



February 5, 2013

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The Project On Government Oversight and Taxpayers for Common Sense are encouraged by reports of waning support for the Mixed Oxide Fuel Fabrication Facility (MOX) at the Savannah River Site in Aiken, South Carolina, and believe the program should be cut entirely. All federal agencies need to halt wasteful spending in the current fiscal environment, and MOX is a prime candidate.

The MOX facility was designed to convert weapons-grade plutonium into mixed-oxide fuel for U.S. commercial nuclear reactors. Today, however, it is over budget, behind schedule, and lacking even a single customer. In 2004, the facility was estimated to cost \$1.6 billion¹ and expected to be operational by 2007.² Delays and rising costs led to a price tag of at least \$4.8 billion and an estimated completion date sometime in 2017.³ Estimated annual operating costs have also skyrocketed from \$156 million in 2011 to \$499 million today.

We recommended halting construction of the MOX facility in our May 2012 report *Spending Even Less, Spending Even Smarter*.⁴ The report noted that Members of Congress had raised concerns over the billions of dollars spent on a facility with no customers and no substantial feedstock.⁵ In 2008, Shaw AREVA MOX Services (MOX Services)—the project contractor—lost its contract

¹ Letter from Project On Government Oversight, et al., to the Honorable Rodney P. Frelinghuysen and the Honorable Peter J. Visclosky, Chairman and Ranking Member of the House Appropriations Subcommittee on Energy and Water Development, regarding cutting the MOX fuel program, March 19, 2012. <http://www.pogo.org/our-work/letters/2012/nss-np-20120319-congress-mox-plutonium-fuel.html>

² Taxpayers For Common Sense, *MOX Misses the Mark*, http://www.taxpayer.net/images/uploads/downloads/MOX_Fact_Sheet_June_2012_Final.pdf (Downloaded February 5, 2013) (Hereinafter *MOX Misses the Mark*)

³ Department of Energy, Office of Chief Financial Officer, *Department of Energy FY 2013 Congressional Budget Request: National Nuclear Security Administration*, February 2012, p. 451. <http://www.cfo.doe.gov/budget/13budget/Content/Volume1.pdf> (Downloaded February 5, 2013)

⁴ Project On Government Oversight and Taxpayers for Common Sense, *Spending Even Less, Spending Even Smarter: Recommendations for National Security Savings, FY 2013 to FY 2022--Deficit Reduction: \$688 Billion*, May 8, 2012. <http://www.pogo.org/our-work/reports/2012/ns-wds-20120508-national-security-defense-savings.html>

⁵ 112th Congress, House of Representatives, Energy and Water Development Appropriations Bill Report, 2012, June 24, 2011, p. 138. <http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt118/pdf/CRPT-112hrpt118.pdf> (Downloaded February 5, 2013)

with Duke Energy and hasn't found a single replacement buyer.⁶ The House Appropriations Committee also pointed out safety concerns in light of the Fukushima Daiichi disaster and warned that continued funding for MOX takes resources away from other non-proliferation programs—programs you reiterated your commitment to just two months ago.⁷

The DOE is now in the process of re-baselining MOX costs and schedule. We think this program has already failed the viability test. **Halt the MOX program** and use the facility for another purpose. Don't let nuclear waste become a symbol for government waste.

For additional information, please contact Angela Canterbury or Danielle Brian at (202) 347-1122, or Laura Peterson or Ryan Alexander at (202) 546-8500.

Sincerely,



Danielle Brian, Executive Director
Project on Government Oversight



Ryan Alexander, President
Taxpayers for Common Sense

cc: Secretary of Energy Steven Chu
National Nuclear Security Administration Acting Administrator Neile L. Miller
Members of House and Senate Armed Services Committees
Members of Senate Energy and Natural Resources Committee
Members of House Energy and Commerce Committee
Members of House and Senate Appropriations Committees' Energy and Water
Development Subcommittees

⁶ *MOX Misses the Mark*

⁷ Matt Compton, "President Obama Pushes for Nonproliferation," The White House Blog, December 4, 2012. <http://www.whitehouse.gov/blog/2012/12/04/president-obama-pushes-nonproliferation> (Downloaded February 5, 2013)