

Draft Recommendation Paper for Managing Federal Stocks of Commodity Grade Mercury

December 18, 2006

Background

The U.S. currently holds approximately 5,642 metric tons (6,219 tons) of mercury in government stockpiles developed to support various weapons programs such as uranium enrichment activities. During the early and mid-1990s, both the Department of Defense (DOD) and the Department of Energy (DOE) authorized the sale of mercury from their stockpiles. These sales of stockpile mercury were suspended in 1994.

DOD has 4,436 metric tons (4,890 tons) of mercury in its strategic stockpiles. Although DOD has been authorized to sell mercury from its stockpiles since the early 1990s, in 2004 DOD selected a management strategy to consolidate its stockpiles in above-ground storage for at least 40 years. Under this strategy, DOD mercury supplies will not enter the market, and will remain as reserves for at least 40 years, or at least until 2044.

DOE has approximately 1,206 metric tons (1,329 tons) of stored mercury which it has recently decided to continue to store. Mercury was used at the DOE/National Nuclear Security Administration (NNSA) Y-12 facility in Oak Ridge, Tennessee in the 1950s and 1960s in the separation of lithium isotopes. The Cold War production of enriched lithium for nuclear weapons required millions of pounds of mercury. In 1963, the Y-12 lithium separation and enrichment program was shutdown, and over the next several years the production process was dismantled and mercury was recovered. The mercury, some owned by DOD and some by the DOE, was placed in storage at Y-12. Over time, a significant quantity of the mercury was sold, leaving 1,206 metric tons of DOE owned mercury still in storage. The DOD-owned mercury being stored at Y-12 was transferred in 2005 to a storage facility in Warren, Ohio.

Recommendation

DOE will continue to store its mercury stocks in the interim at Y-12 while investigating alternative long-term storage options. The stored mercury is not needed at the present time for DOE or DOD missions and there is little likelihood that it will be needed in the future. In evaluating these options, a number of factors are being taken into account, including the annual storage costs of about \$1,000,000 (one million dollars), and the potential risks associated with this material. DOE may consult with DOD to evaluate the possibility of storing its mercury along with DOD's supplies. The DOE Secretary will send a letter to Senator Barack Obama responding to the Senator's November 13, 2006 letter inquiring about DOE mercury stocks. The content of this letter should reflect DOE's official position and inform future decisions and DOE's policy stance.

While there remains the need to develop a federal strategy on the management of all excess domestic mercury stocks, the U.S. Government's actions not to sell mercury on

the open market sends a positive message to both private and state domestic mercury holders, as well as to global environmental policy makers. DOE's commitment to store its mercury sets the tone for a possible Blue Ribbon Panel to provide options to the U.S. Government for addressing excess non-federal mercury surpluses.

By committing to long-term storage of U.S. owned mercury, the U.S. Government can develop a position for the UNEP Governing Council meeting that: 1) Indicates that the U.S. has committed to storing 70% of its stocks, and 2) the U.S. Government has in place a stakeholder process that will develop options for management of its remaining nonfederal stocks of mercury.

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