

MONITOR

WEAPONS COMPLEX

Waste Management ♦ Clean Up

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Continuing Resolution (CR) POSES FUNDING CHALLENGES FOR SEVERAL CLEANUP SITES

'We're Being Conservative in What We Do'

Work may not advance as planned at several of the Department of Energy's cleanup sites due to the Continuing Resolution funding the federal government for the first three-and-a-half months of the fiscal year, according to budgetary data DOE released this week. For both of DOE's offices at Hanford, Los Alamos National Laboratories and the **West Valley Demonstration Project**, the funding provided under the CR is significantly less than what DOE had sought for those sites in its FY 2014 budget request (*WC Monitor*, Vol. 24 No. 42). "I would say our operations level is not our request at this point. It's at a lower level based on the cash that we have and the cash that we received last year," a DOE official told *WC Monitor* this week. "The cash that we have now in the CR, even though it is at a lower rate than FY '13, is comparable with the level of activity we were doing in '13. Although our budget request was \$5.6 billion, we are learning to work at a lower level and are not out there aggressively ramping up for activities. So we're being conservative in what we do."

The DOE official did say that the Department does not expect to see layoffs at any of its cleanup sites as a result of the funding provided by the CR. "Right now we are sustaining operations through the period of the CR," the official said, noting, however, "However, programmatic impacts will be significant if EM sustains this level of funding for the remainder of FY 2014." DOE also does not currently plan to submit a reprogramming request to Congress to seek to move funds among sites, the official said. "We don't need a reprogramming right now. ... But we will soon after the CR expires—if in fact it's a full year

CR with no changes," the official said. "It's a wait-and-see in terms of what the Congress will provide—an omnibus appropriations, or a full year CR. We will react accordingly, reprogramming or no, dependent on what direction Congress takes. Right now, no reprogramming is needed during this short term CR."

Specific Impacts Remain Unclear

At Hanford, the CR provides an annualized funding level of approximately \$905 million for the Richland Operations Office, compared to a request of \$924 million; and an annualized funding level of approximately \$1.084 billion for the Office of River Protection, compared to a request of \$1.210 billion. For Los Alamos, the CR provides an annualized funding level of approximately \$173 million, compared with a request of approximately \$216 million. And at **West Valley**, the CR provides an annualized funding level of approximately \$48 million, compared with a request of \$64 million.

The DOE official said specific details of the potential impacts at each site of the funding discrepancy were not currently available. "We're just kind of recovering from the lapse and looking at the cash we currently have in hand and being prudent in terms of what do we do through January in anticipation of the next round of funding," the official said. DOE's FY 2014 budget request, though, outlines the work the Department had planned to accomplish at each of its cleanup sites that could now face disruption. For example, at Los Alamos, DOE is seeking to complete an effort to disposition approximately 3,706 cubic meters of aboveground-stored transuranic waste, as well as to initiate transuranic waste removal from some trenches and pits. At **West Valley**, the Department had planned to complete preparations and begin removal of a set of canisters of vitrified high-level waste from the site's Main Plant Process Building to allow for demolition to begin there. At Hanford, DOE's plans for this year include continued D&D activities at the site's Plutonium Finishing Plant. —Mike Nartker

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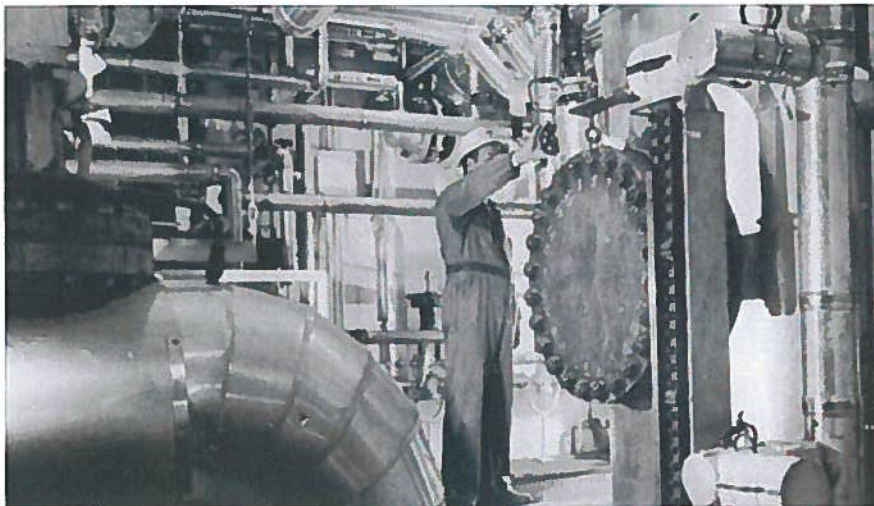
U.S. News

A Nuclear Cleanup Effort Leaves Questions Linger at Scores of Old Sites

Years Later, the Legacy of the U.S. Arms Buildup Remains Near Homes, Parks and Malls

By JOHN R. EMSHWILLER and JEREMY SINGER-VINE

Updated Oct. 30, 2013 8:02 a.m. ET



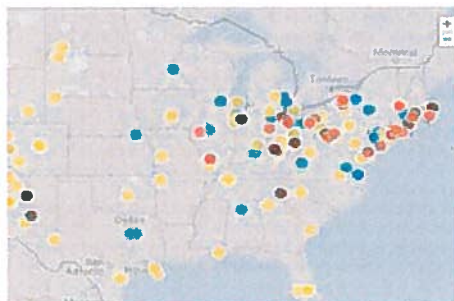
WSJ's John Emshwiler and Jeremy Singer-Vine detail their year-long investigation into the fate of hundreds of Cold War-era nuclear manufacturing and research sites.

It was a discovery that helped launch the nuclear age. On the eve of America's entry into World War II, scientists isolated plutonium in a small room in UC Berkeley's Gilman Hall. To make sure the moment wasn't forgotten, Room 307 was designated a National Historic Landmark.

As it turned out, there would be plenty of other reminders. The work left radioactive residue that forced the university to rip out an entire adjacent room in 1957, according to its own documents. A quarter-century later, while professors and students were still using the building, the school found that a dozen other rooms and some hallways were contaminated.

Explore Sites Near You

The Journal has compiled a database on hundreds of sites around the country. Use it to look up places near you and learn more about them.



Have Tips?

Do you have information about an old nuclear site? Email us at wastelands@wsj.com.

cleanups, sometimes more than once.

"What we have learned from the nuclear program is that it is a surprise when there are no surprises," says Robert Alvarez, a former senior Energy Department official during the Clinton administration.

In its investigation, the Journal sifted through tens of thousands of pages of government documents and company records; consulted property records, photographs and historical maps; and conducted interviews with hundreds of individuals, including former tenants and owners. Information from the Energy

The school cleaned those up too—only to discover this year small amounts of residue in a study room.

Carolyn Mac Kenzie, the university's radiation safety officer, says any current exposure is "well under" federal safety limits. Still, she says that before the 1980s cleanup, administrators or students there could have breathed in harmful levels. "We will never know," she says.

The contamination at Berkeley is part of the legacy of one of the most important scientific and industrial undertakings in U.S. history. During the buildup to the Cold War, the federal government turned to the private sector to help develop and produce nuclear weapons and other forms of atomic energy. Hundreds of companies and thousands of workers were pressed into service. But while it helped defend a country, this enormous endeavor has left an equally enormous—but rarely publicized—cleanup job of contamination that spans the country.

Residue, left by the routine processing as well as the occasional mishandling of nuclear material, exists in sites in almost three dozen states. Some remains in public parks, some near schools, and some in the walls, floors and ceilings of commercial buildings. Contamination has been detected on hiking trails in residential neighborhoods, in vacant city lots and in groundwater.

Federal officials say they have taken adequate measures to protect the public health and that the sites don't pose a threat to anyone living or working nearby. While some research has raised concerns, there is no conclusive evidence linking the sites to any public-health problems. In general, studies haven't pinpointed the exact relationship between exposure to low-level radiation and medical issues such as cancer.

