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URANIUM MILL TAILINGS

Status and Future Costs of
Cleanup

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Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our recent report on the Department of Energy's (DOE) cleanup of contamination that resulted from decades of processing uranium ore as part of the nation's nuclear weapons and energy program.¹ This program has been conducted under the authority of the Uranium Mill Tailings Radiation Control Act of 1978 (P.L. 95-604), which required the government to clean up inactive sites and required private owners/operators to clean up sites that were active at the time. Our work reviewed (1) the status and cost of DOE's cleanup program and (2) factors that could affect the federal government's costs in the future. Although the act directed that the cleanup be completed by March 1990, the Congress subsequently extended this deadline twice. As you know, Mr. Chairman, DOE's authority to continue the cleanup of surface contamination under this program expires on September 30, 1996, and the Department is currently seeking to extend this deadline through fiscal year 1998.

In summary, Mr. Chairman, DOE's cleanup project has grown in both size and cost since it began in 1979. If the surface cleanup is completed in 1998, it will have cost \$2.3 billion; it will have taken nearly 8 years longer and cost \$621 million more than DOE originally expected.² This 37-percent growth in costs has resulted from, among other things, the discovery of a greater number of contaminated properties than originally anticipated, the need to clean up more contamination than expected at some sites, and unexpected changes in the cleanup strategies that DOE has made in response to state and local concerns.

Several issues that will affect the government's future cleanup costs are currently unresolved. One issue is what the final costs for cleaning up groundwater will be. DOE initiated its efforts to clean up groundwater (which are not subject to the 1996 deadline) in 1991 and currently estimates completion in about 2014, at a cost of at least \$147 million. These costs depend on which cleanup strategies DOE ultimately selects and whether states pay their share of the costs. Another issue is the extent and cost of DOE's role in the future disposal of tailings in the Grand Junction, Colorado, area. Finally, the one-time charge assessed to owners/operators for the long-term custody of sites that were still active

¹Uranium Mill Tailings: Cleanup Continues, but Future Costs Are Uncertain (GAO/RCED-96-37, Dec. 15, 1995).

²These amounts, as well as all others cited in this testimony, have been converted to present value, 1995 dollars.

when the Uranium Mill Tailings Act was passed has not been updated and does not reflect DOE's current estimates of surveillance and maintenance costs at these sites. As noted in our report, the Nuclear Regulatory Commission (NRC) needs to ensure that it collects enough funds from private owners/operators of these sites to pay for their long term custody so that the U.S. taxpayer will not have to bear the burden of any shortfall.

Before we discuss these issues in detail, we would like to provide some background information on the program.

Background

During the three decades in which uranium was used in the government's nuclear weapons and energy programs, for every ounce of uranium that was extracted from ore, 99 ounces of waste were produced in the form of mill tailings—a finely ground, sand-like material. By the time the government's need for uranium peaked in the late 1960s, tons of mill tailings had been produced at the processing sites. After fulfilling their government contracts, many companies closed down their uranium mills and left large piles of tailings at the mill sites. Because the tailings were not disposed of properly, they were spread by wind, water, and human intervention, thus contaminating properties beyond the mill sites. In some communities, the tailings were used as building materials for homes, schools, office buildings, and roads because at the time the health risks were not commonly known. The tailings and waste liquids from uranium ore processing also contaminated the groundwater.

Tailings from the ore processing resulted in radioactive contamination at about 50 sites (located mostly in the southwestern United States) and at 5,276 nearby properties. The most hazardous constituent of uranium mill tailings is radium. Radium produces radon, a radioactive gas whose decay products can cause lung cancer. The amount of radon released from a pile of tailings remains constant for about 80,000 years. Tailings also emit gamma radiation, which can increase the incidence of cancer and genetic risks. Other potentially hazardous substances in the tailings include arsenic, molybdenum, and selenium.

DOE's cleanup authority was established by the Uranium Mill Tailings Radiation Control Act of 1978. Title I of the act governs the cleanup of uranium ore processing sites that were already inactive at the time the legislation was passed. These 24 sites are referred to as Title I sites. Under the act, DOE is to clean up the Title I sites, as well as nearby properties that were contaminated. In doing so, DOE works closely with the affected

states and Indian tribes. DOE pays for most of this cleanup, but the affected states contribute 10 percent of the costs for remedial actions.

