



October 2019

PAYMENTS IN LIEU OF TAXES

Revisions to DOE Order Could Provide Better Assurance That Payments Meet Goals

Why GAO Did This Study

The Atomic Energy Act, as amended, authorizes DOE to make PILT payments to communities that host DOE sites that meet specific criteria. PILT is discretionary financial assistance that provides payments to communities based on the property taxes they would have received had the property remained on their tax rolls.

House Report 115-230 accompanying a bill for the Energy and Water Development and Related Agencies Appropriations Act of 2018 included a provision for GAO to review DOE PILT. This report assesses (1) how PILT payments vary, if at all, by site and over time, and (2) reasons for variations in payments and the extent to which DOE is providing assurance that payments meet PILT goals.

GAO analyzed data on DOE payments to communities that DOE reported as having received PILT payments between 2008 and 2017. GAO compared 2017 data across sites and identified changes in payments to those communities between 1994 and 2017. GAO reviewed PILT's authorizing statute, DOE's PILT order, and PILT documentation. GAO interviewed officials from DOE, communities, and community organizations.

What GAO Recommends

GAO is making three recommendations that DOE update its PILT order to: improve collection and documentation of key determinants of PILT payments, implement a review process, and clarify how communities should calculate payment requests. DOE neither agreed nor disagreed and plans instead to further study PILT. We believe our report supports implementation of these recommendations.

View [GAO-20-122](#). For more information, contact David Trimble at (202)512-3841 or TrimbleD@gao.gov

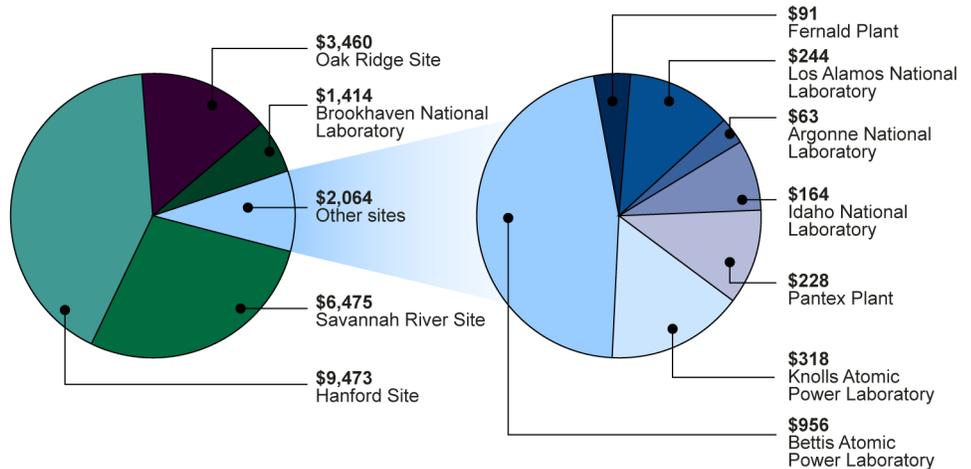
PAYMENTS IN LIEU OF TAXES

Revisions to DOE Order Could Provide Better Assurance That Payments Meet Goals

What GAO Found

The Department of Energy's (DOE) payments in lieu of taxes (PILT)—payments made to some local communities that host DOE sites—vary considerably across the sites and have generally increased over time. Communities at 11 DOE sites received PILT payments in fiscal year 2017 (the most recent fiscal year for which complete data were available), totaling approximately \$23 million (see figure). Payments to communities at the Hanford and Savannah River sites accounted for approximately 70 percent of that total, while payments to six sites combined accounted for less than 5 percent. Total PILT payments have more than doubled since 1994, primarily because of growth in payments to communities at the Hanford and Savannah River sites and because communities at other sites began receiving payments since 1994.

Payments in Lieu of Taxes Grouped by Department of Energy Site in Fiscal Year 2017 (Dollars in Thousands)



Source: GAO analysis of Department of Energy data. | GAO-20-122

DOE intentionally allows for variations of payments across sites so that payments may reflect the revenues communities would have received had the property remained on the tax rolls in the condition in which it was acquired, which DOE officials stated is a goal of PILT. However, DOE's PILT order's lack of requirements has limited DOE's ability to provide adequate assurance that payments consistently meet this and other PILT goals. The PILT order does not require documentation of the key determinants that went into the calculation of payments, or an independent review process to determine whether payment calculations are consistent with PILT goals. The PILT order also lacks specificity about payment determinations in certain scenarios. Without updates to the PILT order to strengthen DOE's internal controls, DOE will continue to lack adequate assurance that payments meet PILT goals.

Contents

Letter		1
	Background	4
	PILT Payments Vary Considerably across Sites and Have Generally Increased, Particularly at Two Sites	10
	PILT Payments Generally Vary Based on Local Differences, but DOE Is Not Providing Adequate Assurance That Payments Meet PILT Goals	17
	Conclusions	28
	Recommendations for Executive Action	29
	Agency Comments and Our Evaluation	29
Appendix I	Objectives, Scope, and Methodology	31
Appendix II	Department of Energy's (DOE) Sites That Provide Payments in Lieu of Taxes (PILT) to Communities	36
Appendix III	Payments In Lieu of Taxes (PILT) by the Department of Energy (DOE) since 1994	40
Appendix IV	Comments from the Department of Energy	48
Appendix V	GAO Contact and Staff Acknowledgments	50
Tables		
	Table 1: Payments in Lieu of Taxes by Department of Energy (DOE) Office and Recipient Community since Fiscal Year 1994	40
	Table 2: Payments in Lieu of Taxes by Department of Energy (DOE) Office and Recipient Community since Fiscal Year 1994 in Fiscal Year 2017 Constant Dollars	44

Figures

Figure 1: Key Organizations Involved with the Department of Energy's (DOE) Payments in Lieu of Taxes (PILT)	8
Figure 2: Department of Energy (DOE) Payments in Lieu of Taxes (PILT) Eligibility by Number of DOE Sites and Number of Acres in Fiscal Year 2017	12
Figure 3: DOE Sites That Are Affiliated with Communities That Received PILT Payments or Have Pending Payments for Fiscal Year 2017, Including PILT-Eligible Acreage	13
Figure 4: Payments in Lieu of Taxes Grouped by DOE Site in Fiscal Year 2017 (Dollars in Thousands)	14
Figure 5: Changes in PILT Payments to Communities at Department of Energy (DOE) Sites since Fiscal Year 1994, in Fiscal Year 2017 Constant Dollars	15
Figure 6: Basic Property Tax Formula and Example of Its Application to Calculating Payments in Lieu of Taxes (PILT)	18

Abbreviations

CFO	Chief Financial Officer
DOE	Department of Energy
INL	Idaho National Laboratory
PILT	payments in lieu of taxes

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



October 29, 2019

The Honorable Lamar Alexander
Chairman
The Honorable Dianne Feinstein
Ranking Member
Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate

The Honorable Marcy Kaptur
Chairwoman
The Honorable Mike Simpson
Ranking Member
Subcommittee on Energy and Water Development, and Related Agencies
Committee on Appropriations
House of Representatives

The federal government has acquired over 2 million acres of property nationwide for use by the Department of Energy (DOE) and its predecessor agencies.¹ Most of the property was acquired decades ago for activities related to the Manhattan Project and the subsequent development, production, and testing of nuclear weapons, as well as for energy research. Once acquired by the federal government, such property was not subject to state or local property taxes.² The Atomic Energy Act, as amended, authorizes DOE to make payments in lieu of taxes (PILT) that would have been payable to communities if these properties had remained subject to state or local taxes. The goal of PILT, as stated in the act and reflected in DOE's order implementing the act, is to render financial assistance to these communities, while generally not making payments in excess of the taxes that would have been payable

¹The Atomic Energy Commission was the first agency to exercise control of nuclear technology in the United States. The Atomic Energy Commission was abolished and its functions transferred to the Energy Research and Development Administration and the Nuclear Regulatory Commission in 1974. The Energy Research and Development Administration was later absorbed into the Department of Energy. While the statutory provision governing PILT payments still refers to the Atomic Energy Commission, we refer instead to the Department of Energy throughout this report.

²Federal property is not subject to state or local property taxes.

for the property in the condition in which it was acquired.³ An additional goal of PILT, according to DOE officials we met with, is to compensate communities for the revenue they would have received if the property had remained on the tax rolls. DOE may provide PILT payments subject to the availability of funds; PILT is not an entitlement, and the amounts, the timing, and the terms of the payments are at the discretion of the Secretary of Energy.

DOE provides PILT payments to communities—mostly counties—that host DOE sites.⁴ According to DOE and community officials, these communities use PILT payments for a variety of purposes. Typically, a community applies PILT payments to the local government’s general fund, which supports a wide variety of public goods and services, such as emergency response, roads, and schools. In some cases, DOE makes PILT payments directly to school districts or other local entities, for example a water district.

We last reported on DOE’s management of PILT in 1994.⁵ At that time, we found that, as DOE revised PILT policies over time, DOE had applied different criteria to determine payments for different communities, depending on when communities applied for PILT. To address concerns about inequities resulting from the application of different criteria to different communities, DOE had revised its PILT policy in 1993 to apply more consistent criteria across PILT. We noted that this revision addressed some communities’ concerns about inequities because newer PILT applicants were no longer subject to stricter criteria, and that PILT payments would likely increase. We also concluded that because

³42 U.S.C. § 2208 (2019); Department of Energy, *Payments in Lieu of Taxes*, DOE Order 143.1 (Washington, D.C.: Jan. 31, 2007). The act states that DOE shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon state or local government activities by DOE activities. DOE orders are a type of DOE directive. Directives serve as DOE’s primary means of establishing policies, requirements, responsibilities, and procedures for DOE and its contractors. Included as an attachment to DOE Order 143.1 is a set of program guidelines, *Payments in Lieu of Taxes Under the Atomic Energy Act of 1954; Guidelines*, 68 Fed. Reg. 28,822 (May 27, 2003). For the purposes of this report, we refer to both the order and the attached guidelines as DOE’s “PILT order.”

⁴For the purpose of this report, we use the term “communities” to refer to state and local governments that are eligible for and receive assistance; recipients primarily include counties but also include cities, towns, school districts, and a water district.

⁵GAO, *Energy Management: Payments in Lieu of Taxes for DOE Property May Need to Be Reassessed*, [GAO/RCED-94-204](#) (Washington, D.C.: July 18, 1994).

communities hosting about 78 percent of DOE property were not eligible for PILT and the changes could increase payments to some PILT recipients, some might view the changes as contributing to further disparities. We stated that Congress may wish to consider reassessing the broad authority that the Atomic Energy Act provided DOE to make PILT payments.⁶ Congress has not made changes to that authority.

The committee report accompanying H.R. 3266, a bill for the Energy and Water Development and Related Agencies Appropriations Act of 2018, includes a provision for GAO to assess DOE's management of PILT, including changes made to PILT since GAO's last review.⁷ The joint explanatory statement accompanying H.R. 1625, a bill for the Consolidated Appropriations Act, 2018 reiterates the report's direction for GAO to provide an update on DOE PILT since GAO's last review.⁸ This report examines (1) how, if at all, PILT payments vary across sites and how they have varied over time; and (2) reasons for variations in payments, and the extent to which DOE is providing assurance that payments meet PILT goals.

To examine how, if at all, PILT payments have varied by site and how they have varied over time, we analyzed DOE data on PILT payments from fiscal years 1994 to 2017. We compared payment amounts across sites. We also analyzed the data to determine how payment amounts varied over time. We assessed the reliability of the data by checking for errors, cross checking data against DOE documentation, and interviewing DOE officials about the data. We determined the data are sufficiently reliable for the purposes our report.

To identify reasons for variations in payments and the extent to which DOE is providing assurance that payments meet PILT goals, we analyzed DOE's PILT order, DOE intergovernmental agreements, and PILT invoices submitted by communities. We examined DOE's policies and procedures regarding PILT, and we interviewed DOE officials at a variety of levels within the agency, including at the headquarters, program, and

⁶We stated that Congress could consider: retaining DOE's discretionary authority, providing additional guidance on whether DOE's initiatives were consistent with congressional priorities, or amending the act to either provide payments to all communities, including those not then eligible, or eliminate payments to all communities, if such action were deemed appropriate.

⁷H.R. Rep. No. 115-230, at 78 (2017).

⁸164 Cong. Rec. H2045, 437 (daily ed. Mar. 22, 2018).

site level. We also interviewed officials from five communities at the two sites that receive the highest PILT payments to describe how they have used PILT payments, how they assess land value, and challenges they have faced with PILT. Findings from these five communities cannot be generalized to all communities receiving PILT payments. See appendix I for additional information on our objectives, scope, and methodology.

We conducted this work from October 2018 to October 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

History of DOE PILT Orders

DOE has issued PILT orders and policies to articulate DOE's procedures for carrying out the PILT provision of the Atomic Energy Act. DOE has changed its PILT procedures over time, which is reflected in multiple PILT orders and policies. These changes modified eligibility requirements for PILT, as well as how PILT payments were to be calculated.

- In 1958, a predecessor agency to DOE issued the first order on PILT. Under the order, payments were to be based on the property value when the land was acquired and the tax rate of the year for which the payment was made; however, it allowed for exceptions to this rule. The 1958 order also allowed DOE to pay sites retroactively for years prior to their initial PILT application.
- In 1987, DOE issued a new PILT order with changes to address budget constraints. The new order introduced more stringent requirements for new PILT applicants; prior PILT recipients were not subject to the new restrictions. The 1987 order included an eligibility requirement called a "gross benefits test." Under this requirement, payments were only allowed if the tax loss that was incurred exceeded the total value of all benefits derived from DOE's activities

in the community.⁹ The 1987 order also included a provision that required payments to be reduced by the amount of tax benefits a community received from DOE's activities and eliminated retroactive payments to communities for the years prior to their application for PILT.

- In 1993, DOE revised its policy in response to concerns about inequities arising from the application of the 1987 order. Specifically, the 1993 policy eliminated the gross benefits test and modified the provision that required payments to be reduced to account for tax benefits from DOE activities. In addition, it allowed payments to all communities to be based on the current tax rates and value of the property in the condition in which it was acquired.¹⁰
- In 2003, DOE issued its most recent PILT order. This order updated responsibilities outlined in the 1993 policy and shifted some details to a separate policy document. It also eliminated a detail of the 1993 policy regarding special burdens payments.¹¹

⁹The 1987 order describes these benefits as direct tax benefits that accrue to a community as a result of DOE activities, including payments to federally impacted school districts, and sales, franchise, inventory use, or other taxes levied on the department or its contractors by state or local taxing jurisdictions.