But a Wall Street Journal investigation raises other questions about the massive government program established to handle one of the country's longest running and most expensive cleanups. Among the findings:

- Record-keeping has been so spotty that the Energy Department says it doesn't have enough documentation on several dozen sites to decide whether a cleanup is needed or not.
- Despite years of trying to track these sites, the government doesn't have the exact address for dozens of them. It acknowledges it doesn't even know what state one uranium-handling facility was located in.
- More than 20 sites initially declared safe by the government have required additional



The government is considering a cleanup at a Staten Island site where uranium was once stored. *Ross Mantle for The Wall Street Journal*



An old storage facility for the Manhattan Project on W. 20th Street, New York, was cleaned up. *Ross Mantle for The Wall Street Journal*

More

Site in Queens Raises Questions About Acceptable Exposure Levels

the uranium had eventually been purchased for the Manhattan Project, the department decided the site didn't qualify for a federal cleanup because the ore had been owned by private companies while it sat on Staten Island.

Department as well as a dozen other federal and state agencies was gathered in the search. [The results of that research—covering over 500 sites—are in an online database.](#) Government records show that a large majority of those sites, which included factories, research centers and other facilities, handled radioactive material. Over the decades, an array of federal agencies have reviewed records to determine which sites were potentially dangerous. So far, the government has deemed about 130 sites worrisome enough to warrant a cleanup, and says it has finished work on 90 of them. Total projected cost: \$350 billion. The Energy Department declined requests for interviews but issued a statement to the Journal saying it was "confident" it had identified all of the sites and nearly all of the contaminated areas at those locations. "We continue to evaluate these sites through environmental sampling and records searches to determine whether additional contaminated areas exist," the statement said.

The smaller sites stand in contrast to a handful of giant nuclear facilities that have grabbed national headlines—such as the 586-square-mile complex in Hanford, Wash., which officials estimate will account for \$150 billion of the total cleanup tab. But while they are far less contaminated than the Hanfords of the world, the smaller sites are closer to population centers and are harder to track through a series of private operators.

Indeed, according to the Journal's database, more than four million Americans live within a mile of one of the roughly 300 sites the Journal could pinpoint. About one million live within a half mile. Some 260 public schools are also within a half mile of a site, as are 600 public parks. Still, most current owners or occupants contacted by the Journal didn't know about the locations' past.

"Now you've got me scared," said Sal Mazzio with a nervous laugh, upon learning that his Staten Island towing company sits on a former World War II storage site for uranium ore. Federal officials are looking at doing a cleanup there, though they say there is no imminent health risk.

"I should be thrilled that I'm in such excellent health," said JoAnn LaFon upon hearing that her Alexandria, Va., townhouse is on the site of a former factory that worked with uranium and thorium. Ms. LaFon said that to build her complex's 29 townhomes nearly 20 years ago, the developer tore down the factory and cleaned up the site. Still, she wondered if there was any remaining residue. Available records don't show the government felt the site needed a cleanup.

At a group of buildings in the 500 block of W. 20th Street in Manhattan, federal records shows that in the 1940s the Manhattan Project—the research-and-development effort that led to the first atomic bomb—stored some 300,000 pounds of uranium products in what served as warehouses at the time.

In that case, the federal inspectors in 1989 found radioactive contamination up to 38 times federally allowed levels in parts of the structures, according to a 1995 Energy Department report. After hauling off 50 drums of contaminated material recovered from vacuuming, scraping and other work, the government declared the buildings fit for "unrestricted use." The buildings are currently occupied by dozens of offices and art galleries. A woman who described herself as one of the owners but didn't give her name said she didn't know about any past contamination and declined to comment.

Determining actual risks from radiation is far from a precise science; much of it is based on long-term health studies of World War II atomic-bomb survivors in Japan. Current scientific thinking holds that even the smallest amount of additional radiation raises a person's cancer risk slightly, with the danger rising with the dose.

Generally, the relatively low levels of radiation at most old nuclear sites aren't viewed as a short-term danger. Any exposure would occur in the soil, air and groundwater. Richard Muller, professor of physics at the University of California, Berkeley, said government exposure limits are "often set so far into the safety zone nobody should worry" about them.

Cleanup responsibilities have been divided among an array of federal agencies—including the Energy Department, the Nuclear Regulatory Commission, the Army Corps of Engineers and the Environmental Protection Agency. The National Institute for Occupational Safety and Health also weighs in on scores of sites under a program to compensate nuclear-weapons plant workers for radiation-linked cancers.

Still, sometimes it has taken citizens to find contamination problems. In 1978, a college geology student in Attleboro, Mass., carrying his own detection equipment discovered radioactive junk at a local landfill. That sparked a federal cleanup that was completed in 2012, three decades after the student's find. A 2011 state health study found elevated levels of a few types of cancers within a mile of the site, but said "the elevations were not statistically significant."

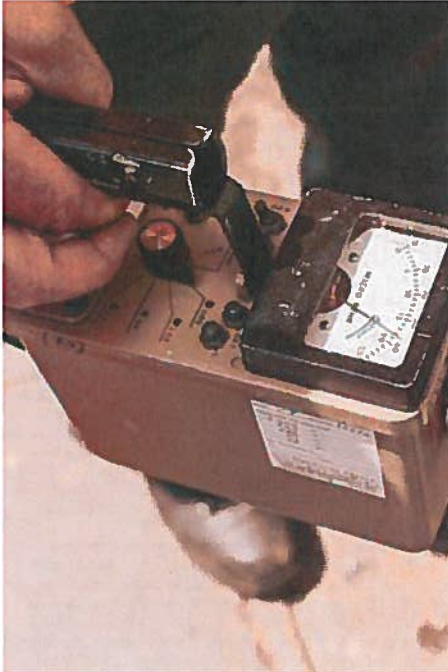
In the 1970s, federal officials decided that a factory in Fort Wayne, Ind., which had machined uranium for the weapons program, didn't need a cleanup. However, in 2004 a buyer of the facility found radiation there during an environmental review. That site is now slated for a government cleanup, though it isn't expected to begin for several years, officials say. Even after being cleaned, many sites still contain residual radioactive contamination.

"Cleanup does not imply that all hazards will be removed from a given site," the Energy Department said in its statement to the Journal. Often, the taint is so slight that it poses no public-health risk, government officials say. But in about 50 completed cleanups, enough contamination remains that the federal government has imposed "institutional controls," restricting how the area or facility can be used. Such restrictions could last "for centuries or, in some cases, millennia," one Energy Department report said.

The former Mound nuclear complex in Miamisburg, Ohio, can't be used for day-care centers, elementary schools or other activities where children would spend too much time. While the government says the contamination levels don't threaten adults in offices or doing other work at what is now a technology-business park, research has shown children to be more at risk from radiation exposure.

Eric Cluxton, president of the nonprofit Mound Development Corp., says he checked with the Energy Department to make sure it was all right to let kids come to this year's annual Thanksgiving "Turkey Trot" 5-mile run being hosted by Mound. The government gave the green light.

The U.S. entered the atomic age in the 1940s, with the Franklin Roosevelt administration moving ahead with developing a nuclear bomb just before the attack on Pearl Harbor. Adding urgency, U.S. officials feared Nazi Germany was already well into its own bomb project. The Staten Island site now being considered for cleanup was the repository for 1,200 tons of extremely high-grade uranium ore from the Belgian Congo that a European business executive had shipped to the U.S. in 1940 to keep it from the Nazis. Forty years later, federal records show, the Energy Department found residual contamination at the site. Even though the department decided the site didn't qualify for a federal cleanup because the ore had

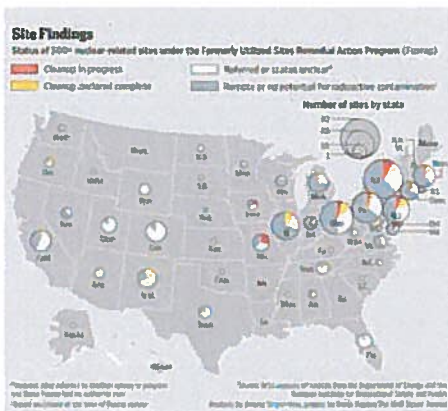


A gamma detector. Ross Mantle for *The Wall Street Journal*



Scientist Glenn Seaborg discovered plutonium in a UC Berkeley building where residue has lasted for decades. *University of California, Lawrence Berkeley National Laboratory*

weapons budget. The department began declassifying documents and making more site-related information available. A small part of the billions going annually to the overall cleanup went to a program to address the hundreds of privately owned locations that had taken part in the nuclear-weapons drive. It went by the bureaucratic name of Formerly Utilized Sites Remedial Action Program, or FUSRAP. Begun in 1974, FUSRAP was considered something of a backwater, say many former officials. Through 1997, FUSRAP's annual budget never topped \$75 million, though it was responsible for cleaning up several dozen sites. FUSRAP "never had enough money to do the job," says Graham Mitchell, a former Ohio state environmental regulator involved in nuclear cleanups.



