

NUCLEAR MONITOR

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RECORD LOSS AS BNFL FACES PROBLEM OF “EXPLODING” WASTE

Nuclear conglomerate BNFL has announced the largest loss in its history: £2.3 billion (US\$3.5 billion). The loss was caused by a sharp increase in the estimates of the its huge costs of decommissioning and dealing with nuclear waste, much of which is in a dangerous condition. The UK government is transferring these costs to a new Liabilities Management Agency since otherwise BNFL would be bankrupt.

(571.5422) WISE Amsterdam – The record loss was officially reported on 16 July, though it had been anticipated for some time. Had BNFL been an ordinary business, it would have gone bankrupt on 28 November 2001 when the dangerous state of its intermediate-level nuclear waste forced BNFL to increase its estimates of nuclear liabilities by £1.9 billion (then US\$2.65 billion; now US\$2.9 billion). However, since the British State owns BNFL, it was soon clear that the UK taxpayer would pick up the tab. The UK government announced that it would set up a Liabilities Management Agency (LMA) to take over the nuclear liabilities of both BNFL and the UK Atomic Energy Authority (see *WISE News Communiqué* 559.5347, “Full steam ahead for UK’s nuclear

industry ‘Titanic’ “, which was reprinted in last December’s *Nuclear Monitor*).

The £1.9 billion announced last November was just part of the sharp increase in BNFL’s liability estimates. As of 31 March 2002, total nuclear liabilities on BNFL sites stood at £40.5 billion – an increase of £5.7 billion (US\$8.7 billion) over the figure of £34.8 billion in the previous year’s accounts.

What is more, this “exceptional” £1.9 billion increase in nuclear liabilities was joined by other “exceptional” costs. The early closure of the old Calder Hall and Chapelcross Magnox reactors, which BNFL now plans for 2003 and 2005 respectively, required a provision of 375 million pounds.

BNFL put the early closure down to low electricity prices, omitting to state that the plants have been dogged with problems (see *WISE News Communiqué* 560.5352, “UK: Calder Hall power plant closed”).

The September 11 terrorist attacks in the US also played a role. Interruption to operations at the East Tennessee Technology Park – the site of the former Oak Ridge military uranium enrichment plant –plus “changes in the regulatory environment” cost BNFL a further £70 million (US\$108 million).

BNFL nevertheless tried to put a positive spin on the figures, saying that if these “exceptional” costs were ignored, it was a “landmark year” with an underlying profit was £22 million. The actual figures reveal a different picture: an operating loss of £68 million. Even after profits on joint ventures and associates there was still a loss of £28 million. To turn this into the profit BNFL quoted, income from investments such as the nuclear liability investment portfolio had to be included. Yet the figures included for the nuclear liability investment portfolio were from 31 March, before the recent stock market jitters.

Campaign group CORE, commenting on the LMA proposals on 8 July, said they thought that the final nuclear

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BNFL ACCOUNTING

CORE described BNFL's finances as "the UK equivalent of Enron and WorldCom". This is not surprising given the findings of a recent report by Mike Sadnicki which looked into BNFL's accounts in detail. In it, Sadnicki identified BNFL's underestimation of nuclear liabilities as a potential problem. He also pointed out that although BNFL has set aside provisions for future nuclear liabilities, the provisions are often not matched by liquid funds. Indeed, BNFL is using the Nuclear Liabilities Investment Portfolio to meet current liabilities – effectively raiding its decommissioning fund, which is intended to cover long-term decommissioning costs.

Examination of BNFL Reports and Accounts, 12 March 2002

liabilities figure will be "significantly greater" than BNFL's estimates. They pointed out that when LMA takes over Sellafield, BNFL would become a "temporary tenant" yet allowed to pursue new reprocessing and MOX contracts that create even more waste, even though existing waste is in a perilous condition.

Waste "could explode at any time"

The condition of existing UK nuclear waste, a lot of which is from BNFL, was the subject of an article in The

Observer on 30 June. Almost 90% of the waste is, according to the article, "so badly stored it could explode or leak with devastating results at any time".

Normally this risk can be reduced by "conditioning" the waste, but for some types of waste – so-called "challenging wastes" – this can be ineffective or can introduce new dangers. Last year, a report on "challenging wastes" was prepared by UK nuclear waste authority Nirex in answer to questions by the Radioactive Waste Management Advisory Committee (RWMAC). These radioactive wastes are "challenging" in various ways. With some the "challenge" is to stop them catching fire, exploding or leaking, with others to stop an uncontrolled release of Wigner energy, as in the 1957 Windscale fire (see *WISE News Communique* 532.5188, "Windscale Pile problems"), and with others again, to prevent a criticality accident.

