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June 6, 2006

The Honorable Terry Everett
Chairman
Strategic Forces Subcommittee
House Committee on Armed Services
2312 Rayburn H.O.B.
Washington, DC 20515

The Honorable Silvestre Reyes
Ranking Member
Strategic Forces Subcommittee
House Committee on Armed Services
2433 Rayburn H.O.B.
Washington, DC 20515

Dear Chairman Everett and Ranking Member Reyes:

I write to you today to respectfully request that you schedule a hearing on the status and future of the Mixed Oxide (MOX) fuel fabrication facility.

In 2002, the state of South Carolina, in an arrangement with the Department of Energy and Congress, agreed to allow 34 tons of weapons grade nuclear material for MOX processing to be stored at the Savannah River Site. In exchange, the state of South Carolina received assurances that the MOX fuel plant would be completed on schedule. To be sure, we put in place penalty payments for the Department of Energy if the MOX fuel plant's construction delayed beyond 2011. In parallel with this U.S. effort, the U.S. and our allies agreed to help fund a MOX facility in Russia, where the Russians would likewise convert 34 tons of their own plutonium into MOX fuel.

For four years, we have been told by the Department of Energy that liability concerns for U.S. contractors in Russia were the hold-up for the MOX facility – a problem we believed was resolved last summer. Unfortunately, earlier this year it came to light that there was a more fundamental problem. In February, the Russians informed U.S. officials that they would only move forward with the MOX fuel facility in Russia if the MOX fuel could be used in new so-called fast reactors (which pose proliferation concerns) or if the international community paid for the whole project. This development called into question the nonproliferation benefits that the U.S. might expect from MOX.

In our subcommittee's Defense Authorization bill this year, we took some significant steps to move the MOX fuel plant forward. Though we cut $150 million from the President's budget request and fenced some of the remaining money, we did include report language stating that the committee believed the MOX fuel facility in South Carolina was worth doing separate from the Russian facility. We also included a study on a disposition path for the four tons of plutonium at Savannah River Site that may not be convertible into MOX. There were important policy decisions, and I appreciate your willingness to work with me to move this ball forward.

In spite of our language, as you know, the Energy and Water Appropriations subcommittee recently zeroed out funding for the Mixed Oxide (MOX) fuel fabrication facility in their Fiscal Year 2007 (FY07) bill. I have serious concerns about this decision. The committee did divert $111 million in MOX funds to "continue conceptual design and commence preliminary design for a plutonium disposition facility utilizing immobilization technology." While I applaud the subcommittee's commitment to providing an ultimate disposition path for plutonium in South Carolina, this move leaves a number of unanswered questions.

Since the MOX program falls within our subcommittee's purview, I believe it would be useful and appropriate for us to hold a hearing to explore the following:

1. The status of construction and design activities on the MOX plant in South Carolina;
2. The sunk cost of construction and design activities already underway;
3. The cost of terminating the MOX program at this stage;
4. What alternatives exist to MOX and what are the costs and benefits associated with them; and
5. The status of Department of Energy and Department of State negotiations with Russia regarding MOX.

At this hearing, I think it would be useful to have the Department of Energy's perspective on the current state of the MOX program, and a scientific perspective on the costs and benefits of MOX fuel as compared to other disposition pathways.

As always, I appreciate your willingness to engage on this issue of great importance to South Carolina and our nation. I hope to join you in a hearing on this issue sometime in the near future. Please let me know what help I might provide to that end.

Respectfully,

John Spratt

John M. Spratt, Jr.
Member of Congress