The department said it decided to reconsider the site's eligibility at the request of other government agencies. A 2012 federal report calculated that potential radiation exposure in a relatively remote and unused corner of the property, part of which now hosts Mr. Mazzio's towing company, could be up to about 10 times current standards.

Such were the challenges of building the first bomb that Niels Bohr, the Nobel Prize-winning Danish physicist, reportedly once remarked that an entire country would have to turn itself into a factory to build the weapon. After viewing the labors and results of the Manhattan Project, Mr. Bohr concluded America had done just that.

Remnants of that remarkable effort are buried in two clearings in the thickly wooded park lands of southwestern Cook County, Ill. During World War II, the world's first nuclear reactor—which had gone into operation at the University of Chicago—was moved there. Over the ensuing decade, a 19-acre, 35-building complex, including a second reactor, rose around it. Officials dismantled the place in the 1950s. They dumped parts of the two reactors, helped by some well-placed explosives, into a ditch 100 feet wide by 40 feet deep. The hole was then "filled, leveled and landscaped," said an Energy Department document. This "Site A" is less than a third of a mile from "Plot M," a nearly a half-acre burial plot holding contaminated building debris, equipment and clothing.

Over the years, radioactive tritium turned up in groundwater, including some at a nearby picnic site; officials monitoring the tritium say it doesn't pose a health threat. In 1990, state workers discovered above ground uranium metal, concrete rubble, protruding pipes and elevated radiation levels at Site A. That prompted a federal cleanup. Erosion from bicyclists riding over Plot M is a continuing issue, according to a 2012 Energy Department report. On weekends, several dozen people might pass by the sites, said James Phillips, a biologist for the Forest Preserve District of Cook County on a walk to them past stands of oak and maple trees amid the din of cicadas. "It's amazing to think that Einstein, Oppenheimer and Fermi" might have walked in the same woods, he said, referring to three pioneers of the nuclear age. Mr. Phillips said some winter visitors claim that because of heat from radioactive contamination snow doesn't gather at Plot M, but he dismissed that as urban legend. A stone monument at Site A proclaims the resting place of "The World's First Nuclear Reactor." The stone cube at Plot M carries a more ominous message: "Caution—Do Not Dig. Buried in this area is radioactive material from nuclear research." The message adds: "There is no danger to visitors," though some passing editor chiseled off the word "no." Cook County officials say they are working on a campaign to attract more visitors by better publicizing the sites and their role in history.

The Manhattan Project's urgency and secrecy—carried over during the Cold War struggle with the Soviet Union—"made it possible to give short shrift to complaints other industries would have to face, such as pollution and health issues," says John Applegate, an environmental-law professor at Indiana University who served on an Energy Department cleanup advisory board during the Clinton administration.

In the 1980s, a public outcry began rising over such health and safety issues. One turning point, say current and former government officials, came in the small Ohio town of Fernald, where a big federal complex processed weapons-related uranium. Worker complaints of unsafe plant conditions, coupled with radioactive contamination found in nearby drinking wells, drew national attention.

Joseph Fitzgerald, a former senior Energy Department official, toured Fernald in 1985. "The entire plant was contaminated. There were piles of uranium on the floor," he recalls. Ultimately, Fernald underwent a \$4.4 billion cleanup, prompted in part by the ardent interest of then-Sen. John Glenn, who became an outspoken advocate for cleaning up weapons contamination nationally. In a recent interview, the former senator said, he concluded Fernald had been "just the tip of the iceberg."

Today, even nuclear critics say Fernald is among the most successful cleanups to date. Part of the 1,050-acre site is a nature preserve and visitors center. Still, there is also a 65-foot-high mound containing mildly radioactive debris and a plant to remove contamination from groundwater. A flier warns hikers not to handle anything resembling construction debris—in case it is a fragment from the old nuclear complex.

In 1989, the Energy Department agreed to pay more than \$70 million to settle a lawsuit by residents near the plant who said the facility had caused emotional distress and diminished property values. The agency didn't admit to any proof of harmful effects, but the settlement did fund long-term medical monitoring by researchers at the University of Cincinnati and a local medical center. Last year, they reported "a higher than average rate" of lupus among people who lived near the former plant and said more investigation was needed.

The end of the Cold War contributed to some reordering of nuclear priorities. In the 1990s, annual spending on nuclear-weapons cleanup for the first time surpassed the nuclear-

In 1997, Congress took the program away from the Energy Department and gave it to the Army Corps of Engineers. Congress raised the annual FUSRAP budget to about \$140 million, where it pretty much stayed until each of the last two years, when it was cut to about \$100 million. FUSRAP has some two dozen pending projects, including at least one that could cost up to \$500 million.

FUSRAP has had challenges besides funding. When one former Energy Department official learned the *Journal* was seeking addresses for the hundreds of company locations, he let out a brief laugh. "Huh, good luck." He recounted how department officials during the 1980s and 1990s had engaged in a similar search. Many of the addresses in government records were for a company's headquarters rather than the actual nuclear work sites. (Part of the *Journal* database cites FUSRAP findings.) Some locations had addresses on streets that no longer existed. "We were not able to assess all the sites," he said.

One that went missing was Transcontinental Machine & Tool, which did uranium metal machining, according to a 1951 government document. The Energy Department says it hasn't found a record of the city or even the state where Transcontinental operated. "Although there is some potential for contamination, the location of the site is unknown and therefore the site cannot be surveyed," said a 1990 DOE report. Based on experiences at other uranium-machining shops, the contamination worry was low, the report added. (A 1941 article in an online newspaper archive mentions a Transcontinental Machine & Tool in New York City.) Some sites have undergone multiple cleanups. For years, the Acid Canyon area in New Mexico served as a dumping spot for the nearby Los Alamos National Laboratory. In the

Degrees of Danger

There is an ongoing debate over the health risks posed by long-term, steady absorption by the body of radiation energy at doses measured in millirem. One major exposure theory says the risk is cumulative. The more radiation absorbed over time, the greater the danger.

1 millirem (mrem)

1,000th of a rem. The BEIR VII report estimated that 1,000 millirem of radiation could produce roughly one additional cancer per 1,000 people receiving that dose.

4 mrem

A typical chest x-ray*

5 mrem

Amount per hour measured at contact on a surface area at Gilman Hall at U.C. Berkeley in the early 1980s*

15 mrem

The EPA's current allowable annual exposure limit for a site cleanup

30 mrem

A mammogram*

100 mrem

Allowable annual exposure at some past nuclear cleanup projects

20,000 mrem

Average radiation dose among those exposed within 1.6 miles from the atomic-bomb

1960s, federal records show, the government removed plutonium and other contaminants from the canyon and transferred the land to Los Alamos County, which turned it into a public hiking and recreation area.

In the 1970s, the government found more contamination and did another cleanup. In the late 1990s, state officials found yet more contamination. According to news reports at the time, the Energy Department brought in a truck-mounted vacuum and removed several hundred cubic yards of soil. The work was needed, the Energy Department said, because rainstorms sometimes uncover more radiation, but that removing all the contamination would mean stripping vegetation and soil, impacting the ecosystem there. The area is safe for recreation, the department added.

Middlesex, N.J., a hamlet of about 14,000 people, 30 miles from New York City, is also facing its third round of cleanup. In the late 1940s, the Atomic Energy Commission dispersed contaminated material from a nearby nuclear-weapons facility over 5 acres of a municipal landfill there, according to federal records.

