Obama Budget Slashes Funding for S.C. MOX Plant

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COLUMBIA, S.C. (AP) — The Obama administration's budget released Wednesday slashes funding for a plutonium reprocessing project in South Carolina and questions the viability of the multi-billion-dollar effort.

The budget request sent to Congress is seeking $503 million for safety programs with most of the money going to the mixed-oxide fuel, or MOX, plant now under construction. That's $200 million less than funding provided in last year's continuing resolution, passed when Congress failed to agree on a budget.

The MOX plant is part of an international nonproliferation effort, with the United States and Russia committed to disposing of at least 34 metric tons each of weapons-grade plutonium to be turned into commercial nuclear reactor fuel. That amount, according to the National Nuclear Security Administration, is enough material for about 17,000 nuclear warheads.

In the budget request, the administration voiced its support for that overall effort but questioned if the MOX plant was viable solution.

"This current plutonium disposition approach may be unaffordable ... due to cost growth and fiscal pressure," the administration wrote, noting that officials would assess the feasibility of alternate ways to dispose of plutonium.

The MOX facility is a massive concrete and steel structure being built at the Savannah River Site, a sprawling complex near the South Carolina-Georgia line where reactors now long since shuttered once made nuclear weapons materials. The effort has been slow to attract customers for the commercial reactor fuel it will produce, although officials have said negotiations are underway with several utilities interested in buying the fuel.

The project, which is about 60 percent completed, has undergone years of cost overruns and delays. Last month, Government Accountability Office said that the plant is $3 billion over budget, now costing an estimated $7.7 billion. Construction began in 2007, and the GAO also forecast that the MOX facility wouldn't be up and running until 2019 — three years later than originally planned.

South Carolina's congressional delegation has voiced support for the project, although faith in its efforts seems to be strained. During a congressional hearing Tuesday on the confirmation of U.S. Department of Energy secretary nominee Ernest Moniz, U.S. Sen. Tim Scott, R-S.C., brought up the fact that U.S. Code requires the agency to pay fines of $1 million a day for every day that the program goes over its 2016 deadline.

Scott also questioned Moniz about what alternate programs the U.S. could pursue to safely dispose of excess plutonium, but the nominee said that would have to be take up if and when he is confirmed.

The MOX effort is managed by the NNSA. The organization released a statement Wednesday saying it plans to take a thoughtful look at the MOX project and how the United States disposes of plutonium.

Worries about MOX funding have been raised even by the company hired to build and manage the facility. Last week, Shaw AREVA MOX Services president Kelly Trice said he was concerned the program wouldn't be adequately funded.

"My gut feeling is good," Trice said during a conference call with reporters. "The administration has certainly testified over and over and over again their commitment with the program. ... But I'd be lying if I said I wasn't worried."

MOX Services officials did not immediately comment Wednesday on the budget request. Scott called the funding cut "irresponsible" and likened it to the Obama administration's previous decision not to use Nevada's Yucca Mountain to store nuclear waste — meaning places like the Savannah River Site would be tasked with long-term storage.

U.S. Rep. Joe Wilson, a South Carolina Republican whose district includes the Savannah River Site, said he was disappointed in the administration's MOX request and said he would work to ensure the project remained on track.

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