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DOE's Nuclear Millstone

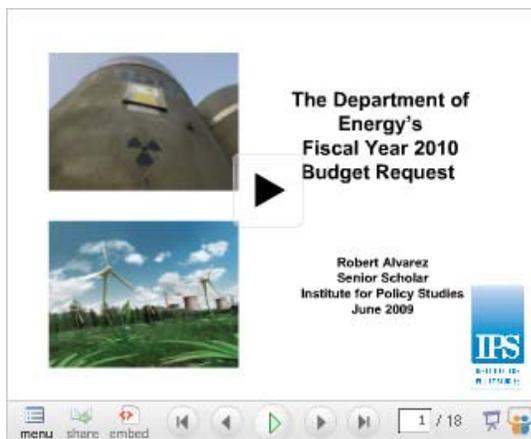
Robert Alvarez | June 18, 2009

Editor: John Feffer

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Last month, the Obama administration rolled out the details of the Department of Energy's (DOE) budget for fiscal year 2010. "The president's budget for energy reflects his commitment to ending our dependence on foreign oil, restoring our scientific leadership and putting Americans back to work through investments in a new green energy economy," DOE Secretary Steven Chu said.

This pledge to transform our energy future will not likely be fulfilled if it's based on the DOE's current budget request. A lot depends on economic stimulus money, which runs out next year. Unless a major restructuring occurs, this won't be enough. Even with

stimulus funding, though, DOE's actual energy functions continue to take a backseat to propping up the nation's large and antiquated nuclear infrastructure. Despite the president's rhetoric about reshaping America's energy future, the DOE budget for FY 2010, minus stimulus spending, looks a lot like that of George W. Bush and several presidents before him.

For instance, nearly two-thirds of the budget will support the government's nuclear weapons complex. Only 18.5% of spending will go to actual energy activities. Of that portion, nuclear power gets more than a third, which flows primarily to DOE sites, followed by coal at 20% and conservation at 16%. DOE proposes to spend ten times more on nuclear weapons than on saving energy.

In other words, the nuclear complex remains the biggest obstacle between us and the new energy economy that we've been promised.

Department Without a Cause

Created in 1977 by President Jimmy Carter to set America's energy agenda in response to oil disruptions, the DOE has remained on the sidelines while the nation's energy and environmental problems have worsened. When Ronald Reagan took office in 1981, one of his first goals was to abolish the DOE and eliminate the government's role in the energy sector. The department, however, survived. Reagan and his supporters simply couldn't figure out what to do with the county's sprawling nuclear weapons complex, a dominant element of Energy's mandate since its creation.

By the late 1980s, with the Cold War in its final stage, the U.S. nuclear weapons production complex collapsed in the wake of scandalous revelations of about its massive environmental problems. Since the Reagan presidency, the policy of "least interference" in private enterprise, shared by the Republicans and Democrats alike, further disconnected DOE from energy markets.

But this all changed with the economic stimulus package enacted by Congress in late February. For the first time in 30 years, DOE is suddenly being pressed into service to help rescue the economy and restructure America's priorities.

Stimulating DOE

Four months into its term, the Obama administration is asking DOE to spend \$38.7 billion for the next two years to reduce energy use, cleanup DOE sites, increase renewable energy sources, develop carbon capture technologies, help spawn electric vehicles, modernize the electrical grid, and advance energy research and development. It's a huge agenda.

The lion's share of the stimulus package funds goes to conservation. Energy conservation gets \$11.6 billion of the pie, followed by \$4.5 billion for electric transmission, \$3.4 billion for fossil energy, and \$2 billion for advanced battery manufacturing. An additional \$6 billion is set aside to cover government costs for \$60 billion in loan guarantees for renewable energy and electric grid improvements. Stimulus funds will be added to the annual budgets for DOE for fiscal years 2009 and 2010.

Also, public power utilities supplying 19 western states, including the Bonneville Power and Western Marketing Administrations (BPA), will receive \$3.35 billion in loan authority — with an eye toward beefing up electrical grids for wind and solar generation. BPA is already starting on a 500-kilovolt transmission line to carry 700 megawatts of new wind power capacity in the northwest.