In 1960, citizens practicing civil-defense drills with Geiger counters discovered radiation readings up to 50 times natural background levels. After a cleanup, the government cleared the property for public use. Part of it became home to the Middlesex Presbyterian Church. In the mid-1970s, federal officials found more contamination about 400 feet from the church and did another cleanup. Neal Presa, current pastor at the church, said federal officials have assured him there isn't any danger to his flock.

In 2001, the borough of Middlesex, looking to develop part of the site into a recreation area, discovered yet more contamination, this time at an end of the property away from the church but near a residential street. Twelve years later, the Army Corps of Engineers is looking at doing another cleanup at this new spot. It says there isn't any imminent risk to the public. Ronald Dobies, mayor of Middlesex for most of the years since 1980, sat in his small office recently and recounted the town's nuclear history while pointing at boxes and files containing atomic-related papers. City Hall is a stone's throw from the landfill, which is largely overgrown with shrubs and weeds and fenced in—though a gate at the end of the site near the latest contamination discovery stood askew on a recent visit.

In 1983, Mr. Dobies told a federal nuclear advisory panel "it is difficult to express the fears of our citizens in a short presentation." Today, the mayor is less worried about possible health threats. Still, he said, "I am a little surprised that they didn't get all the radiation out" in the past. The weapons-related work at UC Berkeley's Gilman Hall created contamination headaches from early on, according to documents obtained under a public-records act request. A 1957 university report recounts that contamination in room 309, next to room 307 where plutonium was discovered, was so bad the "ceilings, walls, floor and lab benches were cut into small pieces and sealed in fiberboard drums" by workers wearing "full protective clothing, including respirators." More than 600 cubic feet of material was disposed of as "radioactive waste." Later surveys found more contamination; "in a total of 12 rooms throughout all floors of the building and in hallways," according to a 1983 report. Another report said the building had 40 areas of contamination.

The university covered the contamination by various means, including with tiles. The result "reduced the dose rate to below detection limits," said the 1983 university report, adding that officials believed occupants hadn't been harmed by prior exposures. A 1991 report added: "It is not feasible to remove all the contamination unless all equipment and furnishings are removed and the building gutted."

"They did a good job of sealing this stuff in," says Ms. Mac Kenzie, the radiation safety officer. If there ever was a serious radiation problem at Gilman, the period of "real hazard" would have been between World War II and about 1980, she says.

Still, issues arise. While putting a new roof on Gilman this year, officials discovered some contamination in a third-floor study room. They temporarily evicted three nuclear-chemistry grad students and closed off part of the room before reopening the rest. Though the potential doses were small, says Ms. Mac Kenzie, "you just don't expose people unnecessarily."

—Neil Parmar and Charity Scott contributed to this article.

Write to John R. Emshwiller at john.emshwiller@wsj.com and Jeremy Singer-Vine at jeremy.singer-vine@wsj.com

Salamanca Press, Friday, November 15, 2013



Volunteers from the West Valley Demonstration Project stand with Parkview Store Manager Joe Talbot (far left) in front of two trucks Friday morning loaded with food ready to be donated to eight local food pantries. The WVDP Food Drive, an annual initiative, will contribute nearly 122,000 pounds of food to food pantries this year. The cash donations are made by WVDP employees, subcontractors and community partners including Parkview Supermarket in Salamanca and Wal-Mart. Press photo by Rich Place. — at [Parkview Supermarket](#).

SPRINGVILLE JOURNAL

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November 30, 2013 Edition

West Valley Demonstration Project donates to Food Bank

Editor:

Friday morning, Nov. 15, a large truck that was packed with food and turkeys was delivered to the Springville-Concord Food Pantry, by an energetic group of volunteers from the **West Valley Demonstration Project**. Within minutes, they unloaded 60-plus cases of food, fresh potatoes and turkeys, as well as a sizeable monetary donation.

Certainly those in need of food, this holiday season and beyond, can be helped, thanks to the generosity of the employees at the West Valley Plant.

It is gratifying to see, first-hand, the generous spirit of our community and our nearby neighbors. We are grateful for your efforts on our behalf.

Jean Kamats
Springville-Concord Community Food Bank Team
Springville



DOE IN TALKS WITH THE STATE OF NEVADA TO DISPOSE OF OAK RIDGE LLW AT THE NEVADA NATIONAL SECURITY SITE STARTING IN JANUARY 2014

DOE will continue to work with the State of Nevada on the Department's plan to ship 403 canisters of low-level nuclear waste to the Nevada National Security Site (NNSS) starting in January 2014. The State of Nevada remains concerned that DOE has provided inadequate notice on the plan and has not properly collaborated or communicated. Nye County, the host to the NNSS, "strongly supports the importation and disposal of nuclear waste – both low level and high level – as long as it is done safely, with transparency and mitigation for the County."

The 403 canisters of low-level waste in question come from the Consolidated Edison Uranium Solidification Project, which generated the waste as part of a research program at the **Nuclear Fuel Services plant in West Valley, New York in 1968**. The resulting U-233 was then transferred to Oak Ridge National Laboratory for storage and potential future use. The material is planned for direct disposal at the NNSS. DOE states that it performed all necessary safety, security and risk assessments in order to determine that it met all requirements to dispose of this material at the NNSS facility.

Representatives from DOE and the State of Nevada met in October 2013 for the first formal meeting of a working group established by Secretary Moniz and Nevada Governor Brian Sandoval to discuss the issue. DOE also held public meetings on November 13 and November 14 to brief the public on the project. Presentation materials from the November public outreach meetings are available [here](#).

Senator Dean Heller (R-NV) questioned Secretary Moniz regarding the plan in an August 2013 letter, saying "I have made it clear that I am concerned about DOE's plan to bring hazardous nuclear waste from out-of-state to the Nevada National Security Site (NNSS)." In addition to technical details, Heller's letter focused on the need for DOE to communicate and collaborate with the State of Nevada. For example, Heller requested that Moniz clarify previous comments he made, which indicated that Nevada had signed off on the plan. The letter is available [here](#).

MONITOR

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Waste Management ♦ Clean Up

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FINAL FY14 DEFENSE AUTH. BILL BOOSTS CLEANUP FUNDS, STRIPS WIPP EXPANSION

The House late this week passed a final version of the Fiscal Year 2014 National Defense Authorization Act that would boost authorized cleanup funds for several Department of Energy sites, including Savannah River, but stripped House-approved provisions for expanding the mission of the Waste Isolation Pilot Plant and creating a Manhattan Project National Park. Earlier this week the House and Senate Armed Services committees reached an agreement on the final legislation, and the Senate is expected to vote next week. While the full House passed its version of the NDAA in June, a Senate version did not make it to the floor. The final version, notably, would authorize about \$657.5 million in funding for liquid waste cleanup activities at Savannah River—well above the \$552.6 million in DOE's FY '14 budget request, and an increase from the \$647.6 million in House version. South Carolina has warned the funding level in the budget request would lead to numerous missed milestones and fines. Several other cleanup sites also saw an increase in authorized funds, and overall the bill would authorize about \$5.02 billion in defense environmental cleanup funds, compared to the FY '14 request of \$4.85 billion. Notably, that includes Los Alamos National Laboratory, which is in the midst of a campaign to remove aboveground transuranic waste and already had cleanup funds boosted in the Administration's FY '14 budget request to \$219.8 million. The final NDAA would authorize a \$15 million increase for LANL to \$234.8 million. For Hanford's river corridor the NDAA would authorize a \$15 million increase over DOE's FY '14 request of \$393.6 million. Authorized Idaho cleanup funds would be set at \$372.6 million, compared to the \$362.1 million in the request. Additionally, the bill would authorize \$219.4 million in funds for the WIPP, compared to the \$203.4 million in the request.

