

GAO Highlights

Highlights of [GAO-15-305](#), a report to the Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, U.S. Senate

Why GAO Did This Study

Disposing of properties that are excess to DOE's current and future needs is complicated because many are contaminated as a result of their use supporting nuclear weapons development and nuclear energy research. As part of this disposal, DOE's EM oversees the environmental cleanup and for facilities, their D&D. GAO was asked to examine DOE's management of the disposal of these types of properties.

This report (1) describes the facilities for which EM completed D&D from 2003 through 2013, (2) assesses DOE's management of the disposal of EM properties, and (3) identifies challenges DOE faced in disposing of these properties and actions taken to address those challenges. GAO analyzed DOE data, reviewed relevant policies and guidance on real property management, and interviewed DOE officials at headquarters and at seven DOE sites selected to represent a variety of sizes, locations, and experiences with property disposal. GAO also interviewed stakeholders from CROs and local governments.

What GAO Recommends

GAO recommends that DOE (1) take steps to ensure its data systems provide timely and complete data that support sound decision making and (2) develop and document an approach to property transfer—including roles and responsibilities—consistent with DOE's policy to identify and transfer properties for economic development purposes. DOE concurred with GAO's recommendations and identified steps it plans to take to implement them.

View [GAO-15-305](#). For more information, contact David J. Wise at (202) 512-2834 or wised@gao.gov.

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DOE REAL PROPERTY

Better Data and a More Proactive Approach Needed to Facilitate Property Disposal

What GAO Found

From 2003 through 2013, the Department of Energy's (DOE) Office of Environmental Management (EM)—the office responsible for the deactivation and decommissioning (D&D) of the agency's contaminated facilities—disposed of nearly 2,000 facilities across 19 sites in 13 states, according to EM data. The majority of these facilities were disposed of through demolition because of their contamination levels. During this time, EM also disposed of a limited number of uncontaminated facilities and land parcels through transfer by sale. EM transferred by sale 21 properties—13 facilities and 8 land parcels—at the Oak Ridge Reservation in Oak Ridge, Tennessee to a community reuse organization (CRO)—an organization whose purpose is to facilitate the reuse of unneeded DOE properties—and the local government.

DOE's ability to manage its decentralized property-disposal process is impeded by data limitations and an unclear policy. DOE and EM each maintain a database that contains information on facilities that are undergoing or have completed D&D. However, neither system collects all the information DOE officials would need to effectively manage this subgroup of its real property portfolio, such as when D&D of a facility started or was completed. In addition, DOE's database, which serves as the agency's source of information on all real property holdings, is not always timely or complete, a shortcoming that limits the value to officials as a source of information for decision making. Furthermore, although DOE's policy requires that excess real properties appropriate for transfer for economic development purposes be identified and disposed of, it does not identify what entity is responsible for these tasks or when it should identify such properties. As a result, almost none of the officials GAO interviewed at headquarters and at the site-level was proactively or systematically identifying or disposing of these properties. Consequently, DOE may be forgoing opportunities to reduce its overall footprint and achieve efficiencies in the disposal process.

DOE officials at headquarters and the selected sites as well as stakeholders—representatives of CROs and local governments—identified several challenges to disposing of EM properties for reuse, including:

- Facilities' characteristics, such as unique construction for a specific purpose, can limit reuse potential.
- Facilities may require significant renovation prior to reuse due to their age and condition.
- Properties located within the boundaries of secure sites may pose security concerns, making selling or leasing properties difficult.
- Property disposal processes are lengthy and may limit reuse.

EM and DOE have taken some actions, such as instituting more flexible cleanup processes, to accelerate D&D and to develop strategies to improve the property disposal process. In addition, at one site, EM transferred properties by sale to the CRO and reported using the cost savings to direct additional funds to D&D, a step that in turn, accelerated the cleanup of the remaining facilities. DOE also established a task force in 2011 that provided sites an opportunity to share information about ways to improve property disposal processes and timelines.