¹⁰DOE also clarified its policy to specifically address calculating property assessments on the basis of the "highest and best" current use of the property in the condition in which it was acquired. "Highest and best use" is the "highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future." *Olson v. United States*, 292 U.S. 246, 255 (1934); see *United States ex rel. Tenn. Valley Auth. v. 1.72 Acres of Land*, 821 F.3d 742, 752 (6th Cir. 2016). DOE defines "condition in which it was acquired" as the physical description, definition, and real property classification used to determine the assessed valuation of the real property in the last year that such property was subject to state or local tax rolls prior to acquisition by the federal government. Classification refers to zoning and use classifications. Zoning is the division of a city or county by legislative regulations into areas, or zones, which specify allowable uses for real property and size restrictions for buildings within these areas. Zoning classifications designate which land uses and building requirements are allowed for specific areas in the community.

¹¹In its prior orders, DOE defined "special burdens" as unusual or substantial burdens placed on a state or local government by Atomic Energy Act-related activities of DOE and which are incurred by extraordinary services that are not normally required by a community on a routine basis. The fact that a state or local government is burdened by the activities of DOE does not constitute a special burden. We did not examine special burdens payments because the most recent PILT order does not address them and DOE officials informed us that DOE has not provided special burdens payments to any communities.

PILT Process and Organizations

In order for a community to be eligible for PILT payments, it must submit to DOE an initial PILT application. DOE uses the one-time initial application to establish the eligibility of land at a certain community. Officials from the relevant DOE site and program offices, along with officials from DOE's Office of the Chief Financial Officer (CFO), Office of Management, and General Counsel at DOE headquarters, evaluate the application based on several criteria, such as: (1) the property must have been subject to taxation by local or state authorities immediately prior to being acquired by the federal government, (2) payments must not be retroactive, (3) payments should not be in excess of the taxes that would have been collected if the property had remained on the local tax rolls in the condition in which it was acquired, and (4) property values will be based on the highest and best use of the property based on the classification of the property when it was acquired.¹² The CFO makes the final determination of whether to approve or reject the application. Once an application is approved, DOE and the community enter into an intergovernmental assistance agreement, which emphasizes that payments are subject to the availability of funds and to legislative or administrative reductions and states that PILT is not an entitlement to the community.

After establishing eligibility through the application process, each community submits to DOE an annual PILT invoice reflecting its requested PILT amount. These annual PILT invoices specify how much a community estimates its PILT payments should be based on the community's calculations for a specific tax year. DOE site offices—offices at various DOE sites across the United States that report to DOE program offices—review each PILT invoice and determine whether enough funding is available to pay the amount requested in the PILT invoice.¹³ If a

¹²Because DOE has not updated the order since 2003, the order refers to the Office of Management, Budget and Evaluation, which existed at the time, rather than the current Office of the Chief Financial Officer and Office of Management. DOE officials stated that, when the functions of the Office of Management, Budget and Evaluation were divided between the CFO and the Office of Management, DOE also divided the office's PILT responsibilities among those two offices.

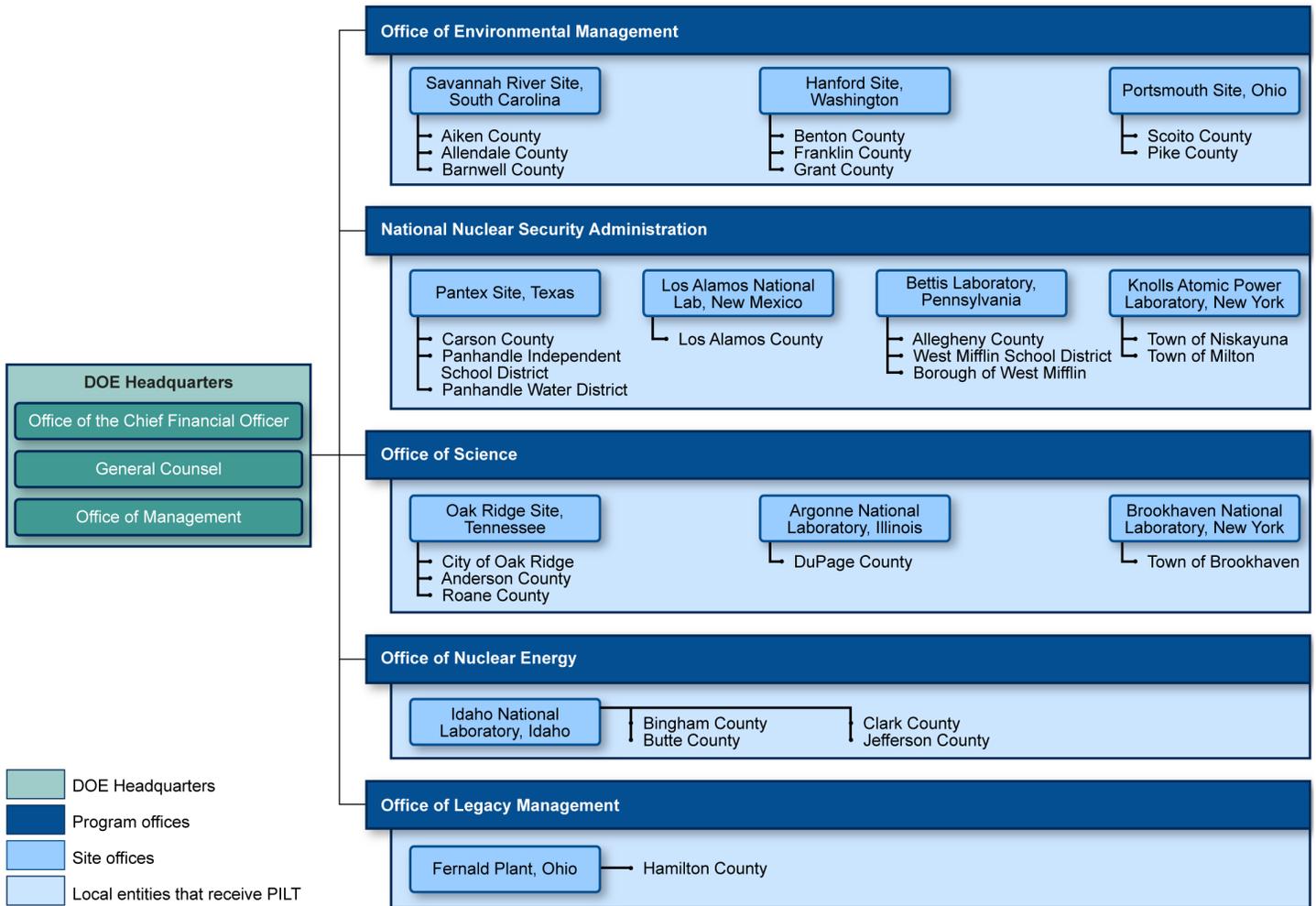
¹³DOE begins planning for its budget about 2 years before the beginning of the fiscal year. However, communities generally calculate their payments in PILT invoices for a calendar year at about the time when they prepare tax bills, often at the end of the calendar year for the prior year. As a result, DOE sometimes receives PILT invoices well after it has developed its budget request for a given fiscal year. However, DOE officials told us that because PILT is not a separate line item in its budget, DOE has some flexibility to vary payments from what it originally planned.

community's PILT invoice reflects a reclassification of the property to a new tax classification or category, a change in the amount of eligible land, or another significant change in the method of calculating the requested PILT payment by the community, the community must submit a new PILT application.

PILT processes involve multiple organizations, including several parts of DOE as well as local governments (see fig. 1). DOE headquarters—including the CFO, Office of Management, and General Counsel, and program offices—is responsible for reviewing and approving initial or revised PILT applications. The CFO and program offices are responsible for ensuring that funding needed for PILT payments is included in budget requests. As of fiscal year 2019, the program offices involved with PILT include:

- the Office of Environmental Management, which has the mission to clean up sites contaminated by nuclear weapons development and nuclear energy research;
- the National Nuclear Security Administration, which is responsible for maintaining and enhancing the safety, reliability, and performance of the U.S. nuclear weapons stockpile;
- the Office of Science, which manages national laboratories and supports research of physics, materials science, and chemistry;
- the Office of Nuclear Energy, which focuses on research, development, and demonstration of nuclear reactors; and
- the Office of Legacy Management, which is responsible for providing long-term surveillance and maintenance of DOE sites that have closed.

Figure 1: Key Organizations Involved with the Department of Energy's (DOE) Payments in Lieu of Taxes (PILT)



Source: GAO analysis of Department of Energy data. | GAO-20-122

Under the current PILT order, DOE site offices are responsible for providing recommendations for any initial and revised PILT applications and for administering payments. These DOE site offices operate in their PILT recipient communities. DOE site offices are overseen by DOE program offices. For example, cleanup activities related to nuclear weapons production at the Hanford and Savannah River sites are overseen by the Office of Environmental Management, while the Argonne and Brookhaven National Laboratories are overseen by the Office of Science. The site of the now closed Fernald Plant is overseen by the Office of Legacy Management. At some sites, multiple communities at the

site receive PILT payments. For example, three communities at the Oak Ridge site receive PILT payments: the City of Oak Ridge, Anderson County, and Roane County.

Property Taxes

Property taxes in the United States are levied by a number of different taxing authorities, including state and local governments, but mostly by local governments. Local governments, such as counties, can levy and collect taxes on behalf of smaller jurisdictions within their boundaries. Broadly speaking, property taxes are based on the assessed value of the property times the tax rate.

- **Assessed value.** The assessed value of the property is generally a function of the market value and the assessment ratio. The market value depends on the characteristics of the property and can vary across locations as a result of local conditions, including the supply and demand for the type of property. The assessment ratio is a percentage modifier applied in certain circumstances to alter the market value of the property. Some states and counties apply a lower assessment ratio to certain classifications of property, such as agricultural property.
- **Tax rate.** The tax rate is a figure—typically in the form of a percentage—that is applied to the assessed value of the property to determine the total property tax amount. Tax rates vary across locations, depending on local and state tax laws and policies. In addition, for a given property tax bill, local governments may apply a wide variety of tax rates, with different rates applied for different government-supported functions, such as education, emergency services, and roads. The classification of the property can thus influence the tax rates.

PILT Payments Vary Considerably across Sites and Have Generally Increased, Particularly at Two Sites

PILT payments vary considerably across DOE sites, with the communities at two sites with the most eligible land receiving the majority of payments. Total PILT payments made to communities at the 12 DOE sites that receive PILT payments have increased from approximately \$9.5 million in 1994 to approximately \$23 million in 2017 in fiscal year 2017 dollars.¹⁴ Payments to communities at the Hanford and Savannah River sites account for the majority of that growth.

Communities at Most of DOE's 74 Sites Do Not Receive PILT Payments

According to DOE, communities at the majority of DOE sites do not receive PILT payments because they are ineligible for PILT or have not applied to receive payments. Specifically, of the 74 DOE sites, communities at 44 sites are ineligible for PILT. Of the 30 sites where communities are eligible or potentially eligible, 18 have communities that have not applied for PILT or currently do not receive PILT, while communities at 12 sites currently or recently received PILT as of 2017, according to DOE documents.

Of the over 2 million acres covered by DOE sites, approximately 70 percent—approximately 1.5-million acres—is ineligible for PILT, according to documents provided by DOE. According to DOE, communities at most of the 44 ineligible sites are not eligible under the provisions of the Atomic Energy Act because they are on property that either: was not on local tax rolls prior to acquisition, is private land, is land controlled by another federal agency, or is university-owned. Some examples of property that is ineligible include: the Waste Isolation Pilot Plant, New Mexico, which is situated on federal land and thus not subject to prior state or local taxation; Hazelwood Interim Storage Site, Missouri, which is on land DOE leases from a private owner; Sandia Lab, Kauai, Hawaii, which is on land controlled by another federal agency; and the

¹⁴Communities at thirteen sites have received PILT payments since 1994. However, the community at the Mound site last received payments in 2006 because the Miamisburg Closure Project, which closed the plant, was completed. In addition, Pike County, at DOE's Portsmouth site, has received payments periodically since 1998, but did not regularly submit PILT invoices. The county was eligible for PILT in 2017 but did not submit a PILT invoice in 2017. In February 2018, Pike County submitted a PILT invoice that included 2017. DOE officials stated that they generally have made back payments for these late PILT invoices, and we found multiple examples where DOE has made back payments for other communities' late PILT invoices.

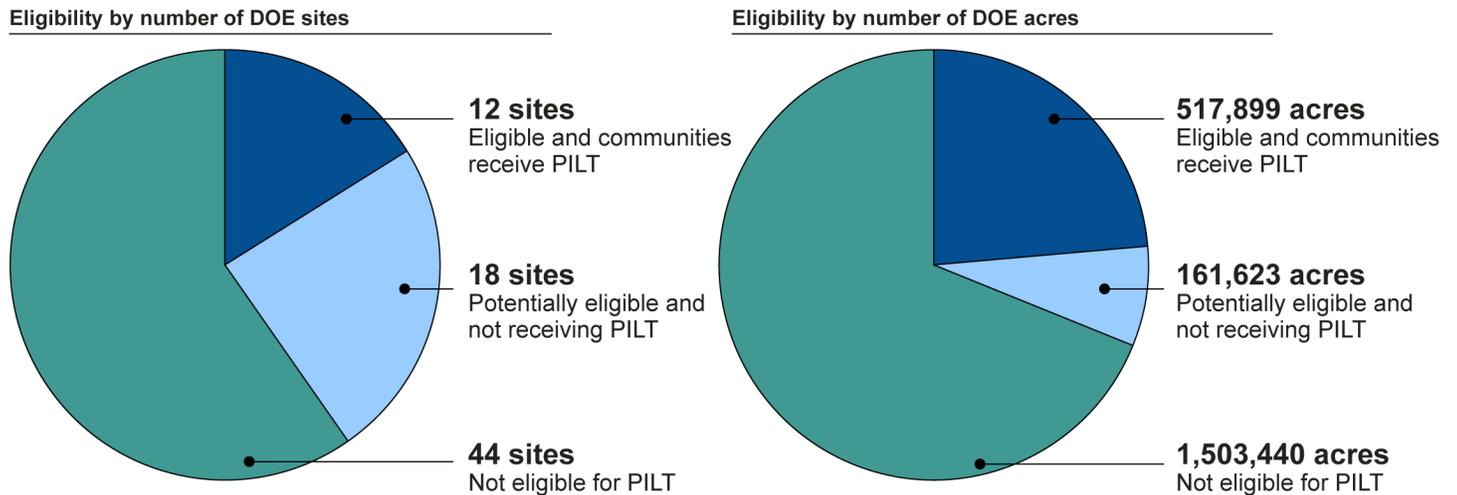
Radiobiological Laboratory of Utah, Utah, which is on university-owned land. In addition, in some cases, sites include a mix of eligible and ineligible acreage.¹⁵

Of the approximately 680,000 acres of property at the 30 sites that are eligible or potentially eligible for PILT, about 25 percent is located at the 18 sites where the communities did not receive PILT payments, according to fiscal year 2017 data provided by DOE. Examples of those sites with eligible property that have not received payments include the Weldon Spring Quarry in St. Charles County, Missouri, and the Atlas Complex in Clark County, Nevada. DOE headquarters officials that we spoke with stated that they are unsure why some communities with eligible property have not applied for PILT.

