

Statement of Richard W. Moore
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before the
Subcommittee on Water Resources and Environment
of the
Committee on Transportation and Infrastructure
United States House of Representatives

Madam Chairwoman Johnson, Ranking Member Boozman, and members of the Subcommittee, I am the TVA Inspector General having been appointed to this position by the President in May of 2003. Prior to becoming the first Inspector General appointed by the President at TVA, I was a federal prosecutor for approximately 18 years in the Southern District of Alabama. It is a pleasure to be able to testify here today about the Office of the Inspector General's review of the coal ash spill at TVA's Kingston fossil fuel plant in December of 2008. I believe that you have before you a copy of our report which is being made public today.

The Kingston Spill has brought intense scrutiny upon TVA and with it a call for more oversight of TVA. The conditions at TVA that led to the disaster of December 22, 2008, have existed for decades, and it is unfortunate that it has taken this kind of incident to prompt changes at TVA. But as the late Senator Everett Dirksen famously said, (paraphrasing) "Sometimes I don't see the light until I feel the heat." TVA is certainly feeling the heat, and I have reason to believe that they are seeing the light.

I am here today to report on three matters. First, I will outline briefly the TVA management failures that contributed to the Kingston Spill. Secondly, I am here to give you our assessment of TVA's progress on addressing those management failures. Finally, I am here to give you specific recommendations for TVA to make sure that a disaster like the Kingston Spill never happens again at TVA.

The TVA culture at fossil plants relegated ash to the status of garbage at a landfill rather than treating it as a potential hazard to the public and the environment. We believe this culture resulted in management failures which contributed to the Kingston Spill. Our report points out a number of issues that I would summarize into three categories:

1. **Warnings and red flags** raised by outside consultants and internal staff that were not addressed;
2. **An inadequate system of management controls** as evidenced by fragmented organizational structures, a lack of policies and procedures, and inadequate training for dike inspectors; and
3. **Poor management practices** that included a lack of maintenance on dikes and overall poor communication between organizations.

Our report provides a more detailed discussion of each of these items.

Our assessment of TVA's actions to address these management problems include:

1. **TVA's prompt hiring of Stantec**, an independent well-qualified engineering firm, to evaluate the stability of the ash ponds and to also address TVA's lack of policies and procedures, poor training, and poor engineering practices, was appropriate. The OIG will do a peer review of Stantec's work and report back to Congress.
2. **Making organizational changes** to place the management of coal combustion by-products under one organization separate from the fossil operations and clearly defining their roles and responsibilities (i.e., enhancing accountability, transparency, and communication), was appropriate. The OIG will monitor TVA's progress in this area and issue further appropriate reports.
3. **TVA has begun to implement corporate initiatives to promote cultural changes** and to improve the Enterprise Risk Management process. TVA committed to make this happen, and the OIG will carefully monitor TVA's efforts.

Finally, in addition to the recommendations in our report, the Office of the Inspector General recommends that Congress hold regular oversight hearings to determine whether:

1. TVA's coal ash facilities have either been closed properly or modified to an appropriate safety level;
2. TVA's culture has been changed to become more transparent and accountable; and
3. TVA has fulfilled its responsibilities to the citizens of Roane County to clean up their community and to make them whole.

Madam Chairwoman, you have said that, “The Kingston spill was caused by regulatory neglect, a lack of government oversight, and ‘irresponsible coal ash practices.’” Our OIG report that we make public today supports your statement. TVA management knew, for example, that: (1) Consultants hired by TVA had urged them to perform a much needed analysis and to take specific corrective actions; (2) TVA failed to follow the engineers’ recommendations and failed to perform the analysis or take the corrective action; (3) TVA had a history of poor maintenance of its ash ponds and had experienced seeps or breaches in the past; and (4) there were no policies or procedures at TVA for the management of coal ash. Documents supporting this have been made public by TVA and these facts are widely-known.

The TVA Board appears to clearly understand the gravity of the situation and has recently taken bold steps to address the problems that we have identified in our report. Also, although TVA management was slow to publicly discuss management failures as we point out in our report, I am pleased to say that they have made great strides in starting a long process to not only rebuild the ash management program but to attempt to rebuild the trust and respect of Congress, the American people, and TVA’s many stakeholders. This will not happen without continued oversight by this Subcommittee and other oversight authorities including that of the Office of the Inspector General. We are committed to devoting resources to monitor TVA’s new commitment to transparency and accountability, and we welcome your support in that endeavor.

I look forward to answering any questions that you may have.