

Economic Development at DOE Cleanup Sites

Whose Job Is it, Anyway?

Earlier this year, Resources for the Future, a Washington, D.C., think-tank, published a report, "Cleaning Up the Nuclear Weapons Complex: Does Anybody Care?" In this report, authors Katherine N. Probst and Adam I. Lowe explored the vast world of the U.S. Department of Energy cleanup sites, looking at the immense budget and time schedules and making suggestions for improvements. (To view the report on the Internet, go to www.rff.org.)

One area of concern discussed in the report is the DOE's program of job creation to ease the economic transition at former nuclear weapons production sites. This is an issue that is of great importance to the communities near the cleanup and waste sites. For example, at the recent Waste Management 2000 Conference in Tucson, the mayor of Carlsbad, N.M., site of the Waste Isolation Pilot Plant and a city that has had historically good relations with the DOE, expressed a good deal of dissatisfaction with the department because the most recent request-for-proposals for WIPP operation did not include such provisions (see "The World, WIPP, and Other Waste Issues," *Radwaste Solutions*, May/June 2000, p. 64).

In this issue of *Radwaste Solutions*, we look at both sides of the issue. One author of the Resources for the Future report, Katherine Probst, presents the viewpoint expressed in that report. On the other side, we hear from Amy Fitzgerald, from the City of Oak Ridge, Tenn., a community with a great deal of interest in the subject.

—Nancy J. Zacha, Editor

In addition to their decommissioning, decontamination, and remediation tasks at former nuclear weapons sites, DOE cleanup contractors are being asked to stimulate local employment as well.

A Conflicting Agenda

The DOE's Jobs Creation Efforts Should Not Be Part of Site Cleanup

By Katherine N. Probst

The task of cleaning up the nation's nuclear weapons complex is so enormous that, in many ways, it defies comprehension. A small army of staff and contractors is employed by the U.S. Department of Energy's Environmental Management (EM) program to rectify the environmental hazards that are the result of five decades of nuclear weapons production. These hazards include contaminated soil, water, and groundwater; stored radioactive and hazardous wastes; excess plutonium and other fissile materials; and aging, contaminated structures.

The nuclear weapons complex comprises 3750 square miles, and although the overwhelming majority of this land is uncontaminated, the contamination that does exist presents difficult technical challenges because of the presence of radionuclides. (At the five major sites—the Hanford

Reservation in Washington state, the Savannah River Site in South Carolina, the Rocky Flats Environmental Technology Site near Denver, the Oak Ridge Reservation in Tennessee, and the Idaho National Engineering and Environmental Laboratory near Idaho Falls—less than 15 percent of the land is contaminated.) Materials to be disposed of include contaminated soils and millions of cubic meters of radioactive and mixed waste.

The weapons complex also includes nearly 20 000 buildings and structures, at least half of which are no longer in use and have been declared "excess" by the DOE. Many of these are contaminated, and decontamination and decommissioning of these structures is a formidable undertaking.

The DOE has estimated that cleaning up its sites will take 70 years to complete and that the remaining cost of

cleaning up its sites is somewhere between \$150 billion and \$200 billion. The economic benefit of the programs is enormous. Some 70 percent of the DOE's current EM budget goes to the five aforementioned sites. As a result, local public officials as well as members of Congress from these states have a keen interest in keeping money flowing to these sites. At many of them, the DOE is a major local employer.

Jobs, Jobs, Jobs

Indeed, the DOE's most direct economic benefit to local communities is jobs. The EM program essentially has *two* workforces—its own federal workforce of some 2750 employees and a prime contractor workforce of nearly 36 000. In the annual Defense Authorization Act of 1993, Congress directed the DOE to retain and retrain not only current federal employees, but those of DOE contractors as well. Workers experienced in the tasks needed to produce nuclear weapons are not necessarily the same as workers experienced in site cleanup. The result has been that the DOE has had little choice but to hire additional contractors to get employees with the necessary expertise in environmental contamination and cleanup. Thus, in the early years of the EM program, which began in 1989, more people were employed at the DOE facilities than when the United States was in full nuclear weapons production.

Interestingly, one of the stated goals of the DOE is "stimulating economic productivity," an odd goal for the DOE, much less for EM. Local citizens and elected officials, as well as members of Congress, are quite blunt about the importance of EM dollars and are constantly looking for new DOE missions to keep jobs alive. They also want replacements for any jobs lost due to site closure after cleanup.