Of the property that is eligible for PILT, approximately 75 percent is located at the 12 sites where the community has applied for and receives PILT payments. These sites began receiving payments at least as early as the 1950s and as late as 2012. Some sites are located in communities that previously, but no longer, receive PILT payments. For example, the community at the Mound Site, which is under the Office of Legacy Management, received its last payment in 2006. Figure 2 shows PILT eligibility and receipt by site and by acreage.

¹⁵For example, the Idaho National Laboratory includes approximately 569,000 acres, but only approximately 26,000 acres are eligible for PILT.

Figure 2: Department of Energy (DOE) Payments in Lieu of Taxes (PILT) Eligibility by Number of DOE Sites and Number of Acres in Fiscal Year 2017

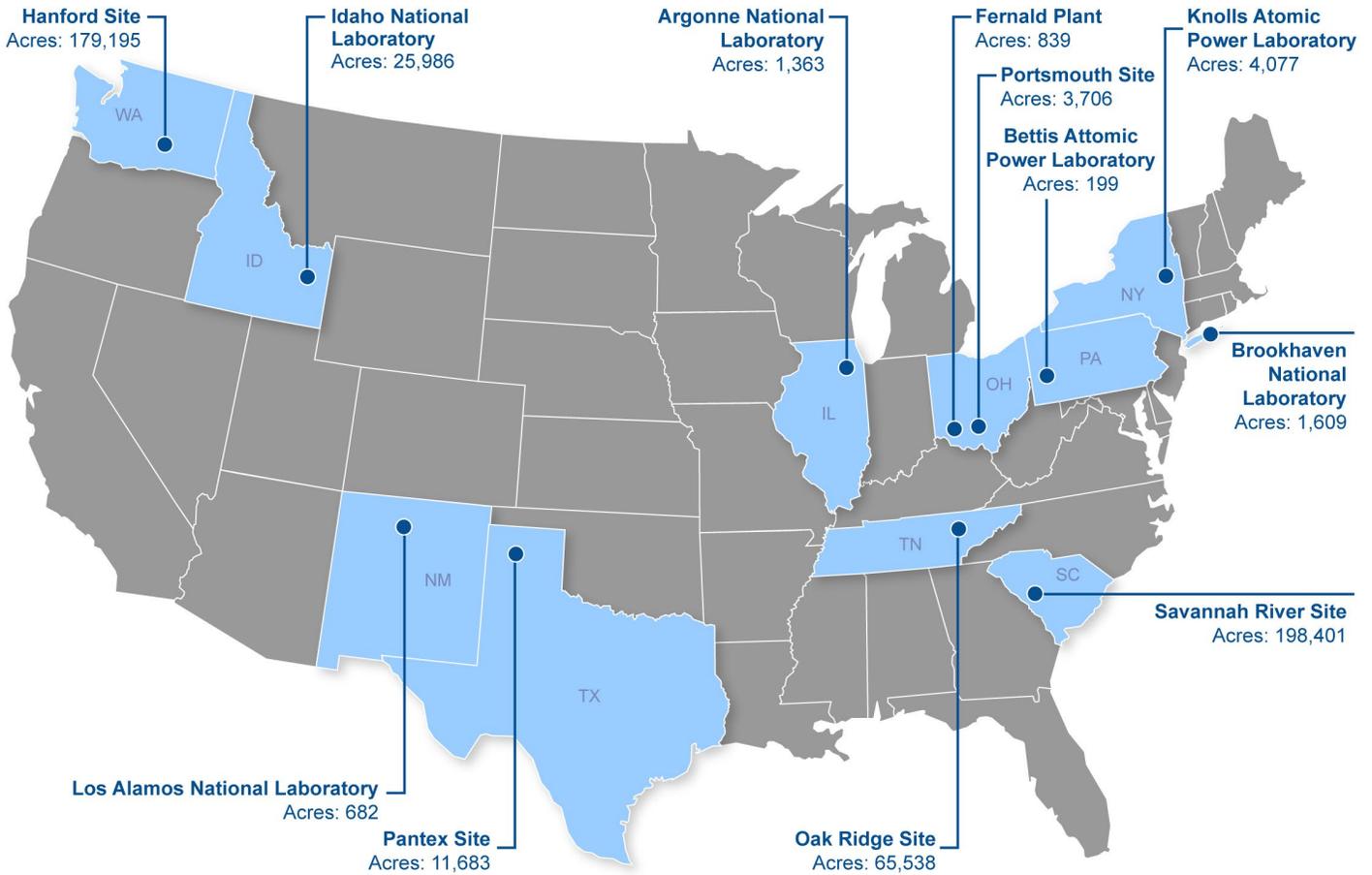


Source: GAO analysis of Department of Energy data. | GAO-20-122

In fiscal year 2017, communities at 12 DOE sites received or had pending PILT payments.¹⁶ These sites are located in 10 states. The sites vary in size and the amount of land at the site that is eligible under DOE’s PILT order. The two largest sites in terms of eligible acreage—Hanford and Savannah River—are the only sites that have more than 100,000 PILT-eligible acres, at nearly 180,000 and 200,000 respectively. Although the Idaho site includes about 570,000 acres, according to DOE officials, only 5 percent of those are eligible for PILT because they were previously on local tax rolls when DOE acquired the land, while the rest of the land was not on the tax rolls. Five sites—Brookhaven National Laboratory, Argonne National Laboratory, the Fernald Plant, Los Alamos National Laboratory, and Bettis Atomic Power Laboratory—have total PILT-eligible acreage of less than 2,000 acres, with the smallest, Bettis Atomic Power Laboratory, having around 200 PILT-eligible acres. Figure 3, below, shows the name, location, and PILT-associated acreage of DOE sites where local communities received PILT payments in 2017 or had pending PILT payments.

¹⁶In fiscal year 2017, Pike County, which hosts the Portsmouth site, did not submit a PILT invoice. However, in fiscal year 2018, the county submitted a PILT invoice for fiscal years 2014 through 2018 (calendar years 2013 through 2017) and requested higher payment amounts for these years.

Figure 3: DOE Sites That Are Affiliated with Communities That Received PILT Payments or Have Pending Payments for Fiscal Year 2017, Including PILT-Associated Acreage



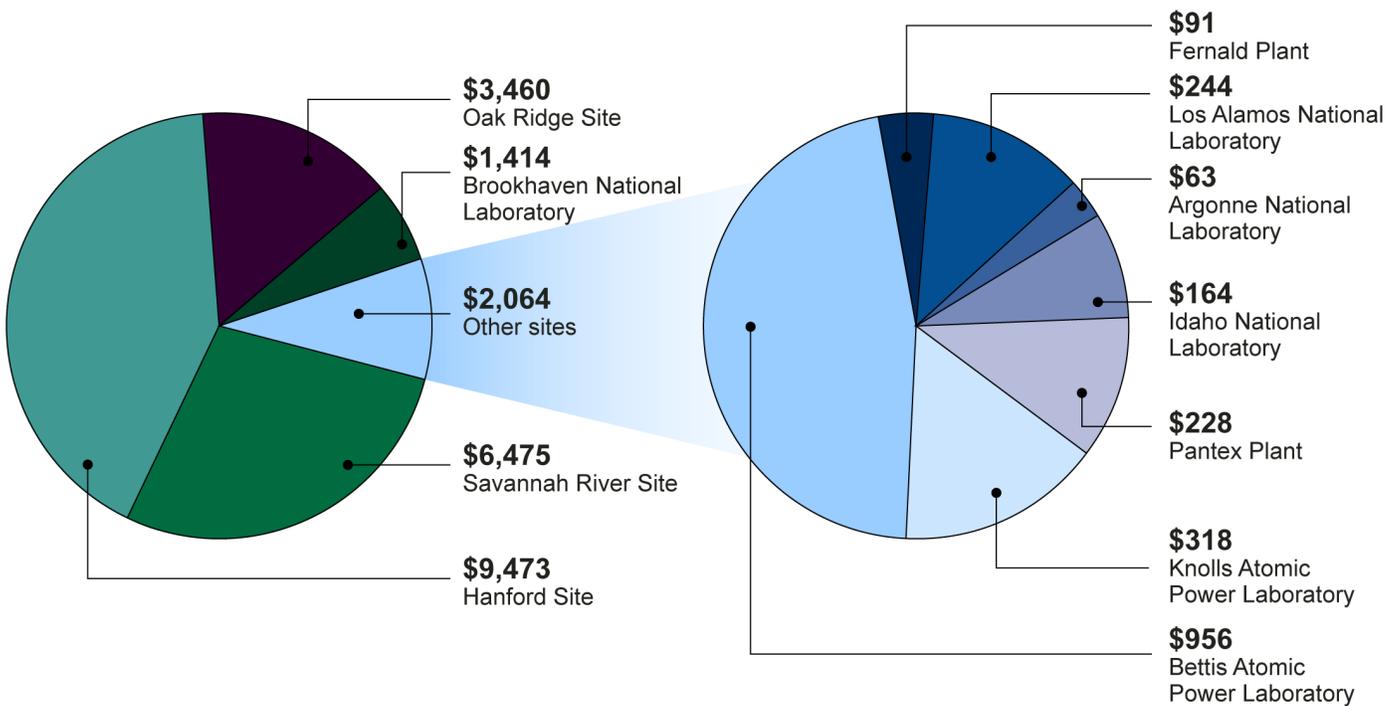
Sources: GAO analysis of Department of Energy data; Map Resources (map). | GAO-20-122

Note: The two sites under the Naval Reactors Laboratory Field Office, which operate under the same management and operation contract in two adjacent communities, the Kesselring Site in the Town of Niskayuna and the Knolls Atomic Power Laboratory in the Town of Milton will be treated as one and listed as "Knolls Atomic Power Laboratory" for the sake of comparison. Pike County, which hosts the Portsmouth site, did not submit a PILT invoice for PILT in fiscal year 2017, but in February, 2018, submitted a PILT invoice that included fiscal year 2017. DOE officials described the payment as pending re-submission.

PILT Payments Varied Considerably, with Communities at Two Sites Receiving the Majority of Total Payments

Payments to communities at the 11 DOE sites that received PILT payments in fiscal year 2017 varied considerably, from less than \$65,000 to more than \$9 million, totaling over \$23 million.¹⁷ Communities at the Hanford and Savannah River sites, representing over 75 percent of all PILT-eligible acreage, received approximately 70 percent of total PILT payments—approximately \$9.7 million and \$6.5 million, respectively. Of the communities at the remaining 9 sites, communities at 2 received more than \$1 million, and communities at 2 received less than \$100,000. Figure 4 shows payment amounts for the communities at the 11 sites that received payments in fiscal year 2017. See appendix III for detailed information on PILT payments from 1994 to 2017.

Figure 4: Payments in Lieu of Taxes Grouped by DOE Site in Fiscal Year 2017 (Dollars in Thousands)



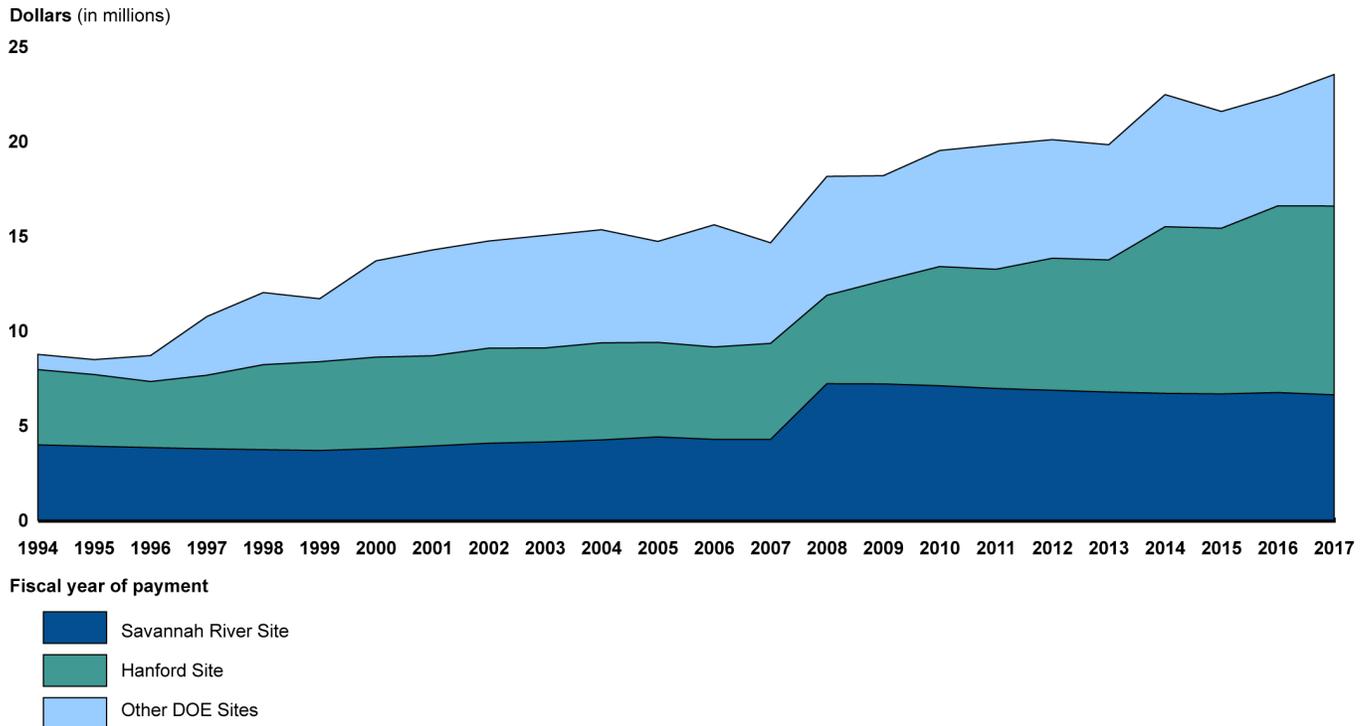
Source: GAO analysis of Department of Energy data. | GAO-20-122

¹⁷We used DOE sites as the unit of analysis for this section. Dollar amounts reflect funding collectively received by all communities at a site rather than per community.