Pearce Provision Would Have Expanded WIPP

Not included in the final version of the bill, though, was language Rep. Steve Pearce (R-N.M.) added to the House version that would have allowed non-defense transuranic waste to be shipped to WIPP. "It is disappointing that the Senate needlessly stripped language that will protect jobs, our public health and continue the safe disposal of federal nuclear waste," Pearce said in a statement. "The House unanimously passed this amendment five months ago—it is unconscionable that the Senate would target this commonsense and uncontroversial proposal at the eleventh hour. The Senate owes an explanation to the people of New Mexico, who will bear the costs of this irresponsible decision." The provision was dropped because it deals with civilian nuclear waste, which is outside of the Senate Armed Services Committee's jurisdiction, according to committee spokeswoman Tara Andringa. Pearce has been working for several years to expand WIPP, and his provision would have had a significant impact on the Department of Energy's Office of Environmental Management. Current law only allows WIPP to accept U.S. defense transuranic waste, but the amendment would have allowed the facility to also take government-owned nondefense transuranic waste. That includes the significant amount of waste at the West Valley Demonstration Project, which is currently being cleaned up by DOE.

MONITOR

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Hanford Tank Farms Plan Included

This week's bill include a provision from the House version that would require DOE to develop a detailed plan on how it will address tank waste at Hanford through 2025. The plan would be due March 1 and, an amendment in this week's agreement also asks DOE to "submit a plan for tank farm waste at Hanford, including the activities necessary to start operations at the Waste Treatment and Immobilization Plant (WTP) and activities necessary to design, construct, and operate the WTP and any related infrastructure facilities," a report accompanying the agreement states. "The amendment would require the Secretary to identify any significant requirements needed to inform such activities and require the Secretary to determine whether such requirements are finalized."

Agreement Omits Manhattan Project Park

The agreement reached this week also stripped an amendment that had been added by Rep. Doc Hastings (R-Wash.) seeking to establish a national historical park on the Manhattan Project at Los Alamos, Oak Ridge and Hanford. "I'm disappointed, but not deterred," Hastings said this week in a statement. He added, "The annual defense bill represented the best chance to actually achieve these community priorities this year and it's unfortunate that the opportunity has been wasted by the Senate." He vowed to continue efforts to establish the park, stating that could come in the FY 15 Defense Authorization bill. "To all the advocates for this Park: you've given great energy, enthusiasm and expertise to this effort to date, and I know that will continue until our goal is accomplished, which I am confident it will ultimately be," he said. —*Kenneth Fletcher*

West Valley school audited for 'unnecessarily high taxes'

Monday December 16, 2013 | By:Lizz Schumer |



WEST VALLEY — New York State Comptroller Thomas DiNapoli released his office's official audits of several local school districts this week, including West Valley Central School. According to the report, "district officials have levied unnecessarily high taxes and withheld significant funds from productive use. For example, district officials overestimated expenditures over the past four years by more than \$3.8 million, resulting in operating surpluses totaling \$1.3 million.

"My office's audits of school districts, charter schools and [Board of Cooperative Educational Services] help schools improve their financial management practices," the report continued. "These audits are tools for schools to make sure proper policies and procedures are in place to protect taxpayer dollars and provide students with the best possible education."

West Valley operates one school with approximately 300 students and 80 employees. The district's expenditures for the 2012-13 fiscal year were approximately \$7.6 million, which were funded primarily with real property taxes and New York state aid. Superintendent Eric Lawton and Business Official Anne O'Brien began working for the district in July and August of 2012, respectively.

According to DiNapoli's report, the inquiry attempted to answer several questions, among them: Does the board properly manage district finances by preparing accurate, realistic budgets and properly establish, reasonably fund and properly use reserve funds? The comptroller evaluated the board's management of the district's financial operations for July 1, 2009-June 4, 2013.

The report explained that district officials must ensure that budgets are prepared, adopted and modified in a prudent manner, accurately depicting the district's financial activity while also using available resources to ensure that the tax burden is not greater than necessary. It is essential that officials develop reasonable budgets and manage unexpended surplus funds responsibly and in accordance with statute.

Prudent fiscal management also includes maintaining sufficient balances in reserves to address long-term obligations or planned future expenditures. In doing so, district officials should adopt a policy governing the use of reserve funds and ensure that residents are fully informed of all reserve fund activity.

The report said that WVCS district officials consistently overestimated expenditures by more than \$3.8 million, which resulted in operating surpluses totaling \$1.3 million. Therefore, DiNapoli posited that the majority of the \$2.4 million in board-appropriated unexpended surplus funds was not needed to fund district operations.

The amount of unexpended surplus funds that can be legally retained is limited; therefore, each year since

2009, district officials transferred money in excess of this limit to various district reserve funds. As a result, reserves totaled more than \$2.1 million as of June 30, 2013. When questioned, district officials could not demonstrate a planned need for more than \$1.7 million of the reserves.

Officials also did not appropriately use the debt reserve fund, which had a balance of more than \$380,000 as of June 30, 2013. Instead, WVCS officials levied real property taxes and paid debt service with general fund appropriations.

When adopting the budget in May, district officials must estimate the unexpended surplus funds that will be available at the close of the fiscal year on June 30. Districts may also establish reserves to restrict a portion of unexpended surplus funds for a specific purpose, in compliance with New York state statutory rules. The comptroller's audit found that district officials consistently overestimated certain expenditure groups, including employee benefits by \$1.1 million; contractual expenditures by \$957,129, instructional salaries by \$511,868, Board Of Cooperative Educational Services costs by \$609,113, supplies and materials by \$275,107 and non-instructional salaries by \$182,669.

District officials appropriated unexpended surplus funds to reduce the real property tax levy each year, which should have resulted in corresponding planned operating deficits. However, because of those overestimated expenditures, the district instead experienced operating surpluses, with actual revenues exceeding expenditures by \$1.28 million. District officials appropriated \$619,500 of unexpended surplus, in each of the last three fiscal years. The practice of consistently appropriating unexpended surplus funds not needed to finance operations is a reservation of surplus funds that is neither regulated by statute nor subject to the statutory limit for unexpended surplus funds. Although revenues exceeded expenditures, during this same period, the board still increased the real property tax levy each year from \$2.8 million in 2009-10 to \$3.2 million in 2012-13, a 12 percent increase. In addition, the district's adopted 2013-14 budget includes a real property tax increase of 2 percent more than the amount levied in 2012-13.

As a result, the amount of unexpended surplus funds for the 2009-10, 2010-11 and 2011-12 fiscal years would have exceeded the legally allowed limit, if district officials did not transfer the surplus funds to various reserves, at the end of each year. For 2012-13, the district's unexpended surplus funds were more than double the legally allowed limit, or 9 percent of the ensuing years' appropriations.

As of June 30, the district's six reserves totaled \$2.1 million, an increase of 15 percent since June 30, 2010. This increase resulted because the board transferred surplus funds to reserves, at the end of each fiscal year except 2012-13. District officials had used this strategy to lower unexpended surplus funds below the statutory limit.

During its analysis, the comptroller's audit found that the reserve funds were in excess of the amounts needed for authorized purposes and not supported by a plan or other documentation, validating the amounts retained. While establishing resolutions were in place for the retirement contribution, tax certiorari and workers' compensation reserves, there were no documented rationales for establishing them, the objective for each, the optimal or targeted funding levels and the condition under which the funds' assets would be

used or replenished. There were also no board resolutions establishing the unemployment insurance and employee benefit accrued liability reserves.

The Workers' Compensation Reserve – General Municipal Law authorizes boards to establish this reserve to pay for workers' compensation costs, related medical expenses and self-insurance administrative costs. As of June 30, 2013, the reserve held a balance of \$295,509, although the district incurred average workers' compensation expenditures of approximately \$34,000. The district paid these costs from general fund appropriations through the annual tax levy, rather than using the funds reserved.

The Unemployment Insurance Reserve authorizes boards to create this reserve to reimburse the State Unemployment Insurance Fund for payments made to claimant. As of June 30, 2013, the reserve had a reported balance of \$153,608, while the district incurred average unemployment insurance costs of approximately \$14,000, since 2009-10. District officials did not use reserve funds to pay these expenditures. Based on this average cost level, the district's current reserve balance would cover unemployment insurance claims for approximately 11 years.

Education law also authorizes districts to establish a reserve fund for paying judgments and claims for tax certiorari proceedings. As of June 30, 2013, the tax certiorari reserve had a balance of \$130,514. According to O'Brien, there were no tax certiorari proceedings against the district in the last four or five years and she did not anticipate any proceedings or claims over the next few years. DiNapoli's report said that the comptroller questioned why any reserve was therefore necessary.

