



Los Alamos Study Group

Nuclear Disarmament • Environmental Protection • Social Justice • Economic Sustainability

Memorandum

August 29, 2008

Re: The expected fiscal year (FY) 2009 Continuing Resolution (CR) as it relates to National Nuclear Security Administration (NNSA) nuclear weapons and selected Department of Energy (DOE) energy issues

Dear colleague –

The end of the present fiscal year is approaching and neither house in Congress has voted upon their respective Energy and Water Development (EWD) markups. A CR is therefore nearly certain.

It is possible this CR will contain some new policy choices and commitments, require certain studies, or by other means establish a sense of Congress on some issues and make new law.

If this is the case, we would like to make some positive as well as defensive suggestions. In doing so we run the risk of being naïve since we are ignorant of congressional agreements and associated political realities. Anything we say will also be massively incomplete.

On EWD issues it is important for Congress not to temporize until a new Administration and Congress are seated. The country is already in a multi-faceted emergency that is spiraling out of control. I am referring to our energy, economic, climate, financial crises, all of which are negatively synergistic and which will worsen dramatically, we believe, in the absence of concerted, short-term action.

The *political* risks of inaction are also quite great for all parties.

There is a limited set of real solutions to these interrelated problems. These solutions are positively synergistic. Just as the problems are closely linked, so are the answers.

In our view there can be no exit from economic decline without a publicly-financed and/or mandated effort to rebuild America's energy infrastructure (production, transmission, and consumption), including transportation. This must be done in a manner consistent with peaking oil supplies and the overriding climate catastrophe danger.

Such a program is, in effect, a savings and reinvestment program that will build skills, people, and communities as well as enduring physical infrastructure that is robust with respect to dramatic declines in available fossil energy. This infrastructure will be needed all too soon as the foundation for our existence as a society, economy, and polity. To a great extent we don't have it.

We need to start turning the ship of state now, before a new Administration comes into office. EWD programs are near the center of the action.

The steps needed will *and must* impinge on the prerogatives too long enjoyed by NNSA's "Ph.D. welfare" programs. The changes needed are not just fiscal but political and moral. Nuclear weapons were *never* helpful or wise. They are at best obsolete now, and incompatible with America's proper role in the world. They harm our domestic politics, including choices within EWD accounts.

Some proposals for inclusion in this year's CR follow.

1. **Congress should cut some of the ample fat in NNSA Weapons Activities (WA) in the CR in favor of more important EWD programs.** It could be done across the board. **We suggest a cut of 10% from current WA funding controlled by major subprogram,** with the funds liberated applied to the underfunded Low-Income Home Energy Assistance Program (LIHEAP) and to renewable energy loan guarantees and related programs. EWD flood control programs are also underfunded.

Would the President veto a modest redirection toward popular programs at this time? In the case of this proposal and the others here, that judgment is outside our expertise. But we doubt it.

2. **Congress should halt or at least fence funding for the \$2.6 billion Chemistry and Metallurgy Research Replacement (CMRR) Nuclear Facility (NF)**, at least until a new nuclear posture review and consequent infrastructure policy is developed. Spending on Special Facility Equipment (SFE) design for the CMRR NF should also be stopped (within CMRR “Phase B”). Halting funding now would allow completion of the first of two buildings in the project.

This huge project, necessary only for a large program of warhead production, is controversial. House Appropriations recommended zero funding; Senate Armed Services, 50% funding; House Armed Services, 100% funding; Senate Appropriations, 125% funding.
3. **Congress should halt the active manufacture of plutonium warhead cores (“pits”) for the stockpile.** Halting pit production even without cutting funding, would send an important signal to NNSA and would allow the agency to address long-standing safety problems at Los Alamos National Laboratory’s (LANL’s) Technical Area (TA) 55.

In addition, **Congress should cut funding for pit production**, as three congressional committees have done to varying degrees (House Armed Services, 25% cut; Senate Armed Services, 10% cut; House Appropriations, 73% cut; Senate Appropriations, no cut). We prefer the House Appropriations version.
4. **Congress should role back nuclear power subsidies, not provide new ones.** Nuclear power is more expensive, slower, riskier, more nuclear-proliferating, and carries longer-term liabilities than other low-carbon energy alternatives. Any large scale investment in nuclear power would use up the capital needed to actually solve our energy crisis, so why prepare for one? The jobs it would create would be too few and too late to stimulate the economy. It has numerous other problems as well. The best course of action is to strongly stimulate renewable energy in smart ways while listening to what the financial markets have been saying about nuclear power for years: don’t go there. All told, hundreds of billions of dollars in subsidies have gone into this industry. The jury is in: it still cannot stand alone. The feeble nuclear power “renaissance,” such as it is, is the product of lobbying and special interests. The fundamentals are not sound now and never have been.
5. **Congress should direct NNSA to stop deferring maintenance at operating facilities** with uncertain futures, especially the Kansas City Plant (KCP), LANL’s TA-55 complex, and, upon information and belief, Y-12’s uranium processing facility. We know of instances and hear of others in which rising costs, including costs for line-item construction projects like the CMRR, are causing NNSA to scrimp in basic maintenance and safety, potentially creating excess danger.
6. **Congress should direct NNSA to: a) halt bid development for the proposed new KCP “lease-back” manufacturing building and b) conduct detailed studies of KCP manufacturing and cleanup options** involving options within the existing Bannister Road Complex, under a variety of stockpile scenarios and including permanent site remediation.
7. **Congress should direct DOE to study employee, community, and facility transition opportunities at all NNSA sites** under scenarios involving a) maximum national effort toward early deployment of existing renewable energy and conservation technologies and b) a policy of downsizing WA functions in place accompanied by environmental cleanup. Emphasis should be on maximizing local employment under unfavorable overall economic conditions and high energy costs. A broad set of policy ideas should be developed over the first 6 months of FY2009 and the most promising options developed in more detail for NNSA and Congress in the second 6 months.