Growth in PILT Payments since 1994 Results from Increases in Payments to Communities at Two Sites and the Addition of New PILT Recipients

Growth in PILT payments since 1994 is primarily a result of increases in payments to communities at two sites—Hanford and Savannah River—in addition to new PILT recipient communities at DOE sites. Since 1994, total annual PILT payments have grown from \$8,582,446 to \$23,170,049 in fiscal year 2017 constant dollars, as figure 5 shows.

Figure 5: Changes in PILT Payments to Communities at Department of Energy (DOE) Sites since Fiscal Year 1994, in Fiscal Year 2017 Constant Dollars



Source: GAO analysis of Department of Energy data. | GAO-20-122

Since 1994, increases in payments to the communities at the Hanford and Savannah River sites are responsible for the nearly 60 percent of remaining total growth in PILT payments. PILT payments have increased from a total of over \$19 million in 2012 to over \$23 million by 2017 in real terms. Nearly all of that growth in total payments during that time is a result of higher payments to communities at the Hanford site, which community and DOE site officials attributed to increases in local land value resulting from the growth in agriculture in the region. PILT

payments to the three communities at the Hanford site increased by 43 percent, or nearly \$3 million, in that time frame.¹⁸ Communities at the Hanford site were not the only ones to experience a large payment growth rate. PILT payments to communities at two other sites, Pantex and Idaho National Laboratory, increased by approximately 90 percent and 55 percent respectively over the same time period; however, this growth was approximately \$100,000 and \$85,000 respectively for those communities and therefore did not account for much of the overall growth in PILT payments.

The majority of communities that currently receive PILT payments began receiving them beginning in or after 1994.¹⁹ DOE's 1993 policy eliminated the gross benefits test and modified a provision that required payments to be reduced by the amount of tax benefits a community received from DOE's activities. These changes allowed for additional sites to enter into PILT agreements with DOE and allowed other sites to obtain higher payment amounts. Since 1994, communities at seven additional sites were approved for and have begun receiving PILT payments. The addition of these new PILT recipient communities after the 1993 policy change, primarily Brookhaven National Laboratory, is responsible for approximately 15 percent of the growth of total annual payments.²⁰

¹⁸In response to this growth in payments, in 2017 and 2018, DOE provided less than the communities at Hanford requested—specifically, 91 percent of the 2017 requests and 65 percent of the 2018 requests. DOE officials stated that DOE provided less because the higher payments limited DOE's ability to fund other priorities in the Hanford site's "community and regulatory support budget" account—the budget account from which Hanford PILT as well as other activities are funded. The officials stated that total funding in that account had remained stable in recent years even as the total amount requested for PILT by the communities rose.

¹⁹Among communities that currently receive PILT, communities at five sites received PILT payments prior to 1994: Argonne National Laboratory (1950), Oak Ridge Site (1958), Bettis Atomic Power Laboratory (1966), Savannah River Site (1969), and Portsmouth Site (1979). The seven sites affiliated with communities that began to receive PILT payments after 1994 include: Pantex Plant (1994), Hanford Site (1996), Fernald Plant (1996), Idaho National Laboratory (1998), Brookhaven National Laboratory (2000), Los Alamos National Laboratory (2000), and Knolls Atomic Power Laboratory (2002).

²⁰DOE made its first payment of \$1.2 million to Brookhaven National Laboratory in fiscal year 2000, in inflation adjusted dollars. This represented approximately 10 percent of all PILT payments for that year. Communities at other sites that began receiving PILT after 1994 received smaller payments in their first full year of payment. For example, the communities at Portsmouth (1998), Idaho National Laboratory (1998), and the Fernald Plant (2012) received approximately \$170,000, \$525,000, and \$65,000 respectively in fiscal year 2017 adjusted dollars.

PILT Payments Generally Vary Based on Local Differences, but DOE Is Not Providing Adequate Assurance That Payments Meet PILT Goals

Variations in PILT payments across sites are largely due to differences among the sites, including the different histories and market conditions at each site. However, the PILT order's lack of requirements about PILT documentation, review of PILT invoices, and payment determinations has limited DOE's ability to provide adequate assurance that payments fully reflect the terms of their original agreements and consistently meet PILT goals.

DOE's PILT Order Allows for Variations in PILT Payments

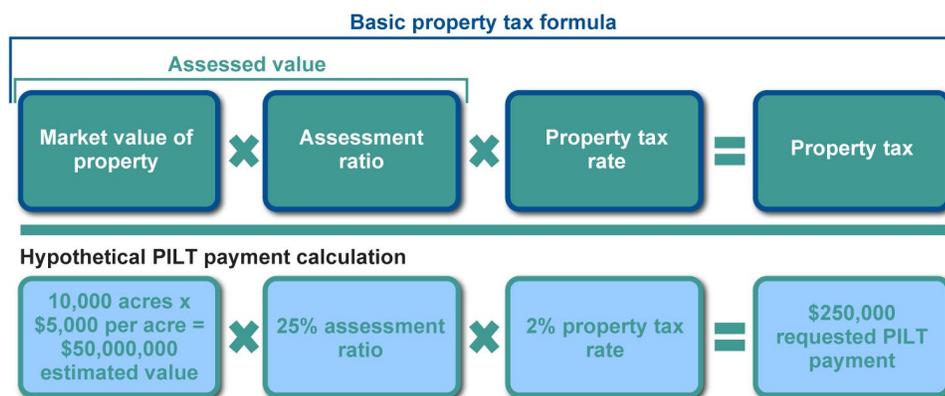
The goal of PILT, as stated in the Atomic Energy Act and reflected in DOE's order implementing the act, is to render financial assistance to communities, while generally not making payments in excess of the taxes that would have been payable for the property in the condition in which it was acquired. DOE officials stated that an additional PILT goal is to compensate communities for the revenues they would have received under those conditions. Although the order does not require payments to reflect the revenues communities would have received, it states that, on a case-by-case basis, PILT payments will be based on the same assessment values and tax rates that the communities apply to comparable properties with the same use and/or tax classification. Since these values and rates differ between sites, payments may also differ under the order.

PILT Payments Generally Vary Based on Local Differences That Influence Property Taxes

Consistent with DOE's PILT order, PILT payments to communities vary given the characteristics of the property, market conditions, and tax policies applied at each site, in order to reflect the revenue the communities would have received had the property remained on their tax rolls. DOE generally bases PILT payments on the recipient communities' estimates of the property taxes they would have received. The communities calculate their estimated payments and then communicate their requested payment amounts in annual invoices to DOE. DOE does not prescribe the use of a particular formula by communities seeking payments. However, DOE officials noted that communities usually base the calculations they use to develop their annual PILT invoices on property taxes and that they generally calculate these using a relatively standard formula. Key information in this calculation includes the amount

of land, its estimated value, assessment ratio, and the property tax rate (see figure 6).

Figure 6: Basic Property Tax Formula and Example of Its Application to Calculating Payments in Lieu of Taxes (PILT)



Source: GAO analysis of Department of Energy data. | GAO-20-122

Differences in PILT payments to different sites are generally not a function of variations in the payment formula, but rather of variations among the inputs into the formula, although DOE has sometimes altered payments in other ways. Based on our analysis of PILT payments in fiscal year 2017, we found that values of property, assessment ratios, and property tax rates vary across DOE sites and communities. The assessed value of the property is partially determined by characteristics, or history, of the property and market conditions. State and local tax policies may determine both the assessment ratio and the property tax rate.

- Characteristics of the property.** The amount of PILT eligible property and its classification are factors that partially determine payment amounts. DOE provides the highest payments to communities at sites with the greatest amount of eligible acreage—the Hanford, Savannah River, and Oak Ridge sites. Similarly, lower acreage at some sites usually results in lower payments. For example, Los Alamos National Laboratory and the Fernald Plant are among the smallest sites and payments to these communities are among the smallest. In addition, the land use classification of the property, such as whether it was used for agricultural or commercial purposes when it was acquired, influences its value. Some classifications of land tend to have higher market values than others; for example, commercial land generally has a higher value than agricultural land. The land at the Bettis Atomic Power Laboratory site,

located in western Pennsylvania, is classified as commercial property and was valued in 2017 for PILT purposes at an average of \$64,476 per acre. As a result, although Bettis Atomic Power Laboratory has among the smallest acreage of any site—at approximately 200 acres—its payments are the fifth highest. In contrast, the land at the Pantex site, located in the Texas Panhandle, is classified as agricultural and homestead property and was valued in 2017 for PILT purposes at an average of \$976 per acre.

- **Market conditions.** The market value of property varies across PILT sites as a result of local market conditions. Greater demand for land contributes to higher per-acre values than when there is less demand for land. This contributes to variations among land values, even within a given classification, for the communities' annual PILT invoices to DOE. For example, irrigable agricultural land at Benton County—one of the communities that hosts the Hanford site—was valued at about \$6,500 per acre in 2017, which DOE and county officials attributed primarily to high demand for agricultural property in Washington State's Columbia Valley River Basin. In contrast, Carson County—which hosts the Pantex Plant and is in a region with lower farm real estate values and is not near a major city—valued its land at \$976 per acre in 2017, as previously noted.
- **State and local tax policies.** Some states and counties reduce assessment ratios for certain types of property, such as agricultural property. For example, the assessed value of the property is reduced to a fraction of its market value. Some communities have reflected these assessment ratios in their calculations for their annual PILT invoices to DOE.²¹ Because assessment ratios can vary widely across locations—from 6 percent to 100 percent among communities that received PILT payments in fiscal year 2017—they can create large variations in PILT payments. For example, the communities at the Oak Ridge site assess agricultural property at 25 percent of the full market value, which they reflect in their annual PILT invoices to DOE. On the other hand, the Town of Brookhaven, which hosts Brookhaven National Laboratory, applied a 90 percent assessment ratio to its PILT-eligible property, which is categorized as residential. In addition, tax rates vary across communities. For example, in fiscal year 2017,

²¹Assessment ratios are not directly mentioned in DOE's PILT order; however, DOE's PILT order does call for PILT applications to include information on the "current tax rate and assessment placed on real property with the same zoning and/or use classification, as reported by the taxing authority."

the City of Oak Ridge applied a 2.5 percent tax rate to determine its payments; whereas, Carson County applied a 0.6 percent tax rate.

DOE's PILT order requires DOE to deduct from PILT payments an amount equal to any payments by the federal government that will be used by the community for the same, identifiable, discrete purpose. In practice, when communities calculate their annual PILT requests, they subtract this amount from their total payment requests. According to DOE and some community officials, communities have made these deductions to offset payments they received through the Department of Education's Impact Aid program.²²

DOE's PILT Order Does Not Fully Incorporate Needed Internal Controls

DOE's PILT order calls for communities to document key determinants of PILT payments in PILT applications, but it does not include requirements or procedures for DOE or communities to document key determinants of PILT payments after the initial PILT application. In addition, although the order lists evaluation criteria on which PILT payments should be based, it does not establish a process or requirements for DOE offices to review PILT invoices to ensure payments are consistent with those criteria. The order also does not require regular, independent—such as headquarters-level—involvement in such a review process. Lastly, the PILT order lacks specificity on how payments should be determined in certain scenarios. The PILT order's lack of sufficient internal controls may have contributed to some cases in which payments may not reflect PILT goals.

DOE's PILT Order Provides for Key Determinants in Applications, but Does Not Require DOE to Document Them in Agreements

DOE's PILT order lists application and evaluation criteria that it says will serve as the basis of PILT payments. Those criteria include factors, which we refer to as "key determinants," such as:

- description of the property;
- tax rates and assessment values for comparable property;
- use and zoning classification of the property; and

²²The mission of the Impact Aid program includes disbursing payments to local educational agencies that are financially burdened by federal activities. In fiscal year 2019, Impact Aid received \$1.30 billion in appropriations to make basic support payments under this program.

-
- payments from the federal government that will be used for the same identifiable, discrete purpose.²³

These key determinants are fundamental to determining how much revenue a community would have received if the property had remained on its tax rolls and to ensure that the communities' PILT payments are not higher than that amount. The order calls for these key determinants to be documented in PILT applications.

However, DOE's PILT order does not require communities or DOE to document such key determinants of PILT payments at any later stage. Specifically, the order does not require DOE or communities to include this information in PILT intergovernmental agreements, which are agreements between DOE and each community and serve as a basis for obligating funding under PILT. The order also does not require communities to include such information in their annual PILT invoices that they submit to request PILT payments.

Based on our review of PILT documentation, we found that DOE is not consistently documenting or retaining information on the key determinants of PILT payments. In many cases, site offices no longer have the communities' original applications, and the documentation they do have, including intergovernmental agreements and annual PILT invoices, often does not include key determinants of PILT payments—such as descriptions of the property, current tax rates, assessment values for comparable property, and use and zoning classification of the property when it was acquired. Without such information, DOE is not well positioned to compare communities' invoices with the agreed-upon bases for the payment and to determine whether the amounts communities request in their PILT invoices—and ultimately the payments themselves—meet PILT goals. Under federal standards for internal control, management should design control activities to achieve objectives and respond to risks, such as by clearly documenting all transactions and other significant events in a manner that allows the documentation to be readily available for examination.²⁴ Without maintaining documentation of

²³Some of this information should be based on when the property was acquired, including: description of the property, including any non-federal government improvements that existed at the time and that still exist and classification (if applicable) and zoning of the property at the time.²⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

²⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

DOE's PILT Order Establishes
DOE Site Office Administration
of Payments but Lacks
Requirement for Independent
Review of PILT Invoices

key determinants of PILT payments for each community, DOE does not have adequate assurance that its payments are consistent with the agreed upon bases of PILT payments, and DOE is more likely to make payments that do not meet PILT goals.

DOE's PILT order states that "DOE plans to evaluate applications for PILT, and to calculate" PILT payments using specific guidelines based on key determinants, such as the description of the property, tax rates and assessment values for comparable property, use and zoning classification of the property, and deductions equivalent to certain federal payments; however, it does not call for a review process to determine whether calculations used for PILT invoices follow those guidelines. DOE's PILT order calls for site, program office, and headquarters review of original and revised PILT applications. However, most original applications were developed decades ago and revised PILT applications are only required if the community would like to reclassify property, change the amount of property, or make other significant changes.

DOE's PILT order does not require independent, headquarters-level review at any later stage. The PILT order states that site offices will manage the administration of PILT payments. However, it does not specifically call for DOE organizations to review communities' annual PILT invoices to determine whether PILT invoices follow payment calculation guidelines and do not exceed the amount communities would have received had the property remained on the tax rolls. DOE headquarters officials said that headquarters officials do not review annual PILT invoices. Some DOE CFO officials and officials at some sites stated that DOE sites treat the annual payments as bills to be paid, without applying much scrutiny. To the extent that PILT invoices are reviewed, they are reviewed at the site level by officials who may live in the same communities that receive PILT payments. DOE CFO officials stated that site offices are more knowledgeable of local tax authorities and local conditions than DOE headquarters and that they have expertise—in the form of local realty, legal, budget, and supervisory staff—that DOE headquarters staff rely on for the execution of PILT payments. Nevertheless, there may be an appearance of bias if the only review of PILT invoices is conducted at the site level by individuals who may benefit indirectly from payments to their communities.