Even though the board-adopted budget included a transfer from the debt service fund of \$65,000 annually, district officials did not make any transfers or pay debt service payments from this reserve. Rather, the budget included the entire amount of annual debt service costs in general fund appropriations and levied taxes to fund all but the \$65,000.

General Municipal Law requires that the Employee Benefit Accrued Liability Reserve be used only for the cash payment of accrued and unused sick, vacation and certain other accrued but unused leave time earned by employees, as well as expenses related to the administration of the reserve. Although this reserve had a balance of approximately \$723,700 as of June 30, 2013, district officials provided supporting documentation for only \$505,000. However, this amount included approximately \$502,800 for sick and vacation leave that was accrued by employees who were ineligible for payments or had not met the requirements to receive payments. By maintaining excessive and/or unnecessary reserves combined with ongoing budgeting practices that repeatedly generated operating surpluses, the board essentially retained excess funds.

As a result of all of these findings, DiNapoli concluded that the WVCS District's real property taxes were unnecessarily high and financial transparency to the taxpayers was diminished.

The comptroller's office had several recommendations for the district, including that the board should develop realistic estimates for expenditures and unexpended surplus funds when preparing the annual

budget, include the planned funding and use of all reserves in their annually adopted budget plan to provide increased transparency for the district's voters, develop and implement comprehensive policies for establishing and using reserve funds that include optimal or targeted funding levels and the conditions under which the funds will be used or replenished, adopt resolutions identifying specific amounts to be transferred into specific reserve funds, review all reserves at least annually to determine if the amounts reserved are necessary, determine whether the unemployment insurance and employee benefits accrued liability reserves are necessary and implement a plan for using the reserve fund surplus balances in a manner that benefits taxpayers.

In a letter responding to the audit, Lawton and WVCS Board of Education Michael Frascella referenced past fiscal difficulties, in which the district found itself in a "downward financial spiral" that resulted in deficit of \$668,285 within five years. In order to rectify that, the district had to increase taxes by double digits, in several years. "If the same scenario occurred today ... it is unlikely the district would be able to pass a budget to recoup needed tax revenue," the letter wrote. "Through the use of conservative budgeting practices, the district has chosen to strengthen its overall financial position in recent years by increasing its reserves."

District officials also reported that it was recently awarded a credit rating of A+ by Standard & Poor's, calling the grade "a reflection of conservative budgeting practices, with consistently positive financial performances and maintenance of strong reserve levels."

The officials supported "maintaining total reserves at a sufficient level to maintain a strong credit rating."

The letter also pointed to the **West Valley Demonstration Project** as hindering its ability to grow its tax base and said that "every fiscal year is a separate accounting cycle and leads up to its own specific financial results, for a specific year. The district is and will continue to be cognizant of those areas of the budget that are inherently subject to change ... our philosophy is to leave enough flexibility in our budget to weather the perfect storm and to meet any financial demand which may arise."

In response to the recommendations leveled by the audit, the district officials said they will work toward adjusting its budgeted expenditures and appropriated balance downward but "will be very conservative in its approach to doing so," beginning with the 2014-15 budget. The district has also drafted a reserve plan it will be finalizing, this year, and will also pass resolutions identifying specific amounts to be transferred into reserve funds.

Finally, Lawton and Frascella commended the comptroller's office for its professionalism, during the audit.

"In an era that is fraught with abuse and irresponsible behaviors, by both individuals in government and the private sector, the need to have checks and balances is critical," they said. "The district asks you to keep in mind that not every situation in local government fits into the same equation. We are all unique, with varying history and uncertain futures."

Broadband Project On Track

Posted: Saturday, December 21, 2013 12:00 pm

By Rick Miller, Special to The Press

SALAMANCA — Southern Tier West's broadband initiative for parts of Cattaraugus County is on track to start offering service in June 2014.

Richard Zink, executive director of Southern Tier West Regional Planning and Development Board said Thursday that equipment is expected to be in place in the spring on existing towers in the Olean, Little Valley and Gowanda areas.

DFT Inc., for Dunkirk and Fredonia Telephone, the provider chosen by Southern Tier West, will use a WiMax (Worldwide Interoperability for Microwave Access) system, identical to one already in use in northwest Allegany County, that provides 360-degree coverage around towers.

"This will be a good step forward for those in need of broadband for Internet," Zink said. The Perrysburg tower will also bring broadband to some northeast Chautauqua County residents and businesses.

The Internet discussion prompted Southern Tier West Board Chairman Robert Keis to ask whether the new broadband access could benefit the **West Valley Demonstration Project** offices on Route 219 in Ashford Hollow. He said officials at the **New York State Energy Research and Development Authority** and U.S. Department of Energy are concerned at the lack of Internet capacity at the office complex.

"I just can't believe this situation exists," Keis said. "It's stuck in the bureaucracy." He said he would like to see the board help bring attention to the problem.

Zink said the office complex in the town of Ashford would not be able to receive microwave signals from the planned antenna on towers in Olean, Little Valley and Gowanda.

Fred Sinclair, an Allegany County representative, suggested Southern Tier West ask for an increase in the \$481,000 state grant it received for the Broadband Initiative to serve the **West Valley Demonstration project** offices.



Hold West Valley Central School school board accountable for their actions

Sunday December 22, 2013 | By: Arthur Munson |

Editor:

The article in last week's Journal, disclosing the New York State Comptroller's audit of the West Valley School District, came as no surprise. The findings that the WVCS school board, through deceptive accounting practices and shuffling of funds between reserve funds, resulted in "unnecessarily high taxes," and a lack of transparency is not anything new.

In the May 12, 2011 Springville Journal, I called attention to the fact that our reserve funds were five times the amount New York state said we should have on hand. Our reserves were, and still are, higher than those of the entire Olean School District. I implored the board to use those reserves, instead of the 4 1/2 percent tax levy they imposed on the taxpayers, that year. No, when it comes to the board not being transparent, overtaxing and deceiving, we are used to that. The first surprise is that the NYS comptroller caught them doing their business-as-usual routine. The second surprise was that the comptroller did absolutely nothing about it. Why bother to do an audit and waste more taxpayers' dollars, if all you are going to do about it, after finding serious improper conduct, is make recommendations?

The award for the best spin of the year, however, belongs to the superintendent and school board president's reply to the comptroller. Instead of reacting with what should have been remorse and apologies for having used the taxpayers of West Valley as an ATM machine, they pat themselves on the back. In substance, they admit that they know they were overtaxing us, but facing the new, 2 percent cap, they knew they wouldn't be able to pick our pocket later, so they did us a favor and took our money sooner. They also pat themselves on the back for being "fiscally conservative" and getting an A-plus bond rating. Of course they got an A-plus, Standard and Poors know they have five times the reserves most districts have. Being fiscally conservative is not based on how much you have in your piggy bank; it's based on how much you are taxing your constituents. But they just don't want to get it, never have and never will. They insist on keeping their own independence, instead of merging like they should have, years ago.

Next, we hear the same old lame excuse about **the demonstration project** and the inability to build our tax base. In reality, the biggest disincentive for attracting new development here is the high taxes the district imposes. Just eight miles to our south, Ellicottville continues to thrive, while we turn long-time residents into refugees running from the taxman. Just hold on a little longer.

Once they start hydrofracking here, all of our prayers will be answered and the West Valley School District will live happily ever after. Shame on the WVCSB and shame on the NYS comptroller.

Arthur Munson

West Valley

The Buffalo News, December 31, 2013

West Valley school district defends against audit critical of finances

By Dale Anderson | News Staff Reporter | @dahotwings

on December 30, 2013 - 9:03 PM

The West Valley Central School District, plagued by operating deficits a decade ago, now is being faulted for having too much money.

An audit by State Comptroller Thomas P. DiNapoli's office covering a four-year period ending last June took the School Board to task for overestimating how much it needed to spend by about \$1 million a year and sticking the surplus into various reserve funds.

At the same time, auditors noted, the district increased its tax levy every year, from \$2.8 million in 2009-10 to \$3.2 million in 2012-13, plus an additional 2 percent hike for 2013-14.