Title II of the act covers the cleanup of sites that were still active when the act was passed. These 26 sites are referred to as Title II sites. Title II sites are cleaned up mostly at the expense of the private companies that own and operate them. They are then turned over to the federal government for long-term custody. Before a Title II site is turned over to the government, NRC works with the sites' owners/operators to make sure that sufficient funds will be available to cover the costs of long-term monitoring and maintenance.

The cleanup of surface contamination consists of four key steps: (1) identifying the type and extent of contamination; (2) obtaining a disposal site; (3) developing an action plan, which describes the cleanup method and specifies the design requirements; and (4) carrying out the cleanup using the selected method. Generally, the primary cleanup method consists of enclosing the tailings in a disposal cell—a containment area that is covered with compacted clay to prevent the release of radon and then topped with rocks or vegetation.

Similarly, the cleanup of groundwater contamination consists of identifying the type and extent of contamination, developing an action plan, and carrying out the cleanup using the selected method. According to DOE, depending on the type and extent of contamination, and the possible health risks, the appropriate method may be (1) leaving the groundwater as it is, (2) allowing it to cleanse itself over time (called natural flushing), or (3) using an active cleanup technique such as pumping the water out of the ground and treating it.

Mr. Chairman, we now return to the topics discussed in our report: the status and cost of DOE's surface and groundwater cleanup and the factors that could affect the federal government's costs in the future.

Status and Cost of Doe's Cleanup Project

Since our report was issued on December 15, 1995, DOE has made additional progress in cleaning up and licensing Title I sites. As of February 1996, DOE's surface cleanup was complete at 16 of the 24 Title I

sites, under way at 6 additional sites, and on hold at the remaining 2 sites.³ Of the 16 sites where DOE has completed the cleanup, 4 have been licensed by NARC as meeting the standards of the Environmental Protection Agency (EPA). Ten of the other 12 sites are working on obtaining such a license, and the remaining two sites do not require licensing because the tailings were relocated to other sites. Additionally, DOE has completed the surface cleanup at about 97 percent of the 5,276 nearby properties that were also contaminated. Although DOE expects to complete the surface cleanup of the Title I sites by the beginning of 1997, it does not expect all of Narc activities to be completed until the end of 1998. As for the cleanup of groundwater at the Title I sites, DOE began this task in 1991 and currently estimates completion in about 2014.

Since its inception in 1979, DOE's project for cleaning up the Title I sites has grown in size and in cost. In 1982, DOE estimated that the cleanups would be completed in 7 years and that only one pile of tailings would need to be relocated. By 1992, however, the Department was estimating that the surface cleanup would be completed in 1998 and that 13 piles of tailings would need to be relocated. The project's expansion was caused by several factors, including

- the development of EPA's new groundwater protection standards;
- the establishment or revision of other federal standards addressing such things as the transport of the tailings and the safety of workers; and
- the unexpected discovery of additional tailings, both at the processing sites and at newly identified, affected properties nearby.

In addition, DOE made changes in its cleanup strategies to respond to state and local concerns. For example, at the Grand Junction, Colorado, site the county's concern about safety led to the construction of railroad transfer facilities and the use of both rail cars and trucks to transport contaminated materials. The cheaper method of simply trucking the materials would have routed extensive truck traffic through heavily populated areas.

Along with the project's expansion came cost increases. In the early 1980s, DOE estimated that the total cleanup cost—for both the surface and groundwater—would be about \$1.7 billion. By November 1995, this

³The State of North Dakota, in which these 2 sites are located, has asked DOE to "delist" its sites, or drop them from the program, claiming that the sites present minimal risk to the public and environment and that the state legislature was not likely to appropriate funds for the state's share of the cleanup cost. According to DOE, if the state did not pay its 10-percent share, the Department would notify the Congress that it would not complete the planned remedial actions. As of February 1996, DOE had not made a final decision on the North Dakota sites.

estimate had grown to \$2.4 billion. DOE spent \$2 billion on surface cleanup activities through fiscal year 1994 and expects to spend about \$300 million more through 1998.⁴

As for groundwater, DOE has not started any cleanup. By June 1995, the Department had spent about \$16.7 million on site characterization and various planning activities. To make the cleanup as cost-effective as it can, DOE is proposing to leave the groundwater as it is at 13 sites, allow the groundwater to cleanse itself over time at another 9 sites, and to use an active cleanup method at 2 locations in Monument Valley and Tuba City, Arizona. The final selection of cleanup strategies depends largely on DOE's reaching agreement with the affected states and tribes. At this point, however, DOE has yet to finalize agreements on any of the groundwater cleanup strategies it is proposing. At the time we issued our report, the cleanups were projected to cost at least another \$130 million using the proposed strategies, and perhaps as much as \$202 million. More recently, a DOE groundwater official has indicated that the Department could reduce these costs by shifting some of the larger costs to earlier years; reducing the amounts built into the strategies for contingencies, and using newer, performance-based contracting methods.