Because DOE's PILT order lacks a requirement for review and validation of annual PILT invoices, DOE is not well positioned to determine whether communities' payment requests in PILT invoices are consistent with DOE goals. Under federal standards for internal control, management should

design control activities to achieve objectives and respond to risks, such as by comparing actual performance to planned or expected performance and analyzing significant differences.²⁵ By requiring site office and headquarters review of key payment determinants in PILT invoices, DOE may realize benefits, including the ability to (1) evaluate whether PILT invoices are consistent with agreed-upon bases of PILT payments and PILT goals, and (2) ensure greater independence in the review process to avoid the appearance of bias on the part of site officials, who may live in the communities receiving PILT payments and may indirectly benefit from the payments. Without requirements for DOE site offices to review key PILT payment determinants in communities' invoices for accuracy and consistency with the agreed-upon bases of PILT payments and PILT goals and for headquarters-level review and validation of annual PILT invoices, DOE is more likely to have payments that do not meet PILT goals.

DOE's PILT Order Lacks Specificity about Some Aspects of Payment Determinations

DOE's PILT order lacks specificity about how it will determine PILT payment amounts in some scenarios. The PILT order includes information about some key determinants of PILT payments, such as tax rates, assessment values, and property classification, but the order does not provide guidance on other factors that may affect PILT payments, such as tax relief programs. In addition, the order states that the property value will exclude the value of improvements made after the federal government acquired the real property, but it does not state whether property values should include the value of resources such as timber. Last, the order states that payments will be reduced by an amount equal to any payments to the state or local jurisdiction for the same identifiable, discrete purpose. However, the order does not define the phrase "same identifiable, discrete purpose." Under federal standards for internal control, management should design control activities to achieve objectives and respond to risks, such as by documenting internal control in management directives, administrative policies, or operating manuals.²⁶ While DOE has documented some key determinants of PILT payments in its order, it does not clearly document how DOE should address tax relief programs in payment determinations. Without additional guidance in the PILT order on how communities should calculate payment requests for their PILT invoices, DOE is more likely to make payments that do not meet PILT goals, as is described in the following section.

²⁵[GAO-14-704G](#).

²⁶[GAO-14-704G](#).

DOE Has Limited Assurance That Payments Meet Goals

DOE does not have adequate assurance that payments are meeting PILT goals. This limited assurance that payments meet PILT goals may be in part a result of deficiencies in DOE's internal controls for PILT. Based on our reviews of PILT documentation and interviews with DOE officials, we identified cases in which payments did not appear to meet the stated PILT goal of compensating communities for the revenue they would have received if the property had remained on the tax rolls. Specifically, we identified five examples of payments potentially not meeting goals as a result of issues with: property classification, determination of land value, application of state tax adjustments, payment deductions, and payment adjustments.

- **Property classification.** We identified a case in which payments appear to be higher than the amount communities would have received had the property remained on the tax rolls in the condition in which it was acquired. In the case of Benton County, the property classification that forms the basis of its requested PILT payments does not appear to be based on the classification of the property when it was acquired. Benton County's original PILT agreement from 1996 shows that, when acquired, Hanford property in the county was classified as 11 percent farmland and 88 percent rangeland.²⁷ However, the agreement also states that, considering uses of the land at the time of the agreement, 72 percent of the land would be treated for the purpose of PILT as farmland in the category of "irrigable land" and only 27 percent as rangeland.²⁸ In 2017, irrigable land in Benton County was valued at \$6,495 per acre whereas rangeland was valued at \$410 per acre—higher percentages of irrigable land compared to rangeland therefore result in higher payments. Using these land classifications is inconsistent with the PILT goal that payments will not exceed the taxes that would have been payable for the property in the condition in which it was acquired. DOE headquarters officials we spoke with were not aware of this discrepancy in Benton County's property classification. In addition, DOE did not have documentation

²⁷In addition, .5 percent was classified as "town plats" and .5 percent as "miscellaneous."

²⁸Specifically, the agreement states that "The parties then considered the additional factors of advances in irrigation technology and current property uses and market conditions in Benton County." DOE's PILT guidelines state that property value for real property addressed in an initial application or an application for a revised PILT payment will be determined on the basis of the highest and best use of the real property in the same zoning classification and taxing authority-assigned-use classification at the time the real property was acquired by the federal government.

to explain DOE's decision, but an Office of the General Counsel official noted that DOE agreed to these terms as part of a settlement agreement at a time when a number of issues, beyond just PILT issues, were in dispute between Benton County and DOE. Because of this inconsistency in land classifications, it appears that Benton County's payments may not have reflected the revenues the county would have received had the property remained on the tax rolls in the condition in which it was acquired. Had DOE maintained more thorough documentation and had there been independent review of PILT invoices, these higher payments might have been avoided.

- **Determination of land value.** We identified one case in which payments were not clearly linked to the revenue communities would have received if the property had remained on the tax rolls. Specifically, DOE negotiated with Savannah River Site counties to apply a dollar amount per acre that is not directly tied to assessed property values. DOE and the counties originally negotiated values in 1988 of \$1,000 per acre for Aiken and Barnwell and \$426 for Allendale counties. Those amounts remained flat until 2007, when DOE agreed to adjust them with a "time value of money" factor to \$1,641 and \$712 respectively. According to county officials, the counties and DOE agreed to use a negotiated rate rather than a rate based on current assessment values partly because of the difficulty of conducting appraisals because of the large amount of land, lack of comparable properties, and the high expense of an appraisal. Because of this reliance on a negotiated, rather than assessed value, it is unclear whether these payments reflect the revenues the counties would have received had the property remained on the tax rolls in the condition in which it was acquired. Had DOE required independent review of key determinants of PILT payments, this deviation from using assessed values might have been avoided.
- **Application of tax relief programs.** We identified a third case in which payments may have been higher than the revenue communities would have received if the property had remained on the tax rolls. With regard to the Hanford Site, the Open Space Taxation Act of Washington State is a tax relief program that community officials said allows assessment ratios of about 40 percent to be applied for land that is being used for agriculture or as rangeland.²⁹ In the past, none of the three counties that receive PILT at the Hanford site applied special assessment ratios under this tax relief program in calculating

²⁹If the land is not used for the purposes designated under the law it does not qualify for tax relief.

PILT payments. Hanford site officials informed us that they were aware of this tax law and requested that the three counties at the Hanford site apply it. The DOE officials explained that the counties refused because DOE was not using those lands for agriculture or rangeland. The officials stated that the counties at Hanford decided that DOE did not meet the purpose and the terms of the program. However, if the land had remained on the tax rolls in the condition in which it was acquired, it could also be assumed that it might have been farmed or used as rangeland, in which case the counties may have applied the special assessment ratios.³⁰ Although DOE's order does not state whether PILT payments should take into account such tax relief programs, failure to take such programs into account may have resulted in DOE paying the counties at Hanford more than they would have received had the property remained on the tax rolls in the condition in which it was acquired, contrary to the order. If DOE's PILT order had included more specificity about how tax relief programs should be addressed, DOE might have had greater assurance that these payments were not higher than the revenue the communities would have received had the property remained on the tax rolls in the condition in which it was acquired.

- **Payment deductions.** We identified a case in which it was unclear whether payments aligned with PILT goals. DOE has provided non-PILT funding to Los Alamos public schools and the Los Alamos fire department. According to DOE officials, DOE has annually provided \$8 million to the county's schools; DOE provided over \$20 million for the county's fiscal year 2020 firefighting services.³¹ DOE also provides PILT funding to Los Alamos County, which was \$244,183 in fiscal year 2017. About a decade ago, DOE considered whether it should stop making PILT payments to Los Alamos County because of its other support for the community and the provision in the PILT order requiring deductions from PILT for other payments by the federal government that will be used for the same identifiable, discrete

³⁰Payments to communities at the Hanford site have increased by 43 percent over the past 5 years, which DOE and community officials attributed to the high demand for agricultural land because of growth in high value agriculture in the region.

³¹According to a National Nuclear Safety Administration official, the city of Los Alamos was federally run after DOE acquired the property for the Manhattan Project. Its schools were under federal control until the city's security gates were removed in 1957. At that time, the schools were turned over to the county. The Atomic Energy Commission and its successor agencies continued to support the school system, as DOE does today.

purpose.³² However, DOE has decided to continue paying Los Alamos County PILT. The county's position is that the schools are a separate entity from the county government and that its payments should not be reduced to account for amounts received directly by the schools, but in 2017 the county nonetheless reduced its PILT request by the amount it would have provided to Los Alamos schools. It is unclear how the PILT order should be applied in situations like this where payments, including PILT payments, are made to multiple entities. Making continued payments in such a situation, however, may exacerbate perceptions of inequities across sites. If DOE's PILT order had included more specificity about the reduction of payments to account for other federal payments for the same identifiable, discrete purpose, DOE might have had greater assurance that these payments meet PILT goals.

- **Payment adjustments.** We identified a case in which the PILT order's lack of specificity led to uncertainty for PILT payment recipients when DOE's payments did not align with the communities' calculations of what the communities determined they would have received if the property had remained on the tax rolls. When the PILT invoices from the three counties at the Hanford Site increased by about 73 percent in real terms from a total of about \$6 million in 2010 to about \$10.7 million in 2017, DOE began providing payments that were lower than what the counties requested in their PILT invoices.³³ Specifically, in 2017, DOE provided 91 percent of what the counties requested, and in 2018 DOE provided 65 percent of what they requested, which DOE officials said was because payment requests exceeded the amounts set aside for PILT purposes.³⁴ DOE did not cite problems in the counties' PILT invoices or document problems

³²According to DOE data and statements from DOE officials, since 1994, some communities at three sites have frequently reduced the amounts in their PILT invoices to offset payments their schools have received from the Department of Education's Impact Aid program. These include some communities at Argonne National Laboratory, the Hanford site, and Idaho National Laboratory. The offsetting amounts reported by these sites since 1994 have ranged from \$3,000 to over \$400,000 in a given year.

³³DOE and county officials attribute the growth in the counties' payment requests to the growth of high value agriculture in the region, including vineyards and fruit, such as organic blueberries.

³⁴DOE officials stated that DOE provided less because the higher payments limited DOE's ability to fund other priorities in the Hanford Site's "Community and Regulatory Support" account—the budget account from which Hanford PILT as well as other activities are funded. The officials stated that total funding in that account had remained stable in recent years even as the total amount requested for PILT by the communities rose.

with the counties' PILT invoices. Payment adjustments are allowable under the PILT order—both the Atomic Energy Act and DOE's PILT order give DOE discretion as to payment amounts. However, because the order also lists key determinants for PILT payments that are based on the taxes communities would have received had they remained on the tax rolls and because DOE has typically provided what communities have requested, communities we spoke with said they began to rely on PILT in their budget formulations. The communities had developed their budgets based on the assumption that payments would align with the amounts they determined they would have received had their property remained on the tax rolls, but it is now difficult for them to plan ahead with the new uncertainty. In response to this uncertainty in the payment amount, in 2019, one of the counties at Hanford—Benton County—provided DOE with a PILT invoice that was about \$5 million lower than the previous year. According to the county officials we spoke with, the goal of providing a lower PILT payment invoice was to increase the likelihood that they would receive the full amount. DOE's order does not include any information about under what conditions DOE will adjust payments—such as if payments calculations are not consistent with PILT payment determinants—to guide DOE's oversight. The order also does not require DOE to document or communicate such information ahead of time. Had DOE's PILT order included more specificity on these topics, communities might have had more clarity regarding whether their payment calculations were consistent with PILT goals and whether they were likely to receive the amounts they requested.

Conclusions

PILT payments help replace tax revenue that communities are no longer receiving because of DOE's acquisition of property in their communities. Our past work reported that DOE allowed different standards for PILT invoices at different sites, depending on when the community applied for PILT payments, raising concerns about inequitable treatment of communities. In 1993, DOE updated its PILT order to address one of these concerns by eliminating the gross benefits test that had been applied to new communities. However, some concerns remained. DOE intentionally allows payments to communities to vary across locations because property characteristics, market conditions, and tax policies differ; this variance enables payments to reflect the taxes the communities would have received if the property had remained on local tax rolls. However, DOE's PILT order lacks: (1) requirements for documenting key determinants of PILT payments in intergovernmental agreements and invoices, (2) requirements for independent review of PILT invoices for consistency with agreed-upon bases of payments, and

(3) specificity about payment determinations in certain scenarios. This has resulted in a relatively hands-off approach to management and oversight of communities' annual PILT invoices as well as some uncertainty about how to determine PILT payments. This is inconsistent with federal internal-control standards and has limited DOE's ability to provide adequate assurance that DOE is meeting PILT goals. Until DOE strengthens its internal-control activities, communities may continue to perceive that there are inequities in PILT, and DOE will not be able to provide adequate assurance that it is meeting PILT goals.

Recommendations for Executive Action

We are making the following three recommendations to DOE:

The Secretary of Energy should direct DOE's Office of the Chief Financial Officer to revise DOE's PILT order to require DOE to maintain documentation of key determinants of PILT payments for each community to help ensure that payments are consistent with the agreed-upon bases of PILT payments and PILT goals. (Recommendation 1)

The Secretary of Energy should direct DOE's Office of the Chief Financial Officer to revise DOE's PILT order to require DOE site offices to review key determinants of PILT payments in communities' PILT invoices for accuracy and consistency with the agreed-upon bases of PILT payments and PILT goals and for DOE headquarters to document its review and validation of site office determinations. (Recommendation 2)

The Secretary of Energy should direct DOE's Office of the Chief Financial Officer to revise DOE's PILT order to provide additional guidance on how communities should calculate their payment requests for their PILT invoices. (Recommendation 3)

Agency Comments and Our Evaluation

We provided a draft of this product to DOE for review and comment. In its comments, reproduced in appendix IV, DOE neither agreed nor disagreed with our recommendations but did describe actions that it intends to take in response to our recommendations. DOE stated that it will undertake a comprehensive assessment of the PILT program, its objectives, and the manner in which DOE accomplishes PILT's objectives. DOE also stated that it will convene a working group to identify high-level options for PILT and recommend appropriate changes, if necessary, to DOE leadership.

Although further analysis of PILT could be worthwhile, we believe our review sufficiently demonstrated that DOE's PILT order lacks sufficient

internal controls. As a result, we continue to believe that implementing our recommendations for revising the PILT order could provide better assurance that payments meet PILT goals.

