



## Allen, Pam, NMENV

**From:** Bearzi, James, NMENV  
**Sent:** Friday, March 12, 2010 7:17 AM  
**To:** Allen, Pam, NMENV  
**Cc:** HOLTON, BRIAN, NMENV; Kieling, John, NMENV; Roberts, Kathryn, NMENV  
**Subject:** FW: Updates: Atomic City Underground

FYI Werner exhibits.

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**From:** Jim Werner [mailto:jim@wernerbird.com]  
**Sent:** Friday, March 12, 2010 4:33 AM  
**To:** Bearzi, James, NMENV; Kieling, John, NMENV; Lindsay Lovejoy; De Saillan, Charles, NMENV; De Saillan, Charles, NMENV  
**Subject:** Fw: Updates: Atomic City Underground

I have written an old friend in TN to get a copy of this letter, which I will cite in my revised testimony as an additional recent example of DOE's budget perfidy. After adding this reference and finishing the reorganizing Charlie and Lindsay and I discussed earlier this week I'll send it off as close to final to you this weekend.

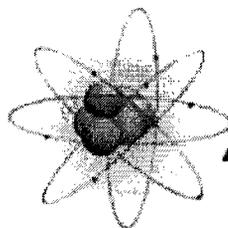
I have burned a CD with the reference exhibits and mailed it to John K., and can send any additional exhibits via individual e-mails.

Best regards,

Jim Werner  
[jim@wernerbird.com](mailto:jim@wernerbird.com)  
 cell: 302-547-5095

----- Original Message -----

**From:** Munger, Frank  
**To:** Munger, Frank  
**Sent:** Thursday, March 11, 2010 2:11 PM  
**Subject:** Updates: Atomic City Underground



**Frank Munger's**  
**Atomic City Underground**

State asks DOE to fix funding shortfall -- now

[http://blogs.knoxnews.com/munger/2010/03/state\\_asks\\_doe\\_to\\_fix\\_funding.html](http://blogs.knoxnews.com/munger/2010/03/state_asks_doe_to_fix_funding.html)

3/15/2010

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## Wanna work on UPF? Better be on good behavior

[http://blogs.knoxnews.com/munger/2010/03/wanna\\_work\\_on\\_upf\\_better\\_be\\_on.html](http://blogs.knoxnews.com/munger/2010/03/wanna_work_on_upf_better_be_on.html)

### **Frank Munger**

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Munger Frank, "State asks DOE to fix funding shortfall – now", *KnoxNews.com*, March 11, 2010 .

The state of Tennessee is elevating its efforts to get more funding for environmental cleanup projects in Oak Ridge.

In a March 8 letter to Ines Triay, DOE's assistant secretary for environmental management, Paul Sloan -- deputy commissioner of the Tennessee Dept. of Environment and Conservation - - urges DOE to live up to its commitment of consistent funding. Sloan suggests that DOE has the flexibility to settle the issue right away by allocating at least \$493 million for the Oak Ridge environmental program in FY2010 and "following that same strategy" for FY2011.

Currently, the Oak Ridge funding level for 2010 is \$57 million below that target level, based on the 2008 dispute resolution agreed to by DOE, the state of Tennessee and EPA, and the proposed 2011 funding for Oak Ridge EM is \$43 million below the target, according to a chart in Sloan's letter.

"While all parties understand there may be minor fluctuations in annual funding, the Department (of Environment and Conservation) does not agree to accept lower funding at DOE-ORR when DOE receives level and/or increased funding at the national level," Sloan wrote to Triay.

DOE's proposed spending plan for Oak Ridge does not meet earlier agreements, even with money from the American Recovery and Reinvestment Act, Sloan said.

"I understand that the influx of federal 'stimulus' funds . . . has helped move some projects forward to earlier completion at the DOE-ORR facility," he wrote. "Sadly, it appears that even with the addition of the ARRA, the measured and consistent progress for environmental investigation and cleanup at (Oak Ridge), to which all parties agreed under the revised FFA (Federal Facilities Agreement), will actually be slowed if the DOE proposal were accepted."

Unilateral decisions by DOE, without consulting the state of Tennessee or EPA, are unacceptable, he said. "We have observed that states that pursue litigation against DOE rather than negotiation with DOE have benefited budgetarily."

Sloan said the state believes that DOE has the opportunity to resolve the funding problems.

"Congress has allocated more FY2010 funding for DOE-EM nationally than DOE requested (\$6.46 billion). DOE has the ability to allocate that funding across the nation. Tennessee is simply requesting that DOE to honor its commitment, as stipulated in our 2008 Dispute Resolution Agreement, by providing level funding for the (DOE's environmental management budget in Oak Ridge) by allocating at least \$493 million to the DOE-ORR EM budget for FY 2010 . . . We believe DOE also has the budgetary flexibility to resolve this issue for FY 2011 following the same strategy."

John Owsley, TDEC's Oak Ridge oversight chief, said the funding dispute with DOE remains in the informal dispute process.

"Basically what we're attempting to show is that the national budget is increasing or staying level and the Oak Ridge budget is being reduced," Owsley said this afternoon. "The reduction in budget corresponds to a decrease in work and increase in the time of completion. Both are inconsistent with the Dispute Resolution Agreement signed in 2008."

Under terms of the earlier agreement, DOE's cleanup work in Oak Ridge would be completed in 2036, Owsley said. Under the latest DOE proposal, that work would extend to 2044, he said.

"That is DOE's proposal. It has not been accepted," Owsley said.

At issue for the near term is a revised Appendix E, which includes cleanup milestones for 2010, 2011 and 2012. "What is significant about that is DOE is preparing locally its 2012 budget request, and our expectations are that the budget needs to be consistent with the agreed-to schedule . . . ."

He said the state is committed to working with the Dept. of Energy and EPA to resolve these issues and establish a new schedule of work.

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