The reserves held more than \$2.1 million as of last June 30, auditors said, and contended that no more than \$1.7 million was needed for expenses such as debt service and workers' compensation. They noted that items intended to be covered by the reserve funds have been paid instead out of general funds from the annual school budget.

"By routinely using these practices, district officials have withheld significant funds from productive use, levied unnecessarily high taxes and compromised the transparency of district finances to taxpayers," the audit declared.

In response, School Superintendent Eric J. Lawton and School Board President Michael Frascella began by recalling how using reserve funds to reduce the tax levy was what got the district into financial trouble in the early 2000s. Doing this again, they said, "would put the district in severe fiscal stress."

The school officials said that because of the presence of the West Valley Demonstration Project, "the ability to grow the district's tax base is limited due to the stigma attached to a community that houses high-level nuclear waste." The PILOT payment by the state for the facility has stayed the same since 1997, they noted.

They added that the district enjoys a credit rating of A+ from Standard & Poor's and low borrowing rates, thanks to "conservative budgeting practices, with consistently positive financial performances and maintenance of strong reserve levels."

As for overestimating expenditures, they said that changes in costs for electricity, natural gas and fuel, along with special education costs, retirements and new hirings, make those expenses hard to predict.

The Buffalo News, December 31, 2013

They noted, "We have maintained our actual expenditures at levels that are essentially flat. The district has accomplished this during a time where costs for retirement and health insurance have increased significantly."

The school officials also indicated that they are fulfilling the audit's recommendations. On some points, such as making realistic budget estimates and including the use of reserves in budget documents, they declared that they already do that.

They noted, however, that they have drafted a plan to review all of the reserve funds and establish rules for meeting statutory requirements on the funds. They promised that they will finalize it during the coming year.

As for an unassigned fund balance, the officials said they hope to use it to pay the local share of a small capital project, which includes repairing a roof and other infrastructure improvements. They added that they plan to hold a referendum in February to ask taxpayers to approve a fund transfer for the project and to create a capital reserve fund for future projects.

email: danderson@buffnews.com

The Buffalo News, December 31, 2013

CITY & REGION

Slow Internet connections hinder West Valley cleanup

By Chris Chapman | *Cattaraugus Correspondent*

on December 30, 2013 - 4:49 PM

SALAMANCA – The effort to clean up the site for the West Valley Nuclear Demonstration Project is being hampered by Internet connections that have not been upgraded for years and are no longer up to the task.

Robert Keis, president of the Southern Tier West Regional Planning and Development Board, recently told the board that the Internet connection at both the administrative offices and the cleanup site are too slow for the project's needs and have the potential to cause problems.

He said the facilities are equipped with T1 Internet connections that were purchased by the Cattaraugus County Legislature in the late 1990s or early 2000s. The lines were state of the art when they went in, but have become obsolete and were never upgraded as the cleanup project was passed from manager to manager.

One of the problems, Keis said, is that the company that is contracted to do the site cleanup work, CH2M Hill, has to transmit large amounts of data to the federal Department of Energy on a daily basis. He said the line does not have enough capacity to do the job.

“Who would have thought that the site would be so outdated?” Keis said. “It just doesn't make sense that such a problem exists. Maybe we can be the agency to help get this problem fixed.”

Officials have discussed the problem with State Sen. Catharine Young, R-Olean, and Assemblyman Joseph Giglio, R-Gowanda, and have requested that letters be sent to the New York State Energy Research and Development Authority, the agency in charge of the site, as well as Gov. Andrew M. Cuomo's office.

Keis said this is just the kind of problem Southern Tier West should be involved in addressing.

“We need to be the place people go when they have problems like this,” he said. “This is a ludicrous problem. Southern Tier West, as an entity, does not have the funds to do anything with the problem but we are in a position to facilitate. We are not talking \$500,000 to \$1 million to fix this problem. We are talking about maybe \$100,000.”

The Buffalo News, December 31, 2013

The situation, he continued, is one that should not be happening at a place like the West Valley project.

“With as much of a concern as this place has created, one has to ask, in this day and age, how can they keep getting kicked off the Internet?” he said.

An effort is under way to have authorities at the facility write letters detailing the issue and send them to elected state officials, as well as federal officials representing the project and the area, in order to keep the project on track toward being decommissioned, Keis said.

Attempts to contact officials with the demonstration site were unsuccessful.

In 2012, the Southern Tier West Development Foundation submitted an application for \$841,350 to the state Broadband Connect program. The program aims to add five locations to the WiMAX (Worldwide Interoperability for Microwave Access) system, to offer more broadband Internet connectivity throughout Cattaraugus, Chautauqua and Erie counties. A large push in this stage of broadband access will be on the medical side, to aid in compliance with paperless records, as well as hardware upgrades in the region’s libraries.

It is hoped that offering aid to the West Valley site will help in securing funding for these and future projects, Keis said.



Southern Tier West Broadband Program May Assist West Valley Nuclear

January 2, 2014

By Chris Chapman (editorial@post-journal.com) , The Post-Journal

SALAMANCA - Southern Tier West has been in the process of developing a regionwide broadband Internet project since 2008 with movement coming in slow paces. New information coming from a local nuclear site cleanup project may offer a way to help the site and the board all at once.

Robert Kies, Southern Tier West board president, told members of his board that he has received information that the Internet connection at both the administrative offices and the actual cleanup site for the West Valley Nuclear Demonstration Project is too slow for their needs and may cause potentially large problems.

One of the problems, Kies said, was that the company that is contracted to do the site cleanup work, CH2M Hill, has to transmit large amounts of data to the federal Department of Energy on a daily basis. The T1 line, according to Kies, does not have enough capacity to do the job needed.

Though he did not discuss the individual that gave him the information, Kies said the facilities are equipped with a T1 Internet connections that were approved and purchased by members of the Cattaraugus County Legislature in the late 1990s or early 2000s. The lines were state of the art when they went in, but have found themselves to be obsolete and never upgraded as the project was passed from manager to manager for cleanup.

"Who would have thought that the site would be so outdated," Kies said. "It just doesn't make sense that such a problem exists. Maybe we can be the agency to help get this problem fixed."

Conversations have been had with state Sen. Catharine Young, R- Olean, and Assemblyman Joseph Giglio, R-Gowanda, about the situation, and letters have been requested to be sent to NYSERDA, the state agency in charge of the site, as well as Gov. Cuomo's office to notify of the situation.

Kies said the matter is exactly where Southern Tier West should be.

"We need to be the place people go when they have problems like this," Kies said. "This is a ludicrous problem. Southern Tier West, as an entity, does not have the funds to do anything with the problem but we are in a position to facilitate. We are not talking \$500,000 to \$1 million to fix this problem. We are talking about maybe \$100,000."

The situation, he continued, is one that should not be happening at a place like the West Valley demonstration project.

"With as much of a concern this place (West Valley Demonstration Project) has created, one has to ask, in this day and age, how can they keep getting kicked off the Internet?" he said.

An effort is underway to have those in position of authority at the facility write letters detailing the issue and send them to elected state officials, as well as federal officials representing the project and the area. The hope, according to Kies, is to find a better Internet capacity and access answers for the facilities, as well as the area, to help with security and safety, as well as keeping the project on track in decommissioning.



Attempts to contact officials with the demonstration site were unsuccessful.

In 2012, The Southern Tier West Development Foundation submitted an application to the NYS Broadband Connect program for the amount of \$841,350. The program aims to add five locations to the Worldwide Interoperability for Microwave Access system, as part of the existing system, to offer more broadband Internet connectivity throughout Cattaraugus, Chautauqua and Erie counties. A large push in this stage of broadband access will be in the medical side of access, to aid in compliance with paperless records, as well as hardware upgrades in libraries throughout the region. It is hoped that offering aid to the West Valley site will help in securing funding for these and future projects, Keis said.

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CHBWV EARNS 60 PERCENT OF AWARD FEE IN SECOND HALF OF FY '13

West Valley Demonstration Project cleanup contractor CH2M Hill B&W West Valley, LLC, earned about 60 percent of the total award fee available for the evaluation period that ran from March 1, 2013, through the end of August, according to an award fee determination scorecard recently posted by the Department of Energy. CHBWV earned \$200,000 in award fee for the period out of \$331,178 available. The score marks an improvement over Fiscal Year 2012, when CHBWV earned only about onesixth of its total available award fee. It's unclear how CHBWV fared in the first half of Fiscal Year 2013, as DOE did not respond to requests this week to make that information available.