DOE also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Energy, and other interested parties. In addition, this report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have questions about this report, please contact David C. Trimble at (202) 512-3841 or trimbled@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.



David C. Trimble
Director, Natural Resources and Environment

Appendix I: Objectives, Scope, and Methodology

The objectives of our review were to assess: (1) how, if at all, PILT payments vary across sites and how they have varied over time, and (2) reasons for variations in payments and the extent to which the Department of Energy (DOE) is providing assurance that payments meet PILT goals.

To assess how, if at all, PILT payments vary across sites and how they have changed over time, we obtained and analyzed documentation from DOE regarding total number of DOE sites, their eligibility for PILT, and reasons for lack of eligibility, when applicable. We analyzed DOE documentation of eligible acreage at sites that are affiliated with communities that receive PILT payments and compared this with acreage of DOE property that is not eligible for PILT.

We obtained and analyzed DOE data on payments made to communities that received PILT payments from fiscal years 1994–2017. We analyzed data beginning with fiscal year 1994 because the most recent GAO report on PILT addressed payments prior to 1994. We concluded our analysis with fiscal year 2017 data because that was the most recent year for which DOE was able to provide complete data.¹ We analyzed data for communities that received payments between 2008 and 2017.² We adjusted these data for inflation using 2017 constant dollars. We have included below a list of communities included in our analysis, organized by site they are affiliated with, and the program office responsible for each site.

- Office of Environmental Management:
 - Savannah River Site, South Carolina: Aiken County, Allendale County, Barnwell County
 - Richland Site, Washington: Benton County, Franklin County, Grant County
 - Portsmouth Site, Ohio: Scioto County, Pike County
- National Nuclear Security Administration:

¹GAO, *Energy Management: Payments in Lieu of Taxes for DOE Property May Need to Be Reassessed*, [GAO/RCED-94-204](#) (Washington, D.C.: July 18, 1994).

²We included communities in our analysis for fiscal years 2008–2017 rather than just 2017 because communities at one site that previously received PILT payments did not receive a payment in 2017 because they did not submit a PILT invoice that year. They have since submitted PILT invoices for 2017, and DOE site officials stated that DOE will likely pay for that year in the future.

- Pantex Site, Texas: Carson County, Panhandle Independent School District, Panhandle Groundwater District
- Los Alamos National Laboratory, New Mexico: Los Alamos County
- Bettis Atomic Power Laboratory, Pennsylvania: Allegheny County, Borough of West Mifflin, West Mifflin School District
- Knolls Atomic Power Laboratory, New York: Town of Niskayuna, Town of Milton³
- Office of Science:
 - Oak Ridge Site, Tennessee: City of Oak Ridge, Anderson County, Roane County
 - Argonne National Laboratory, Illinois: DuPage County
 - Brookhaven National Laboratory, New York: Town of Brookhaven
- Office of Nuclear Energy:
 - Idaho National Laboratory, Idaho: Bingham County, Butte County, Clark County, Jefferson County
- Office of Legacy Management:
 - Fernald Plant, Ohio: Hamilton County

We took several steps to assess the reliability of PILT payment data. We collected data in two phases. The first used PILT datasets that DOE had collected prior to our review. These covered years 1989–2009 and 2012–2017. We used those data to develop a preliminary understanding of how PILT payments varied across sites and over time. We asked DOE to collect a second, complete, data set for the purpose of our review. That data set covered years 1994–2017. Using these data, we identified possible outliers and missing data and interviewed relevant agency officials at the headquarters, field office, and site office level to determine the extent to which the data were reliable. In addition, we interviewed relevant agency officials at the headquarters, field office, and site offices regarding their internal data reliability and data control measures. A number of written questions regarding their annual PILT invoices, PILT

³For the purposes of this report, two sites under the Naval Reactors Laboratory Field Office which operate under the same management and operation contract in two adjacent communities, the Kesselring Site in the Town of Niskayuna and the Knolls Atomic Power Laboratory in the Town of Milton will be treated as one for the sake of comparison.

payments, federal offsets, and other related topics that were responded to by all 12 site offices. We also requested DOE payment information that would allow spot checking of the data that DOE provided. We requested that each of the 12 sites provide documentation of their payments for one in every 5 years between 1994 and 2017. We compared this documentation with data DOE submitted for those years to spot check the data for accuracy. We reviewed past GAO reports on PILT and past GAO and DOE reports on DOE financial management systems. We determined the data to be sufficiently reliable for our purposes.

For both objectives, we conducted interviews with or obtained written responses from the following DOE offices, which included representatives of all of the sites that received recent PILT payments:

- DOE headquarters: Office of the Chief Financial Officer and General Counsel.
- DOE program offices that manage sites hosted by PILT-recipient communities: National Nuclear Security Administration, Office of Environmental Management, Office of Legacy Management, Office of Nuclear Energy, and Office of Science.
- DOE site offices hosted by PILT-recipient communities: Argonne National Laboratory, Bettis Atomic Power Laboratory, Brookhaven National Laboratory, Fernald Plant, Knolls Atomic Power Laboratory, Hanford site, Idaho National Laboratory, Los Alamos National Laboratory, Oak Ridge site, Pantex Plant, Portsmouth site, and Savannah River site.

To assess reasons for variations in payments, we identified how DOE communities calculate their requested PILT payment amounts and how DOE officials determine how much DOE will pay. We reviewed DOE's PILT order, DOE Order 143.1, to determine how DOE specifies payments are to be calculated.⁴ We also interviewed DOE site office officials about how they expect communities to determine their requested payment amounts. We compared DOE expectations regarding annual payment request calculations with PILT invoices that communities submit to request payments. Because communities appeared to generally calculate payments to align with expected property tax revenue they would have received had the DOE-acquired property remained on the tax rolls in the condition in which it was acquired, we compared this information with

⁴Department of Energy, *Payments in Lieu of Taxes*, Order 143.1 (Washington, D.C.: approved May 8, 2003, certified Jan. 31, 2007).

information on how local and state governments determine property taxes. When we needed further clarification about how communities had determined their requested payment amounts, we sent follow up questions to DOE site officials regarding the PILT invoices they had reviewed. Once we identified how communities calculate PILT invoices, we analyzed communities' fiscal year 2017 payment request documentation to determine how factors—such as characteristics of the property, market conditions, and state and local tax policies—influence payment amounts. We interviewed DOE site officials and some community officials, at the communities that received some of the largest payments, about instances when payments varied from what communities requested.

We analyzed PILT invoices, agreements, and payment data to identify how communities and sites had determined and documented key determinants and decisions, such as property classification, deductions because of other federal payments, land values, and assessment rates. We analyzed DOE's PILT order to identify PILT goals and requirements related to: PILT payment determinations, DOE review of communities' PILT invoices, and PILT documentation. We compared this with federal standards for internal control.⁵

We interviewed officials from selected communities that received some of the largest payments to determine how they used PILT payments, how they assess land value, and challenges they have faced with PILT. These communities included all communities at the two sites with the largest aggregate PILT payments in fiscal year 2017: Benton, Franklin, and Grant counties at the Hanford site and Aiken, Allendale, and Barnwell counties at the Savannah River site.⁶ Regarding these same topics, we also interviewed staff at community organizations that represent communities that host DOE sites, including: the Energy Communities Alliance and the National Association of Counties. Findings from these communities at two sites and two community organizations cannot be generalized to those we did not interview as part of our review.

We conducted this performance audit from October 2018 to October 2019 in accordance with generally accepted government auditing standards.

⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

⁶The communities were not all among the top six PILT recipient communities. Instead, we interviewed all communities at the two sites with the highest aggregate PILT payments.

Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on audit objectives.

Appendix II: Department of Energy's (DOE) Sites That Provide Payments in Lieu of Taxes (PILT) to Communities

Argonne National Laboratory

The Argonne National Laboratory covers 1,363 acres in DuPage County outside of Chicago, Illinois. Established in 1946 to conduct "cooperative research in nucleonics" as part of the Atomic Energy Commission's development of nuclear reactors, Argonne National Laboratory now has over 3,200 employees in addition to nearly 800 scientists who visit the site yearly. Additionally, Argonne has over 7,900 facility users who participate in research at five major user facilities located on site.

Bettis Atomic Power Laboratory

The Bettis Atomic Power Laboratory, covering approximately 200 acres in West Mifflin outside of Pittsburgh, Pennsylvania, is a part of the Naval Nuclear Propulsion Program in the Department of Energy. The Laboratory began operations in 1948 in order to support the engineering, design, and construction of the prototypes of the first nuclear powered submarine, and by 1955 the USS Nautilus was successfully launched. Since then, the Laboratory led development on other nuclear powered crafts including the first nuclear powered ship and aircraft carrier, the USS Long Beach and USS Enterprise, respectively. Today, the Laboratory focuses on design and engineering support for nuclear-powered submarines and aircraft carriers, in addition to development for the nuclear power elements of next generation aircraft carriers.

Brookhaven National Laboratory

The Brookhaven National Laboratory was established in 1947 by the Atomic Energy Commission. Formerly Camp Upton, a U.S. Army installation site, Brookhaven is located on a 5,263-acre site on Long Island in Upton, New York, approximately 60 miles east of New York City. Historically, Brookhaven was involved in the construction of accelerators and research reactors such as the Cosmotron, the High Flux Beam Reactor, and the Brookhaven Graphite Research Reactor. These research facilities led the way in high-energy physics experiments and subsequent discoveries but also resulted in creation of hazardous wastes. As a result, Brookhaven was listed as a Superfund Site in 1989 and a subsequent agreement with state and federal regulators led to the building and operation of groundwater remediation facilities, and the decontamination and decommissioning of the High Flux Beam Reactor and the Brookhaven Graphite Research Reactor including offsite waste disposal.

Fernald Plant

The Fernald Plant covers 839 acres in southwestern Ohio near Cincinnati, Ohio. The Fernald Plant's production mission took place from 1951–1989 as it housed the Feed Materials Production Center, which processed uranium as the first step in the nuclear weapons production cycle. In 2006, the remediation and restoration of the site was completed and at the time was one of the largest environmental cleanup operations ever undertaken in the United States. Currently, monitoring of the site and a groundwater extraction and treatment remediation under the Office of Legacy Management is the remaining remediation activity. The site includes restored native plants and grasses and the largest manmade wetlands in Ohio.

Hanford Site

DOE is responsible for one of the world's largest environmental cleanup projects: the treatment and disposal of millions of gallons of radioactive and hazardous waste at its 586 square mile Hanford Site in southeastern Washington State. Hanford facilities produced more than 20 million pieces of uranium metal fuel for nine nuclear reactors along the Columbia River. Five plants in the center of the Hanford Site processed 110,000 tons of fuel from the reactors, discharging an estimated 450 billion gallons of liquids to soil disposal sites and 53 million gallons of radioactive waste to 177 large underground tanks. Plutonium production ended in the late 1980s. Hanford cleanup began in 1989 and now involves (1) groundwater monitoring and treatment, (2) deactivation and decommissioning of contaminated facilities, and (3) the construction of the waste treatment and immobilization plant intended, when complete, to treat the waste in the underground tanks.

Idaho Site

DOE's Idaho Site is an 890-square-mile federal reserve, only some of which is eligible for PILT, situated in the Arco Desert over the Snake River Plain Aquifer in central Idaho. The site is home to both the Idaho National Laboratory (INL) and the Idaho Cleanup Project. Work at the INL focuses on research and development of nuclear energy technologies, critical infrastructure protection research, and support of national defense and homeland security. The environmental cleanup mission includes remediation of contaminated legacy wastes generated from World War II-era conventional weapons testing, government-owned research and defense reactors, spent nuclear fuel reprocessing, laboratory research, and defense missions at other DOE sites.

**Knolls Atomic Power
Laboratory**

The Knolls Atomic Power Laboratory, located on 173 acres in Niskayuna, near Schenectady, NY, was established in May 1946. The original mission of the Knolls laboratory was to provide technical support for the chemical separation of plutonium and uranium from irradiated fuel. In the 1950s, Knolls changed focus to Navy submarine propulsion development. Knolls developed a series of nuclear reactor and propulsion plant designs for the U.S. Navy. Knolls is the lead design laboratory for the newest Virginia Class fast attack submarines and is leading the design effort on the next generation ballistic missile submarine.

**Los Alamos National
Laboratory**

The laboratory, founded in 1943 during World War II, served as a secret facility for research and development of the first nuclear weapon. The site was chosen because the area provided controlled access, steep canyons for testing high explosives, and existing infrastructure. The Manhattan Project's research and development efforts that were previously spread throughout the nation became centralized at Los Alamos and left a legacy of contamination. Today, the Los Alamos National Laboratory Cleanup Project is responsible for the treatment, storage, and disposition of a variety of radioactive and hazardous waste streams; removal and disposition of buried waste; protection of the regional aquifer; and removal or deactivation of unneeded facilities.

Oak Ridge Site

DOE's Oak Ridge Reservation is located on approximately 33,500 acres in East Tennessee. The reservation was established in the early 1940s by the Manhattan Engineer District of the United States Army Corps of Engineers and played a role in the production of enriched uranium during the Manhattan Project and the Cold War. DOE is now working to address excess and contaminated facilities, remove soil and groundwater contamination, and enable modernization that allows the National Nuclear Security Administration to continue its national security and nuclear nonproliferation responsibilities and the Oak Ridge National Laboratory to continue its mission for advancing technology and science.

Pantex Plant

The Pantex Plant covers 2,000 acres and is located northeast of Amarillo, Texas. One of six production facilities in the National Nuclear Security Administration's Nuclear Security Enterprise, since 1975 the Pantex Plant has operated as the nation's primary facility for the assembly, dismantlement, and maintenance of nuclear weapons. The last new

nuclear weapon was completed in 1991, and since then, the Pantex Plant has dismantled, retired, or stored thousands of nuclear weapons.

Portsmouth Site

The Portsmouth Gaseous Diffusion Plant is located in Pike County, Ohio, in southern central Ohio, approximately 20 miles north of the city of Portsmouth, Ohio. This facility was initially constructed to produce enriched uranium to support the nation's nuclear weapons program and, later, commercial nuclear reactors. Decades of uranium enrichment and support activities required the use of a number of typical and special industrial chemicals and materials. Plant operations generated hazardous, radioactive, mixed (both hazardous and radioactive), and nonchemical (sanitary) wastes. Past operations also resulted in soil, groundwater, and surface water contamination at several sites located within plant boundaries.

