GAO: SC Fuel Fabrication Plant Will Cost $2B More

Meg Kinnard, Associated Press

COLUMBIA, S.C. (AP) — The price tag for a South Carolina project intended to turn weapons-grade plutonium into fuel for nuclear reactors has gone up by $2 billion, according to a report released Thursday.

The assertion by the General Accountability Office means that the overall cost for the National Nuclear Security Administration project is now estimated at just under $7 billion, with still several more years to go before the facility is expected to open.

In its annual report on high-risk government projects, the GAO mentioned the MOX project only briefly but also noted that it is doing a separate inquiry into the program.

"GAO is currently conducting work on NNSA's project to construct its Mixed Oxide Fuel Fabrication Facility at the Savannah River Site, to which NNSA recently added $2 billion to the project's cost estimate even as the facility nears completion," the GAO wrote.

The MOX plant, which would blend weapons-grade plutonium to create fuel for commercial nuclear reactors, would be the first of its kind in the United States, and officials say the project is more than half completed. The mammoth concrete-and-steel structure is being built at the Savannah River Site, a former nuclear bomb plant whose reactors have been shuttered for more than a decade.

The site sits along the South Carolina-Georgia border, and congressional representatives from both states have been vocal in their support of projects there including MOX. In addition to producing commercial reactor fuel, the plant is part of an international nonproliferation effort. Both the United States and Russia have committed to disposing of at least 34 metric tons apiece of weapons-grade plutonium — an amount, according to NNSA, that is enough material for about 17,000 nuclear warheads.

But criticism has swirled around the project, on which construction began in 2007 and is expected to be complete in 2016. The MOX plant has been slow to attract customers for the commercial reactor fuel it will produce, although Bryan Wilkes, a spokesman for MOX Services, said Thursday that negotiations are under way with several utility companies interesting in buying the fuel.

The Tennessee Valley Authority has also begun a process of holding public meetings and gathering input in preparation for potentially signing on as a MOX customer, he said.

Tom Clements, an anti-nuclear activist with the Alliance for Nuclear Accountability, said he was glad that the GAO had revealed the cost increase, something he said NNSA has long refused to do.

"Confirmation of a stunning $2-billion cost increase of the MOX plant construction spells big trouble for the project," Clements said. "There has been nothing short of a cover-up by NNSA of the huge cost increase, so GAO has done a public good by doing what NNSA adamantly has refused to do."

NNSA officials did not immediately comment on the report or the MOX budget.

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