For the latest assessment period, DOE listed no significant achievements and no significant deficiencies. In the project management category CHBWV earned a "satisfactory" mark, its lowest rating out of the four categories assessed. The scorecard states that "schedules still demonstrate the need for detailed planning and traceability. Field level schedules provided to Federal Project Directors are not integrated, either horizontally or vertically, with the baseline schedule. Work planning associated with the site security control account management, especially as it relates to the identification and planning for the issues associated with reduced FY 14 funding was also a concern."

CHBWV earned a "good" rating on business management, and DOE noted that "improvements need to be addressed in the area of Cyber Security and maintenance of the GSA Fleet."

'Wrong to Say We're Not Disappointed'

CHBWV this week said that the contractor is striving for improvements. "It would be wrong to say we were not disappointed with our award fee scorecard, but this score represents an improvement over previous award fee periods which is indicative of our continuous improvement processes," CHBWV President and General Manager Dan Coyne said in a statement. "Although award fee is only part of our fee structure under this contract, we will not be satisfied until we achieve and maintain full award fee as recognized by our customer."

High Marks in Safety and Regulatory Categories

CHBWV earned its highest marks, or "very good" ratings, in safety, health and quality management, and Environmental and Regulatory Strategy. In the safety and health category, DOE noted in the scorecard "successful implementation" of the contractor's Integrated Safety Management System, "notable Quality Assurance and Emergency Management performance," "interactive senior management field presence," and "commendable" support at the 01-14 building demolition. On environmental and regulatory, DOE noted CHBWV's efforts in public relations and regulator communications, delivery of documents, and response to DOE concerns on internal coordination.

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Score Improvement Over FY '12

CHBWV has faced challenges since taking over cleanup work at the small New York state site in August 2011. In FY '12, CHBWV earned \$100,000 out of \$577,000 available in award fee, all of which came in the second evaluation period between March and August 2012, since the contractor did not earn any award fee in the first evaluation period for FY '12 (*WC Monitor*, Vol. 23 No. 53).

That year the contractor struggled to gain approval for its baseline and also experienced the early departure of its general manager, which resulted in a fee reduction of \$250,000. Contractor officials told *WC Monitor* in early 2013 that CHBWV has a strict contract in which it must exceed expectations to earn award fee in many cases (*WC Monitor*, Vol. 24 No. 4). "We've got a unique award fee. If you meet expectations it results in zero award fee," CHBWV General Manager Dan Coyne said at the time.

—*Kenneth Fletcher*

Emerging federal spending deal would undo worst of 'sequestration' cuts



The Great Lakes Restoration Initiative is one of several federal programs that will see funding restored or increased under an emerging budget deal in Washington. Sharon Cantillon/Buffalo News

By **Jerry Zremski** | News Washington Bureau Chief | [@JerryZremski](#) |

WASHINGTON – The long lines of traffic at the Peace Bridge should grow shorter later this year thanks to a federal spending deal that also boosts funding for the Low Income Home Energy Assistance Program, the Great Lakes and other initiatives that are important to Buffalo.

Local members of Congress from both parties expressed support for the emerging deal Tuesday, saying it undoes the most draconian of the “sequestration” cuts that reduced federal spending across the board nearly a year ago.

Most notably, the bill boosts funding for Customs and Border Protection – the agency that manages border crossings – by \$220 million through the rest of the 2014 fiscal year, which ends Sept. 30. Some \$165.7 million of that money will be devoted to hiring and training 2,000 new border agents.

Combined with Homeland Security Secretary Jeh C. Johnson’s commitment last week to add agents at the Peace Bridge if money becomes available, the spending deal means that the worst will soon be over for people crossing into Buffalo from Canada, according to Sen. Charles E. Schumer, a New York Democrat, who prodded Johnson into agreeing to add agents to the Buffalo border.

Schumer said the additional funding also will provide a boost to a pilot project in which much of the U.S.-bound cargo at the Peace Bridge will be precleared on the Canadian side.

“This boost in funding, combined with Secretary Johnson’s commitment to send new agents to the Peace Bridge, will speed commerce, grow jobs and ensure that the preclearance pilot moves forward at full steam,” Schumer said.

In addition, the spending bill bars the Department of Homeland Security from imposing a border-crossing fee, which the agency had threatened to impose last year.

“A new border fee would have been a major setback to our efforts to promote cross-border commerce and tourism, and limit New York’s potential for economic growth at one of the worst possible times,” said Sen. Kirsten E. Gillibrand, D-N.Y., who joined other local lawmakers in fighting the proposed fee.

Those lawmakers – including Reps. Brian Higgins, D-Buffalo, and Chris Collins, R-Clarence – also have been pressing for relief at the Peace Bridge for more than a month.

And the customs agency itself acknowledged the problem at the Peace Bridge, releasing statistics showing that it took an average of 5.9 minutes for passengers to cross the border in the government’s 2013 fiscal year, which ended Sept. 30. In fiscal 2012, the wait was a mere 3.1 minutes.

While the border agency has not detailed the reasons for the increased wait times, local lawmakers have pinned it on lane closures due to inadequate staffing. And Higgins said that lack of staffing likely stems from sequestration, the across-the-board 9 percent spending cut in domestic programs that took effect last March after Congress could not agree on anything better.

“How can it not be that?” Higgins said. “We’re seeing backups and empty booths.”

The infusion of new cash into the border agency is just one of the many changes in the \$1.1 trillion spending agreement, which Congress is expected to pass by the end of this week.

The spending bill flushes out the details of a broader budget agreement finalized by Congress last month.

“We’re locking in 92 percent of the sequester savings, but this does it in a better way,” Collins said.

Higgins agreed, saying: “This is much better than it otherwise would have been.”

In particular, it's better for the 100,000 or so families in Erie County alone who rely on the Low Income Home Energy Assistance Program for help in cold winters like this one.

Under the budget deal, LIHEAP will receive \$3.4 billion in funding, which is \$169 million more than last year.

"This boost in appropriations is good news for New York and good news for the country," said Schumer, who, along with Gillibrand, pushed for the proposed increase. "It means fewer have to choose between paying for heat and the rent, heat and prescription drugs, or heat and putting food on the table."

Gillibrand, meanwhile, said she was happy with the spending bill's funding for the federal Great Lakes Restoration Initiative, as well as its efforts to fight to prevent Asian carp from entering the lakes.

The lakes initiative, which aims to clean up toxic sediments from the Buffalo River and other similar "hot spots," will receive \$300 million in funding, up from \$284 million under sequestration.

The Department of the Interior will get \$3.5 million to fund its efforts to combat the Asian carp, while the Army Corps of Engineers will get authorization to take emergency measures to stop the invasive fish from entering the lakes ecosystem.

Local waterway-dredging operations could get a boost, too, thanks to a \$487 million increase in funding at the Army Corps of Engineers, Higgins said.

Other noteworthy items in the spending deal include:

- A \$1 billion increase for funding at the National Institutes of Health. That's \$2.1 billion less than Higgins had been hoping for, but still, the increase could end up benefiting Roswell Park Cancer Institute and other such research institutions.
- A \$612 million increase in the Head Start program for pre-schoolers, which suffered cutbacks under sequestration.
- A slight reduction in funding for the Community Development Block Grant program, which has provided tens of millions of dollars in aid to Buffalo and other cities in past years but which has fallen out of favor with both Congress and the Obama administration.
- Steady funding of \$64 million for the West Valley Demonstration Project, the nuclear cleanup site in Cattaraugus County.

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The spending deal does not touch Social Security or Medicare, which account for much more federal spending than the “discretionary” programs that the bill funds.

Republicans such as Collins and Rep. Tom Reed of Corning warned that growth in that sort of entitlement spending will have to be reined in eventually. But for now, they said they were happy with the spending deal, which staves off another possible government shutdown.

“I’m glad to see us come together on an agreement,” Reed said. “It gets us away from government by crisis and the countdown mentality.”

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