Doe's Future Costs Are Uncertain

Once all of the sites have been cleaned up, the federal government's responsibilities, and the costs associated with them, will continue far into the future. What these future costs will amount to is currently unknown and will depend largely on how three issues are resolved. First, because the effort to clean up the groundwater is in its infancy, its final scope and cost will depend largely on the remediation methods chosen and the financial participation of the affected states. It is too early to know whether the affected states or tribes will ultimately persuade DOE to implement more costly remedies than those the Department has proposed or whether any of the technical assumptions underlying DOE's proposed strategies will prove to be invalid. If either of these outcomes occurs, DOE may implement more costly cleanup strategies than it has proposed, thereby increasing the final cost of the groundwater cleanup. DOE has already identified five sites where it believes it may have to implement more expensive alternatives than the ones it initially proposed.

In addition, the final cost of the groundwater cleanup depends on the affected states' ability and willingness to pay their share of the cleanup costs. According to a DOE official, Pennsylvania, Oregon, and Utah may

⁴For the surface cleanup costs, fiscal year 1994 data were the most recent available.

not have funding for the groundwater cleanup program. DOE believes that it is prohibited from cleaning up the contamination if the states do not pay their share. Accordingly, as we noted in our report, we believe that the Congress may want to consider whether and under what circumstances DOE can complete the cleanup of the sites if the states do not provide financial support.

Second, DOE may incur further costs to dispose of uranium mill tailings that are unearthed in the future in the Grand Junction, Colorado, area. DOE has already cleaned up the Grand Junction processing site and over 4,000 nearby properties, at a cost of about \$700 million. Nevertheless, in the past, about a million cubic yards of tailings were used in burying utility lines and constructing roads in the area and remain today under the utility corridors and road surfaces. In future years, utility and road repairs will likely unearth these tailings, resulting in a potential public health hazard if the tailings are mishandled. In response to this problem, DOE is working with NRC and Colorado officials to develop a plan for temporarily storing the tailings as they are unearthed and periodically transporting them to a nearby disposal cell—referred to as the Cheney cell, located near the city of Grand Junction—for permanent disposal. Under this plan, the city or county would be responsible for hauling the tailings to the disposal cell, and DOE would be responsible for the cost of placing the tailings in the cell. The plan envisions that a portion of the Cheney disposal cell would remain open, at an annual cost of several hundred thousand dollars. When the cell is full, or after a period of 20 to 25 years, it would be closed. However, DOE does not currently have the authority to implement this plan because the law requires that all disposal cells be closed upon the completion of the surface cleanup. Accordingly, we suggested in our report that the Congress might want to consider whether DOE should be authorized to keep a portion of the Cheney disposal cell open to dispose of tailings that are unearthed in the future in this area.

Finally, DOE's costs for long-term care are still somewhat uncertain. DOE will ultimately be responsible for long-term custody, that is, the surveillance and maintenance, of both Title I and Title II sites, but the Department only bears the financial responsibility for these activities at Title I sites. For Title II sites, the owners/operators are responsible for funding the long-term surveillance and maintenance. Although NRC's minimum one-time charge to site owners/operators is supposed to be sufficient to cover the cost of long-term custody so that they, not the federal government, bear these costs in full, NRC has not reviewed its estimate of basic surveillance costs since 1980, and DOE is currently

estimating that basic monitoring will cost about 3 times more than NRC estimates. Moreover, while DOE maintains that ongoing routine maintenance will be needed at all sites, NRC's charge does not provide any amount for ongoing maintenance. In light of the consequent potential shortfall in maintenance funds, our report recommended that NRC and DOE work together to update the charge for basic surveillance and determine if routine maintenance will be required at each site. On the basis of our recommendations, NRC officials agreed to reexamine the charge and determine the need for routine maintenance at each site. They also said that they are working with DOE to clarify the Department's role in determining the funding requirements for long-term custody.

Mr. Chairman, this concludes our prepared statement. We will be pleased to answer any questions that you or Members of the Subcommittee may have.

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