---------|
| | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
| Title X Uranium/Thorium Reimbursement Program | | | | | | | | | |
| | FY 2010 Q2 | | | FY 2010 Q3 | | | FY 2010 Q4 | | |
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept |
| | | | | | | | | | |
| | FY 2011 Q1 | | | FY 2011 Q2 | | | FY 2011 Q3 & Q4 | | |
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr – Sept | | |
| | | | | | | | | | |
| | FY 2010 | | | FY 2013 | | | FY 2014 | | FY 2015 |
| | | | | | | | | | |

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Funds Returned and Offsetting Collections N/A

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Table 3: Funds Returned and Offsetting Collections (\$M) [ENTER INTO SHAREPOINT DIRECTLY]

| | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 |
|---------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| [Provide description and amounts for Funds Returned and Offsetting Collections] | | | | | | | |

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Indirect Costs

N/A because this project does not have DOE site and facility operating contractors.

Definitions

Changes to Baseline Budget

Table 4: Changes to Baseline Budgets (\$M) [ENTER INTO SHAREPOINT DIRECTLY]

| Changes to Baseline Budget | Increase/Decrease | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 |
|--------------------------------------------------|-------------------|-------|-------|-------|-------|-------|-------|-------|
| Accelerate Program Reimbursements | Increase | | | | | | | |
| Recovery Act Funds Offset Planned Budget Request | Decrease | | | | | | | |
| | | ... | | | | | | |
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| | | | | | | | | |
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NOTES: \$0 was requested for FY 2009 and planning assumed \$20 M per year afterwards. For FY 2009 the \$21.9 is ARRA money and \$10 will be provided by Omnibus. The ARRA money has offset the need to request FY 2010 funds. The \$18.7 reflects an increase in reimbursements above the \$20 million planned request for FY 2011

Milestones

Major milestones are provided in Table 6. (Several additional milestones provided in SS attached to e-mail)

Table 5: Delivery Schedule for Capital Asset Projects [ENTER INTO SHAREPOINT DIRECTLY] N/A (until OECM and EM agree on 413.3A graded approach)

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| Program/OECM Milestone | Delivery (End) Date | Comments |
|-----------------------------------------------------------------------|----------------------------|-----------------|
| Develop capital asset projects Integrated Project List | | |
| Develop Parametric Performance Baseline (Individual Projects) | | |
| If < \$100 M Perform IPR, > \$100 M Perform EIR (Individual Projects) | | |
| Approve Performance Baseline | | |
| Approve Start of Construction | | |
| Approve Project Completion | | |
| | | |

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NOTES: [Describe schedule risk. How confident are these estimates, how likely are they to be accomplished on schedule, and what are the potential impacts to the critical path if schedule slips?]

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III. PERFORMANCE

Performance Measures

There are no performance measures for this program other than making the annual payments to licensees.

Table 6: Project Performance Targets **[ENTER INTO SHAREPOINT DIRECTLY]**

| | |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recovery Act Project Identification Code | FF.05.10.00.0 Recovery Act Uranium Enrichment Decontamination and Decommissioning Fund, 2002170 Title X Uranium/Thorium Reimbursement Program |
| Linkage To S-1 Priorities | Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production. |
| Linkage to Current Program Goal (if applicable) | DOE Strategic Goal 4 – Environmental Responsibility – Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production. EM Goals – To safely disposition large volumes of nuclear waste; safeguard materials that could be used in nuclear weapons; deactivate and decommission thousands of contaminated facilities no longer needed by the Department to carry on its current mission; EM is fulfilling its commitments to reduce overall risk and complete cleanup across all sites for generations to come. |
| Two-Year Outcome-Oriented Performance Measure | Eliminate the backlog of unpaid claims to all Title X licensees. |
| First Year Performance Target | Make the annual payment to licensees in the third quarter. |
| Q1 - Project-Level Quarterly Performance Milestone(s) | |
| Q2 - Project-Level Quarterly Performance Milestone(s) | |
| Q3 - Project-Level Quarterly Performance Milestone(s) | Make annual payment to licensees. |

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| | |
|-------------------------------------------------------|------------------------------------------------------------|
| Q4 - Project-Level Quarterly Performance Milestone(s) | |
| Second Year Performance Target | Make the annual payment to licensees in the third quarter. |
| Q1 - Project-Level Quarterly Performance Milestone(s) | |
| Q2 - Project-Level Quarterly Performance Milestone(s) | |
| Q3 - Project-Level Quarterly Performance Milestone(s) | Make annual payment to licensees. |
| Q4 - Project-Level Quarterly Performance Milestone(s) | |

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NOTE: [Describe how current PMM program goals are being advanced and/or accelerated through Recovery Act funding. These active targets and measures should be updated to account for additional spending. These metrics must explicitly define in a clear, concise manner the point at which Recovery Act funding will potentially improve the overall outcome of the metric. Where practical, also identify impacts to PART performance.]

National Strategic Benefits N/A

Table 7: National Strategic Benefits [ENTER INTO SHAREPOINT DIRECTLY]

| |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Carbon Emission Reductions: Estimated 5-year undiscounted CO ₂ reduction (in metric tonnes of CO ₂ equivalent) are [fill in the blank] N/A |
| 2. Oil Consumption Reductions: Estimated 5-year reduction in undiscounted oil consumption (in barrels of oil equivalent) is [fill in the blank] N/A |

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IV. MANAGEMENT

Secretarial-level Items

Intended Results and Linkage to Secretary’s Priorities

Table 8: Secretary's Priorities [ENTER INTO SHAREPOINT DIRECTLY]

| Secretary’s Priorities | Project Impacts (Qualitative) | Project Impacts (Quantitative) |
|-------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Science and Discovery | | |
| Clean, Secure Energy | | |
| Economic Prosperity | | |
| National Security and Legacy | Accelerate reduction of health & environmental risks at legacy waste sites. | Of the 12 remaining sites in this program, the DOE financial liability will be eliminated at 5 sites within the next 5 years. |
| Climate Change | | |

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Collaboration and Coordination N/A

Federal Infrastructure Investments

There are no infrastructure investment project activities associated with this Title X Recovery Act Project.

These facilities contain hazardous or radiological material. Accelerating the removal and proper disposal reduces risk of releases of this material to the environment

Line Management N/A

Needs from Staff Offices N/A

1) Human Capital

Table 9: Information on Hiring Under the Recovery Act [ENTER INTO SHAREPOINT DIRECTLY]

| # & Type of Positions (Title, Series and Grade) | Location (HQ or Field – w/location) | Federal or Contractor | Timeframe (1-6mos; 6+mos; other; specify date needed if possible) |
|---------------------------------------------------------------|-----------------------------------------------|------------------------------|--------------------------------------------------------------------------|
| N/A | | | |
| | | | |

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