The role of the federal government in the energy market place is no more apparent than in the DOE's loan guarantee programs. This year, DOE will provide \$130 billion in federal loan guarantees to aid the ailing auto industry and help finance nuclear, coal, and renewable energy projects. It's also tasked to restructure and modernize the nation's electric grid system.

DOE's Environmental Mess

The stimulus package also includes \$6 billion to cleanup DOE weapons sites. According to Senator Patty Murray (D-WA), one of the provision's authors, this additional spending is needed "to reduce the size of the sites." The cleanup of DOE sites will take decades, not including the many centuries of institutional controls for the most severely contaminated areas, and is estimated at around \$330 billion.

Reducing a nuclear footprint larger than the states of Rhode Island and Delaware combined is no small feat. DOE's 579 square-mile Hanford facility in Murray's home state of Washington, one of the most polluted sites in the Western Hemisphere, poses perhaps the largest challenge to downsizing. Last year Hanford received \$2 billion for cleanup, nearly twice as much as the entire EPA Superfund cleanup program. But this is proving to be not enough and has prompted Washington State to sue DOE, not over downsizing but because of the slow pace of processing radioactive detritus that threatens the Columbia River.

DOE has a decades-long history of failed nuclear projects and cost overruns. Since 1990, Energy remains prominent on the U.S. Government Accountability Office (GAO) list of federal "high-risk" agencies vulnerable to waste, fraud, and abuse. In 2007, the GAO [reported](#) that "DOE performed little or no review" of billions of dollars in contractor monthly invoices over a two-year period for construction of a large waste-processing plant at DOE's Hanford site (which is at the center of the lawsuit filed by Washington State). The cost of this project has sky-rocketed to nearly \$70 billion and is several years behind schedule.

The Trouble with Nukes

Even in wake of the decisions by the Congress and the Obama administration to eliminate spending for new weapons, the weapons complex is still spending at rates comparable to that during the height of the nuclear arms race in the 1950s.

The single largest expenditure in DOE's FY 2010 budget is to maintain some 9,200 intact nuclear warheads and thousands of weapons parts (\$6.4 billion). During the Bush years, warhead dismantlement dwindled to the lowest number since the 1950s. As a result there is currently a 15-year backlog of some 4,200 retired nuclear warheads awaiting dismantlement. Thousands more will be added if President Obama follows through on his pledge to cut nuclear arms. Yet, according to DOE's budget, funding for weapons dismantlement is expected to drop by 50% over the next five years. Elimination of nuclear weapons continues to have a low priority in the DOE budget.

Adding to this burden is President Obama's goal to reduce global stockpiles of nuclear weapons, which will require some basic and difficult changes. Since the early 1990s, when the last major downsizing of the DOE weapons complex took place, the Republican-controlled Congress along with weapons bureaucrats successfully resisted establishing an infrastructure to carry out elimination of nuclear weapons. Instead, billion of dollars poured into the weapons labs and moribund weapons production sites in order to keep the hope alive of resuming production of new weapons.



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When stimulus money runs out at the end of FY 2010, the Energy's department's nuclear weapons mandate will continue to place budgetary handcuffs on the Obama administration (unless another stimulus package is enacted).

This structural impediment isn't lost on the White House, which launched an interagency review in late January with the goal of transferring DOE's nuclear weapons program to the Pentagon possibly as early as FY 2010. Although I have [advocated](#) such a transfer, and *The New York Times* subsequently [endorsed](#) the move, the New Mexico congressional delegation has hotly opposed the idea. At stake is the state's status and the huge amount of funding that supports the weapons labs that dominate its economy. In response to the outcry from the weapons labs and their supporters, Secretary Chu has offered public reassurances that this won't happen.

DOE faces a brave new world in which, for the first time, it is being called on to employ millions of Americans to create a new energy future for the United States. Because of decades of neglect, the department is not equipped to meet this challenge. Will the Obama administration fundamentally restructure DOE and jettison its nuclear weapons millstone? We'll know the answer after stimulus funds run out next year.

Foreign Policy In Focus contributor Robert Alvarez is a senior scholar at IPS, where he is currently focused on nuclear disarmament, environmental, and energy policies.

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