Savannah River Site

The Savannah River Site complex covers 198,344 acres, or 310 square miles, encompassing parts of Aiken, Barnwell, and Allendale counties in South Carolina, bordering the Savannah River. The site is a key DOE industrial complex responsible for environmental stewardship, environmental cleanup, waste management, and disposition of nuclear materials. During the early 1950s, the site began to produce materials used in nuclear weapons, primarily tritium and plutonium-239. Five reactors were built to produce nuclear materials and resulted in unusable by-products, such as radioactive waste. About 35 million gallons of radioactive liquid waste are stored in 43 underground tanks. The Defense Waste Processing Facility is processing the high-activity waste, encapsulating radioactive elements in borosilicate glass, a stable storage form. Since the facility began operations in March 1996, it has produced more than 4,000 canisters (more than 16 million pounds) of radioactive glass.

Appendix III: Payments In Lieu of Taxes (PILT) by the Department of Energy (DOE) since 1994

Table 1: Payments in Lieu of Taxes by Department of Energy (DOE) Office and Recipient Community since Fiscal Year 1994

Payments represented in nominal dollars for the fiscal year when they were provided. Sites with only a single community do not have total categories.

Office of Environmental Management

	Savannah River Site, South Carolina				Hanford Site, Washington				Portsmouth Site, Ohio			Office of Environmental Management, Total
	Aiken County	Alen-dale County	Barnwell County	Savannah River Site, Total	Benton County	Franklin County	Grant County	Hanford Site, Total	Scioto County	Pike County	Ports-mouth Site, Total	
1994	808,123	35,466	1,691,581	2,535,170	1,693,670	250,541	591,049	2,535,260	--	--	--	5,070,430
1995	808,123	33,503	1,700,225	2,541,851	1,659,473	235,437	572,309	2,467,219	--	--	--	5,009,070
1996	808,123	35,221	1,700,225	2,543,569	1,546,898	246,581	520,949	2,314,428	--	--	--	4,857,997
1997	808,123	36,693	1,700,225	2,545,041	1,871,162	240,587	512,328	2,624,077	--	--	--	5,169,118
1998	808,123	37,430	1,700,225	2,545,778	2,260,270	293,737	515,323	3,069,330	97,156	19,694	116,850	5,731,958
1999	808,123	40,375	1,700,225	2,548,723	2,397,063	274,376	575,540	3,246,979	--	--	--	5,795,702
2000	808,123	42,707	1,819,462	2,670,292	2,509,574	274,376	631,332	3,415,282	--	--	--	6,085,574
2001	808,123	42,829	1,983,865	2,834,817	2,540,262	274,376	631,332	3,445,970	--	--	--	6,280,787
2002	808,123	43,320	2,135,791	2,987,234	2,635,870	386,610	666,132	3,688,612	--	--	--	6,675,846
2003	808,123	47,861	2,234,396	3,090,380	2,608,295	416,494	692,193	3,716,982	--	--	--	6,807,362
2004	808,123	51,911	2,388,354	3,248,388	2,844,701	412,105	673,676	3,930,482	--	--	--	7,178,870
2005	808,123	51,850	2,611,454	3,471,427	2,893,713	403,605	646,774	3,944,092	--	--	--	7,415,519
2006	808,123	55,463	2,614,047	3,477,633	2,792,069	282,775	902,322	3,977,166	--	--	--	7,454,799
2007	808,123	60,617	2,701,799	3,570,539	2,988,804	385,408	870,619	4,244,831	--	--	--	7,815,370
2008	1,612,041	89,508	4,456,712	6,158,261	2,748,459	370,805	870,785	3,990,049	--	--	--	10,148,310
2009	1,649,253	89,508	4,480,202	6,218,963	3,333,728	518,995	859,621	4,712,344	--	--	--	10,931,307
2010	1,620,000	89,508	4,480,202	6,189,710	3,738,159	524,648	1,224,990	5,487,797	--	--	--	11,677,507
2011	1,620,000	89,508	4,475,933	6,185,441	3,924,638	502,306	1,169,828	5,596,772	--	--	--	11,782,213
2012	1,620,000	89,508	4,506,166	6,215,674	4,549,363	593,426	1,175,454	6,318,243	--	--	--	12,533,917
2013	1,620,000	89,508	4,534,125	6,243,633	4,520,201	678,701	1,240,266	6,439,168	--	--	--	12,682,801
2014	1,620,000	89,508	4,589,630	6,299,138	6,094,151	789,236	1,395,509	8,278,896	363,976	109,716	473,692	15,051,726
2015	1,620,000	89,508	4,638,277	6,347,785	6,204,496	941,133	1,184,107	8,329,736	--	--	--	14,677,521
2016	1,620,000	89,508	4,765,868	6,475,376	7,366,363	924,498	1,181,762	9,472,623	--	--	--	15,947,999
2017	1,620,000	89,508	4,765,868	6,475,376	7,194,889	955,367	1,604,341	9,754,597	--	--	--	16,229,973
Total	27,535,016	1,510,325	74,374,857	103,420,198	82,916,271	11,176,123	20,908,541	115,000,935	461,133	129,409	590,542	219,011,675

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

National Nuclear Security Administration

	Pantex Plant, Texas				Los Alamos Nat. Lab. New Mexico	Bettis Laboratory, Pennsylvania				Knolls Atomic Power Laboratory, New York			National Nuclear Security Administration, Total
	Carson County	Indep. School District	Ground-water District	Pantex Plant, Total	Los Alamos County	Allegheny County	Bor. of West Mifflin	West Mifflin School	Bettis Lab., Total	Town of Niska-yuna	Town of Milton	Knolls, Total	
1994	8,482	33,205	214	41,901	--	96,663	13,732	214,541	324,936	--	--	--	366,837
1995	8,447	33,834	214	42,495	--	83,421	13,124	214,541	311,086	--	--	--	353,581
1996	8,636	32,702	352	41,690	--	66,737	13,124	222,487	302,348	--	--	--	344,038
1997	9,089	33,457	352	42,898	--	66,737	12,068	222,487	301,292	--	--	--	344,189
1998	8,122	31,696	311	40,128	--	66,737	12,068	222,487	301,292	--	--	--	341,420
1999	8,029	33,960	311	42,299	--	66,737	12,068	222,487	301,292	--	--	--	343,591
2000	9,764	35,972	538	46,274	212,547	66,737	12,067	227,784	306,588	--	--	--	565,409
2001	9,947	36,601	433	46,981	199,818	72,880	65,932	261,412	400,224	--	--	--	647,023
2002	8,171	44,596	392	53,159	190,915	72,417	81,373	281,297	435,087	111,085	--	111,085	790,247
2003	9,912	48,855	392	59,159	191,518	72,417	81,373	289,072	442,861	111,085	--	111,085	804,623
2004	10,981	52,486	392	63,859	180,301	72,417	81,373	327,942	481,732	123,145	--	123,145	849,037
2005	15,173	52,198	382	67,753	195,157	--	81,373	--	81,373	132,069	--	132,069	476,352
2006	15,390	57,418	362	73,170	210,403	72,417	96,814	655,884	825,115	139,185	--	139,185	1,247,872
2007	14,791	53,484	312	68,586	218,369	72,417	96,814	--	169,231	145,775	--	145,775	601,961
2008	15,221	58,559	252	74,031	226,024	72,417	--	674,542	746,959	151,881	--	151,881	1,198,895
2009	13,109	58,559	224	71,891	276,372	72,417	224,509	--	296,926	139,356	163,212	302,568	947,758
2010	22,276	90,866	539	113,681	247,535	72,417	--	714,967	787,384	142,883	--	142,883	1,291,484
2011	28,303	89,654	539	118,497	220,720	72,417	112,254	357,483	542,155	149,608	415,562	565,170	1,446,541
2012	30,579	89,654	554	120,788	222,503	72,417	112,254	357,483	542,155	155,208	139,292	294,500	1,179,945
2013	38,928	99,190	669	138,787	220,588	160,893	112,254	--	273,147	158,039	144,501	302,540	935,062
2014	37,829	110,972	643	149,445	217,247	73,035	123,835	697,219	894,088	164,389	142,329	306,718	1,567,498
2015	42,465	120,898	677	164,040	220,588	73,035	116,578	380,876	570,488	168,955	142,915	311,870	1,266,987
2016	45,862	123,464	673	170,000	233,762	--	116,578	--	116,578	171,290	146,269	317,559	837,898
2017	61,344	166,738	901	228,983	244,183	73,035	121,673	761,751	956,459	174,384	143,187	317,572	1,747,197
Total	480,849	1,589,018	10,629	2,080,496	3,928,550	1,690,818	1,713,236	7,306,740	10,710,794	2,338,338	1,437,266	3,775,604	20,495,444

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

Office of Science

	Oak Ridge Site, Tennessee ^a				Argonne National Lab, Illinois	Brookhaven National Laboratory, New York	Office of Science, Total
	City of Oak Ridge	Anderson County	Roane County	Oak Ridge Site, Total	DuPage County	Town of Brookhaven	
1994	--	--	--	--	157,964	--	157,964
1995	--	--	--	--	171,461	--	171,461
1996	167,845	82,559	141,868	392,272	193,623	--	585,895
1997	742,585	348,840	566,206	1,657,631	137,634	--	1,795,265
1998	793,447	348,840	487,962	1,630,249	203,314	--	1,833,563
1999	789,395	347,093	562,376	1,698,864	213,446	--	1,912,310
2000	902,644	398,018	614,992	1,915,654	202,054	894,000	3,011,708
2001	1,143,832	486,122	633,733	2,263,687	224,422	907,278	3,395,387
2002	1,176,297	482,400	633,733	2,292,430	227,490	884,031	3,403,951
2003	1,297,898	482,693	628,422	2,409,013	234,173	1,032,104	3,675,290
2004	1,266,919	482,693	728,455	2,478,067	246,000	1,056,939	3,781,006
2005	1,265,963	494,991	726,162	2,487,116	243,540	1,048,726	3,779,382
2006	1,361,730	498,831	726,053	2,586,614	243,540	1,105,774	3,935,928
2007	1,361,175	498,701	725,939	2,585,815	243,761	1,037,598	3,867,174
2008	1,413,801	498,701	814,701	2,727,203	243,761	1,037,539	4,008,503
2009	1,476,023	498,409	813,218	2,787,650	243,761	1,076,944	4,108,355
2010	1,475,379	498,409	844,771	2,818,559	56,304	1,194,433	4,069,296
2011	1,662,773	550,626	891,603	3,105,002	56,353	1,289,695	4,451,049
2012	1,662,113	572,553	918,056	3,152,723	66,190	1,263,876	4,482,789
2013	1,660,945	572,200	917,531	3,150,676	61,727	1,419,812	4,632,214
2014	1,660,945	571,470	917,531	3,149,945	63,234	1,317,767	4,530,946
2015	1,659,520	571,301	916,357	3,147,178	63,061	1,344,132	4,554,370
2016	1,715,458	599,755	954,844	3,270,057	64,600	1,397,322	4,731,979
2017	1,742,542	630,556	1,086,882	3,459,981	62,707	1,414,364	4,937,051
Total	28,399,228	10,515,761	16,251,395	55,166,384	3,924,118	20,722,334	79,812,836

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

	Office of Nuclear Energy					Office of Legacy Management			Department of Energy, Total
	Idaho National Laboratory, Idaho					Office of Nuclear Energy, Total	Fernald Plant, Ohio	Office of Legacy Management, Total	
	Bingham County	Butte County	Clark County	Jefferson County	Idaho National Laboratory, Total		Hamilton County		
1994	--	--	--	--	--	--	--	--	5,595,231
1995	--	--	--	--	--	--	--	--	5,534,112
1996	--	--	--	--	--	--	--	--	5,787,929
1997	--	--	--	--	--	--	--	--	7,308,572
1998	1,778	237,877	1,742	126,882	368,280	368,280	--	--	8,275,221
1999	1,998	62,118	--	32,797	96,912	96,912	--	--	8,148,515
2000	--	61,010	--	33,798	94,808	94,808	--	--	9,757,500
2001	899	57,402	--	30,126	88,427	88,427	--	--	10,411,623
2002	--	50,659	4,658	--	55,317	55,317	--	--	10,925,361
2003	--	64,387	1,200	--	65,588	65,588	--	--	11,352,863
2004	--	44,922	1,184	--	46,106	46,106	--	--	11,855,018
2005	--	45,421	1,160	--	46,580	46,580	--	--	11,717,833
2006	--	44,137	--	145,117	189,254	189,254	--	--	12,827,853
2007	--	53,309	1,178	21,818	76,305	76,305	--	--	12,360,809
2008	--	51,329	849	--	52,179	52,179	--	--	15,407,886
2009	--	43,469	--	21,137	64,606	64,606	--	--	16,052,026
2010	4,647	41,715	1,740	50,119	98,221	98,221	--	--	17,136,508
2011	1,314	41,000	1,822	32,796	76,932	76,932	--	--	17,756,736
2012	--	41,908	--	33,519	75,427	75,427	58,709	58,709	18,330,787
2013	--	65,548	2,218	33,860	101,626	101,626	66,563	66,563	18,418,266
2014	--	87,911	--	45,058	132,969	132,969	--	--	21,283,139
2015	--	96,508	984	44,896	142,388	142,388	34,404	34,404	20,675,670
2016	--	86,595	--	47,322	133,917	133,917	34,519	34,519	21,686,312
2017	--	104,786	2,714	56,951	164,451	164,451	91,377	91,377	23,170,049
Total	10,636	1,382,009	21,450	756,196	2,170,291	2,170,291	285,572	285,572	321,775,818

Source: GAO. | GAO-20-122

^aThe PILT payments for Anderson County, Roane County, and the City of Oak Ridge are partially paid by the National Nuclear Security Administration (NNSA). Acreage occupied by Consolidated Nuclear Security Y-12 and the Office of Secure Transportation is used to calculate NNSA's portion of the PILT payment.

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

Table 2: Payments in Lieu of Taxes by Department of Energy (DOE) Office and Recipient Community since Fiscal Year 1994 in Fiscal Year 2017 Constant Dollars

Amounts reflect payments in the year when they were provided. Sites with only a single community do not have total categories.