In September 1999, Energy Secretary Bill Richardson and the governors of four states with former nuclear weapons plants signed an agreement regarding cleanup of waste and contamination at these sites. The agreements require the states and the federal government to cooperate in completing site cleanups. As part of the agreement, however, the DOE agreed to individual goals at each site, including—for some sites—that of finding some new mission to ensure continued employment.

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Concern about future employment pervades the EM program. For example, the request for proposals (RFPs) for the environmental management contract at the Oak Ridge site has, as one of the major criteria for evaluating contractor applications, a requirement for stimulating local employment. And this practice of including economic development in EM contracts is not limited to the Oak Ridge contract.

Therein lies a particular problem. Contractors with expertise in environmental contamination are not necessarily experts in economic development. (To use a rather homely analogy, if you want to have your kitchen remodeled, when you hire your kitchen contractors you don't expect them to also have expertise in landscape gardening. You

hire the best kitchen remodeler to do your kitchen, and you go out and find a landscape gardener to do your garden. As it turns out, many of the DOE's own contractors don't pretend to be gardeners; they want to get the job creation provision out of EM contracts.

Recommendations

Currently, the EM program has multiple missions, some stated and some unstated. It is tremendously important that all of these individual missions be evaluated, that some be explicitly moved to other offices in the DOE or eliminated, and that the core missions be clearly stated.

Of paramount importance, however, is divorcing EM's job creation functions from its cleanup functions. A fundamental question that needs to be examined is whether the job creation mission should be entirely eliminated from the DOE. These two functions require different types of expertise and cloud the cleanup issues at individual sites. Until the EM contractors can focus solely on their main job—cleanup of former nuclear weapons sites—instead of cleanup *and* jobs creation, they cannot do the best job of either. ■

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YES, We Care!

Cleaning Up the Nuclear Weapons Complex

By Amy S. Fitzgerald

After reading the report recently issued by Resources for the Future, “Cleaning Up the Nuclear Weapons Complex: Does Anybody Care?” I concur with two of the authors’ main observations. First, \$50 billion spent on environmental management (EM) at weapons sites since 1989 is a huge sum of money; and second, cleaning up these sites is probably the single most technically challenging problem facing the federal government today. The authors seek to spur interest in the U.S. Department of Energy’s EM program in the hope that changes will be made to more effectively address human health and environmental risks associated with the legacy of nuclear weapons production. It is difficult to argue against such a laudable goal.

The authors identify three major reasons for the absence of national attention to the cleanup issue: (a) the lack of a clear mission and policy for the DOE, (b) disinterest among federal officials in the legislative and ex-

ecutive branches, and (c) continued support for using the EM program to keep federal jobs at sites that once produced nuclear weapons. While each of these warrant further analysis, the issues of economic development and job creation in DOE communities are currently generating a great deal of interest, as contracts for managing major DOE defense facilities come up for grabs.

As with most federal programs, however, the view from Washington is usually quite different from what one sees at the local level where the real impacts—both positive and negative—are felt. The DOE’s cleanup program is no different in this respect, which leads me to challenge the authors and readers to consider several aspects of the economic development/jobs issue that may not be readily apparent. My perspective is shaped by more than a decade of experience as both a student of environmental policy and a local government practitioner in a DOE community.

It is important to recognize the complexity associated with conducting economic development at former de-



Cleanup of the K-33 Building at the K-25 site in Oak Ridge.

fense nuclear weapons production sites. At least three key questions face local officials in DOE communities:

1. How can the significant impacts related to reductions-in-force be mitigated?
2. Should DOE contractors be required to invest in the economy of the host community?
3. Given the long-term environmental challenges, can federal nuclear communities develop and sustain an economic base that is independent of DOE-related employment?

One must also recognize up front that answers to each of these questions will vary across the complex, since each nuclear community has unique attributes based on its geographic location, size, and the nature of the DOE work performed there. As a result, a cookie-cutter approach to solving local problems will rarely be successful. In this era of decentralization and unfunded mandates, federal and state policy-makers must develop programs that provide local decision-makers with sufficient flexibility and resources to effectively address their most vexing challenges.

Each of these questions, in turn, is also directly related to how EM is handled at these sites. In Oak Ridge, for example, the DOE—under the auspices of the Office of Worker and Community Transition—is seeking to mitigate some of the adverse economic impacts of downsizing

by disposing of unneeded DOE assets, by accelerating cleanup, and by leasing underutilized government facilities through a program called *reindustrialization*.

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The DOE was also seeking cost savings under this program by entering into a prime, fixed-price contract to manage the Three-Building Decontamination and Decommissioning and Recycle Project. The goal of Three-Building Project was to clean up three of the former K-25 buildings (K-29, K-31, and K-33) for eventual industrial use, plus recycle a vast majority of the valuable materials recovered from the buildings. This project, if completed, not only would reduce long-term risk to the community, but also would significantly reduce surveillance and maintenance costs borne by U.S. taxpayers and provide large facilities for new job creation.

Unfortunately, this first-of-a-kind contract to decontaminate and decommission a U.S. gaseous diffusion plant is currently in the process of renegotiation because the secretary of energy recently decided to halt the sale of all metal from DOE sites that is “volumetrically contaminated.” His reasoning was that the action will

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give the U.S. Nuclear Regulatory Commission time to develop national standards. The absence of a U.S. *de minimis* standard is a major factor causing delay and escalating costs at nearly all the DOE sites. Ironically, some of the individuals who complain about slow progress and high costs in the EM program belong to the same organizations that oppose promulgation of national cleanup standards. (I do *not* include Resources for the Future in this group.)

To understand the remaining questions related to environmental cleanup, contract requirements, and local self-sufficiency, another bit of Oak Ridge history helps elucidate the issues surrounding economic development in DOE communities. Initially, the DOE recognized the special burdens imposed on the City of Oak Ridge, specifically its difficulty in diversifying the local economy. The DOE seems to have shifted toward a recognition that the agency needs regional political support for its activities, not just the support of the local jurisdiction. At the same time, more DOE-related employees are living outside of Oak Ridge, while the city is the entity grappling with image problems related to environmental contamination and post-Cold War issues such as aging infrastructure and an outdated housing stock. The trend toward regional support is evident in the following example.

On April 15, 1983, the DOE issued a request for proposals for the management and operation of the Oak Ridge Reservation. In its solicitation, the DOE recognized the importance of contractor investment in the host community:

One of the burdens associated with DOE's activities is the absence of a significant tax-generating industrial base Proposers are, therefore, required to describe the manner in which they would promote and assist the industrial development of the Oak Ridge community in order to increase the tax base, thereby contributing toward greater community self-sufficiency and diminishing dependence upon DOE financial assistance payments. This information will not be a factor in the selection of the replacement contractor. However, it will be a subject of negotiations between the successful offeror and DOE.

In comparison, the DOE's 1997 EM solicitation required that the successful bidder create new payroll in the four-county *region* of primary impact. If annual goals were not met, the contractor would forfeit \$1 in fee for each \$1 worth of payroll not delivered.

In early 2000, the DOE issued the solicitation for the Y-12 contract. The community commitment provision was reduced to a single paragraph that included the following statement: "It is the policy of the DOE to be a constructive partner in the geographic region in which DOE conducts its business. The basis elements of this policy include: recognizing that giving back to the community is a worthwhile business practice."

Why is this issue of contractor investment—using private resources, not federal tax dollars—so important? Consider that during a decade of national economic growth, Oak Ridge's economy continues to stagnate. Housing starts are down 80 percent from 1989. Declining sales tax col-

lections are placing additional pressures on the property tax.

Moreover, the entire Oak Ridge Reservation is within the corporate limits of the City of Oak Ridge, and the DOE still owns roughly 60 percent of the land in Oak Ridge. The community has few options for new development, which would be less problematic if the federal government paid property taxes equivalent to those required of comparable private industries.

I have concluded that the post-Cold War transition of DOE communities inextricably links economic development to environmental management jobs for several reasons: (a) The DOE has changed the focus (and name) of its program from environmental restoration to EM, (b) the DOE is developing long-term stewardship plans for many of its sites, and (c) technologies for removing some of the long-lived contaminants have yet to be developed and/or proven to be effective. These actions suggest that there will always be a demand for jobs in the environmental field. In fact, programs to encourage environmental careers and education should be strongly supported to

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ensure a skilled workforce.

In conclusion, this does not mean that the EM program has no room for improvement. I commend the authors for raising awareness about the need for a better-managed program, but progress has been made. I see it everyday in Oak Ridge and have never spoken to an individual—either resident or public servant—who wants anything less than an effective and accelerated cleanup program. However, the federal government has a long-term responsibility to those communities that have sacrificed so much in the name of national defense and world peace. And, in my opinion, this includes a commitment to pay for long-term EM. So, in response, I want to make it clear that “YES,” the DOE communities care and will continue to solicit the resources required to ensure a

healthy, vibrant future for our citizens. ■

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