Office of Environmental Management

	Savannah River Site, South Carolina				Hanford Site, Washington				Portsmouth Site, Ohio			Office of Environmental Management Total
	Aiken County	Alленdale County	Barnwell County	Savannah River Site, Total	Benton County	Franklin County	Grant County	Hanford Site, Total	Scioto County	Pike County	Portsmouth Site, Total	
1994	1,239,569	54,401	2,594,693	3,888,662	2,597,897	384,301	906,602	3,888,800	--	--	--	7,777,462
1995	1,213,772	50,320	2,553,678	3,817,770	2,492,469	353,618	859,588	3,705,675	--	--	--	7,523,445
1996	1,191,392	51,925	2,506,591	3,749,908	2,280,546	363,527	768,020	3,412,092	--	--	--	7,162,000
1997	1,170,583	53,151	2,462,812	3,686,546	2,710,418	348,495	742,118	3,801,032	--	--	--	7,487,578
1998	1,156,141	53,549	2,432,426	3,642,116	3,233,654	420,235	737,247	4,391,135	138,997	28,175	167,172	8,200,422
1999	1,141,572	57,035	2,401,774	3,600,381	3,386,143	387,589	813,020	4,586,752	--	--	--	8,187,133
2000	1,118,485	59,109	2,518,232	3,695,826	3,473,383	379,751	873,797	4,726,931	--	--	--	8,422,757
2001	1,092,708	57,911	2,682,495	3,833,115	3,434,831	370,999	853,659	4,659,489	--	--	--	8,492,604
2002	1,075,559	57,656	2,842,600	3,975,815	3,508,172	514,553	886,579	4,909,304	--	--	--	8,885,119
2003	1,056,197	62,553	2,920,300	4,039,050	3,408,977	544,347	904,679	4,858,003	--	--	--	8,897,053
2004	1,031,470	66,257	3,048,442	4,146,170	3,630,914	526,002	859,865	5,016,780	--	--	--	9,162,951
2005	1,000,961	64,223	3,234,612	4,299,796	3,584,225	499,915	801,110	4,885,251	--	--	--	9,185,047
2006	969,964	66,570	3,137,555	4,174,089	3,351,229	339,406	1,083,028	4,773,663	--	--	--	8,947,752
2007	944,254	70,828	3,156,927	4,172,009	3,492,279	450,331	1,017,278	4,959,888	--	--	--	9,131,897
2008	1,845,347	102,462	5,101,719	7,049,528	3,146,235	424,470	996,811	4,567,517	--	--	--	11,617,044
2009	1,866,483	101,297	5,070,309	7,038,090	3,772,828	587,354	972,845	5,333,027	--	--	--	12,371,117
2010	1,817,571	100,424	5,026,597	6,944,592	4,194,056	588,633	1,374,387	6,157,076	--	--	--	13,101,668
2011	1,782,064	98,462	4,923,702	6,804,228	4,317,256	552,556	1,286,857	6,156,669	--	--	--	12,960,898
2012	1,748,939	96,632	4,864,820	6,710,391	4,911,455	640,658	1,269,011	6,821,124	--	--	--	13,531,514
2013	1,717,358	94,887	4,806,614	6,618,858	4,791,853	719,489	1,314,803	6,826,144	--	--	--	13,445,003
2014	1,684,728	93,084	4,773,010	6,550,822	6,337,645	820,770	1,451,267	8,609,682	378,519	114,099	492,618	15,653,123
2015	1,664,580	91,971	4,765,917	6,522,468	6,375,236	967,032	1,216,692	8,558,960	--	--	--	15,081,429
2016	1,649,307	91,127	4,852,087	6,592,521	7,499,627	941,223	1,203,141	9,643,991	--	--	--	16,236,512
2017	1,620,000	89,508	4,765,868	6,475,376	7,194,889	955,367	1,604,341	9,754,597	--	--	--	16,229,973
Total	32,799,004	1,785,345	87,443,779	122,028,128	97,126,217	13,080,623	24,796,744	135,003,583	517,516	142,274	659,790	257,691,501

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

National Nuclear Security

	Pantex Plant, Texas				Los Alamos Nat. Lab. New Mexico	Bettis Laboratory, Pennsylvania				Knolls National Atomic Power Laboratory (NAPL), New York			National Nuclear Security Administration, Total
	Carson County	Indep. School District	Ground- water District	Pantex Plant, Total	Los Alamos County	Allegheny County	Borough of West Mifflin	West Mifflin District	Bettis Lab., Total	Town of Milton	Town of Niska- yuna	Knolls NAPL, Total	
1994	13,011	50,933	328	64,272	--	148,270	21,063	329,081	498,414	--	--	--	562,686
1995	12,687	50,817	321	63,826	--	125,296	19,712	322,232	467,240	--	--	--	531,066
1996	12,732	48,212	519	61,462	--	98,389	19,348	328,005	445,742	--	--	--	507,205
1997	13,165	48,463	510	62,138	--	96,670	17,481	322,277	436,428	--	--	--	498,566
1998	11,620	45,346	444	57,410	--	95,477	17,265	318,300	431,043	--	--	--	488,452
1999	11,341	47,972	439	59,752	--	94,274	17,048	314,289	425,611	--	--	--	485,364
2000	13,514	49,787	745	64,046	294,176	92,368	16,701	315,265	424,334	--	--	--	782,557
2001	13,450	49,490	585	63,525	270,185	98,545	89,150	353,470	541,165	--	--	--	874,876
2002	10,874	59,355	522	70,752	254,096	96,383	108,302	374,389	579,073	--	147,847	147,847	1,051,767
2003	12,955	63,852	513	77,320	250,309	94,647	106,352	377,809	578,809	--	145,185	145,185	1,051,623
2004	14,016	66,992	501	81,508	230,132	92,432	103,862	418,578	614,872	--	157,179	157,179	1,083,692
2005	18,793	64,653	474	83,920	241,726	--	100,790	--	100,790	--	163,584	163,584	590,021
2006	18,472	68,916	435	87,823	252,540	86,920	116,202	787,236	990,358	--	167,059	167,059	1,497,780
2007	17,282	62,493	364	80,140	255,154	84,616	113,122	--	197,738	--	170,331	170,331	703,363
2008	17,424	67,034	288	84,746	258,736	82,898	--	772,166	855,064	--	173,862	173,862	1,372,407
2009	14,835	66,272	253	81,360	312,774	81,956	257,001	--	338,957	184,710	157,711	342,421	1,075,512
2010	24,993	101,948	605	127,545	277,724	81,249	--	802,163	883,412	--	160,309	160,309	1,448,990
2011	31,135	98,623	593	130,351	242,801	79,662	123,484	393,246	596,392	457,134	164,575	621,709	1,591,252
2012	33,013	96,790	598	130,401	240,212	78,181	121,189	385,936	585,306	150,378	167,561	317,939	1,273,859
2013	41,267	105,151	709	147,128	233,845	170,562	119,000	--	289,562	153,185	167,537	320,722	991,257
2014	39,341	115,406	669	155,416	225,928	75,953	128,783	725,076	929,812	148,015	170,957	318,973	1,630,128
2015	43,634	124,225	695	168,555	226,658	75,045	119,786	391,357	586,187	146,848	173,605	320,452	1,301,853
2016	46,692	125,698	686	173,075	237,990	--	118,687	--	118,687	148,915	174,389	323,304	853,056
2017	61,344	166,738	901	228,983	244,183	73,035	121,673	761,751	956,459	143,187	174,384	317,572	1,747,197
Total	547,589	1,845,168	12,698	2,405,455	4,549,170	2,102,826	1,976,002	8,792,627	12,871,455	1,532,372	2,636,077	4,168,449	23,994,529

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

Office of Science

	Oak Ridge Site, Tennessee ^a				Argonne National Lab, Illinois	Brookhaven National Lab, New York	Office of Science, Total
	City of Oak Ridge	Anderson County	Roane County	Oak Ridge Site, Total	DuPage County	Town of Brookhaven	
1994	--	--	--	--	242,298	--	242,298
1995	--	--	--	--	257,528	--	257,528
1996	24,7449	121,714	209,152	578,315	285,452	--	863,767
1997	1,075,650	505,302	820,161	2,401,114	199,366	--	2,600,480
1998	1,135,144	499,068	698,103	2,332,315	290,871	--	2,623,186
1999	1,115,116	490,311	794,424	2,399,852	301,518	--	2,701,370
2000	1,249,307	550,878	851,181	2,651,367	279,653	1,237,343	4,168,363
2001	1,546,639	657,313	856,906	3,060,858	303,454	1,226,781	4,591,093
2002	1,565,575	642,043	843,458	3,051,076	302,774	1,176,588	4,530,438
2003	1,696,321	630,868	821,332	3,148,520	306,058	1,348,934	4,803,513
2004	1,617,067	616,099	929,784	3,162,950	313,989	1,349,054	4,825,993
2005	1,568,053	613,108	899,442	3,080,604	301,655	1,298,978	4,681,237
2006	1,634,440	598,731	871,458	3,104,628	292,313	1,327,224	4,724,166
2007	1,590,470	582,709	848,226	3,021,405	284,823	1,212,385	4,518,613
2008	1,618,416	570,876	932,610	3,121,903	279,040	1,187,699	4,588,642
2009	1,670,436	564,057	920,330	3,154,824	275,868	1,218,793	4,649,484
2010	1,655,313	559,194	947,797	3,162,304	63,171	1,340,103	4,565,578
2011	1,829,115	605,710	980,799	3,415,624	61,990	1,418,715	4,896,330
2012	1,794,404	618,124	991,126	3,403,654	71,458	1,364,470	4,839,582
2013	1,760,763	606,588	972,672	3,340,023	65,436	1,505,139	4,910,598
2014	1,727,308	594,303	954,191	3,275,802	65,761	1,370,419	4,711,982
2015	1,705,188	587,022	941,574	3,233,784	64,796	1,381,121	4,679,701
2016	1,746,492	610,605	972,118	3,329,215	65,768	1,422,601	4,817,585
2017	1,742,542	630,556	1,086,882	3,459,981	62,707	1,414,364	4,937,051
Total	3,3291,210	12,455,179	19,143,727	64,890,116	5,037,748	23,800,713	93,728,577

**Appendix III: Payments In Lieu of Taxes (PILT)
by the Department of Energy (DOE) since 1994**

	Office of Nuclear Energy					Office of Legacy Management			Department of Energy, Total
	Idaho National Laboratory, Idaho					Office of Nuclear Energy, Total	Fernald Plant, Ohio	Office of Legacy Management, Total	
	Bingham County	Butte County	Clark County	Jefferson County	Idaho National Laboratory, Total		Hamilton County		
1994	--	--	--	--	--	--	--	--	8,582,446
1995	--	--	--	--	--	--	--	--	8,312,039
1996	--	--	--	--	--	--	--	--	8,532,971
1997	--	--	--	--	--	--	--	--	10,586,623
1998	2,544	340,319	2,493	181,524	526,879	526,879	--	--	11,838,940
1999	2,822	87,749	--	46,330	136,900	136,900	--	--	11,510,767
2000	--	84,441	--	46,779	131,220	131,220	--	--	13,504,896
2001	1,216	77,616	--	40,735	119,567	119,567	--	--	14,078,140
2002	--	67,424	6,200	--	73,624	73,624	--	--	14,540,948
2003	--	84,153	1,569	--	85,721	85,721	--	--	14,837,911
2004	--	57,337	1,511	--	58,849	58,849	--	--	15,131,483
2005	--	56,259	1,436	--	57,695	57,695	--	--	14,514,001
2006	--	52,976	--	174,179	227,155	227,155	--	--	15,396,853
2007	--	62,289	1,376	25,493	89,158	89,158	--	--	14,443,032
2008	--	58,758	972	--	59,730	59,730	--	--	17,637,824
2009	--	49,195	--	23,921	73,116	73,116	--	--	18,169,229
2010	5,214	46,803	1,952	56,231	110,200	110,200	--	--	19,226,436
2011	1,445	45,101	2,004	36,077	84,628	84,628	--	--	19,533,108
2012	--	45,243	--	36,187	81,431	81,431	63,382	63,382	19,789,768
2013	--	69,487	2,352	35,894	107,733	107,733	70,563	70,563	19,525,154
2014	--	91,423	--	46,858	138,281	138,281	--	--	22,133,515
2015	--	99,164	1,011	46,132	146,306	146,306	35,351	35,351	21,244,639
2016	--	88,161	--	48,178	136,339	136,339	35,143	35,143	22,078,635
2017	--	104,786	2,714	56,951	164,451	164,451	91,377	91,377	23,170,049
Total	13,241	1,668,683	25,591	901,469	2,608,984	2,608,984	295,816	295,816	378,319,407

Source: GAO. | GAO-20-122

^aThe PILT payments for Anderson County, Roane County, and the City of Oak Ridge are partially paid by NNSA. Acreage occupied by Consolidated Nuclear Security Y-12 and the Office of Secure Transportation is used to calculate NNSA's portion of the PILT payment

Appendix IV: Comments from the Department of Energy



Department of Energy
Washington, DC 20585

OCT 07 2019

Mr. David Trimble
Director
Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Trimble:

The Department of Energy (DOE or Department) appreciates the opportunity to provide a response to the Government Accountability Office's (GAO) draft report titled, *Payments in Lieu of Taxes: Revisions to DOE Order Could Provide Better Assurance that Payments Meet Goals (GAO-19-638)*.

The Department administers Payments in Lieu of Taxes (PILT) in accordance with the Atomic Energy Act, which states that the Department, "shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired." DOE receives invoices from state and local governments, which are eligible for PILT payments [per the Atomic Energy Act], similar to the property tax bills sent to residents and businesses. As GAO noted, the variations of PILT payments is based primarily on the tax laws of the relevant local jurisdictions.

GAO recommended that DOE amend DOE Order 143.1, *Payments in Lieu of Taxes*, to require additional documentation of PILT payments, additional requirements relating to invoices by localities, and changes to the processes for DOE review of invoices. While some of these changes may be beneficial, DOE has determined the Department should undertake a comprehensive assessment of the PILT program, objectives, and the manner in which DOE accomplishes the PILT objectives of providing discretionary financial assistance to affected communities, to consider specific policy changes.

DOE administers the PILT program across the complex as directed in the PILT statute. DOE will convene a working group to identify high-level options for the program, and recommend appropriate changes, if necessary, to DOE leadership. The working group will assess GAO's findings and recommendations and provide options for DOE leadership review and approval by March 31, 2020.



2

GAO should direct any questions to Mr. Thomas P. Griffin, Office of the Chief Financial Officer, at 202-586-1585 or via e-mail to thomas.griffin@hq.doe.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Hendrickson', with a long horizontal stroke extending to the right.

R. M. Hendrickson
Deputy Chief Financial Officer

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

David C. Trimble at (202) 512-3841 or trimbled@gao.gov

Staff Acknowledgments

In addition to the individual named above, Amanda Kolling, Assistant Director; Antoinette Capaccio; Ellen Fried; Laura Holliday; Skip McClinton; and Sara Sullivan made key contributions to this report. Also contributing to this report were Jeff Arkin, Cindy Gilbert, Michael Kendix, Richard Johnson, and Oliver Richard.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<https://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <https://www.gao.gov> and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at <https://www.gao.gov>.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/fraudnet/fraudnet.htm>

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

Orice Williams Brown, Managing Director, WilliamsO@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, spel@gao.gov, (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



Please Print on Recycled Paper.