The list of "challenging waste" includes, as expected, the Windscale Pile, various Sellafield waste silos, and the Dounreay waste shaft, scene of a 1977 explosion (see *WISE News Communique* 398.3878, "Explosive problem for Dounreay's rad waste"). However, it also includes waste dumps at the UK Atomic Energy Authority's Harwell complex and –

interestingly enough – waste from decommissioning of old reactors such as the Windscale Advanced Gas-cooled Reactor (WAGR).

The WAGR, a prototype advanced gas-cooled reactor, was selected by the European Commission as a pilot research project to demonstrate decommissioning a nuclear power reactor. Substantial amounts of decommissioning were carried out in the period 1989-1993. The waste from decommissioning reactors such as the WAGR is now causing problems with conditioning, and this could have significant consequences for future decommissioning projects. This, in turn, could further increase BNFL's nuclear liabilities in the future – as well as those of other players in the nuclear industry.

Source: BNFL press release with accounts, 16 July 2002; CORE press release, 8 July 2002; *The Observer*, 30 June 2002; Nirex report, 18 October 2001 (on Greenpeace UK web site); Web site www.ec-decom.be/europe/pilot/wagr/initwagr.htm

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SENATE APPROVES YUCCA; FIGHT IS FAR FROM OVER....

The U.S. Senate approved the proposed Yucca Mountain, Nevada, high-level radioactive waste dump 9 July by a vote of 60-39. The key and long-anticipated vote came on an arcane procedural issue, but it was clear to all what the stakes were.

(571.5423) NIRS - The final vote on Yucca was a mere voice vote, which was according to an agreement reached earlier in the day between nuclear industry backers and opponents including Senate Majority Leader Tom Daschle (D-SC) and Senate Majority Whip Harry Reid (D-NV), who led the opposition.

The vote indicated continuing and

growing Senate opposition to the controversial Yucca Mountain project. For example, in President Clinton's final year in office, his veto of an "interim" storage proposal at the Yucca site was sustained by merely one vote, 64-35. In post-vote wrap-up discussions, Senator Reid's staff said they believed that had the vote been a little closer, they had another five to six Senators who would have

switched sides and voted against Yucca, but who wouldn't risk the wrath of the nuclear industry in a losing cause.

Moreover, they said the nuclear industry and the White House were well aware of how close the vote could have been, to the point that the White House brought undecided Utah Republicans Orrin Hatch and

MATCHING GRANT

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You can contribute by credit card through NIRS' website (www.nirs.org) or by sending a check to either NIRS (1424 16th Street NW, #404, Washington, DC 20036, USA) or WISE (P. O. Box 59636, 1040 LC Amsterdam, Netherlands). Please note on your check that your contribution is intended for the matching grant.

Thank you for your help!

Robert Bennett in to meet with Energy Secretary Spencer Abraham the day before the vote. Hatch and Bennett secured a pledge from Abraham that no federal money would be used for the Private Fuel Storage waste dump proposed for Utah. The two Republicans believed this pledge was sufficient to garner their votes – Bennett said he'd "rather have waste going through Utah, than to it," but since no federal money has been contemplated for that proposed project, the pledge seemed rather hollow to outside observers.

With the vote outcome still in some doubt even hours before the final tally, Vice-President Dick Cheney reportedly was prepared to come to the Capitol from his usual "undisclosed" location and cast a tie-breaking vote if necessary, although with only one Senator absent (Jesse Helms, R-NC, a Yucca supporter), a tie seemed unlikely. Still, that was an indication of just how important this vote was to the Bush administration.

When the Administration first issued its approval of Yucca Mountain last

February, it was widely believed that opposition to the site would be steamrolled by a well-bankrolled nuclear industry, and indeed, the initial House of Representatives vote was nearly 3-1 in favor of the project. According to published reports, the nuclear industry has spent some \$72 million over the past 10 years promoting the Yucca Mountain project. But Senators Reid and Daschle, and the nation's environmental movement, waged a determined and increasingly successful battle against Yucca Mountain and the accompanying radioactive waste transportation that it would require.

The results of this campaign could be readily seen. NIRS hand-delivered some 10,000 letters each to Indiana Senators Evan Bayh (D) and Richard Lugar (R), collected by Citizen Action Coalition of Indiana. Senator Richard Durbin (D-IL) told people his office had never received so much public involvement in an issue before. A tour of mock radioactive waste casks across the country resulted in substantial publicity and new awareness that Yucca Mountain would mean high-level waste casks traveling through neighborhoods and near schools, homes, shopping centers and the like. A website, established by the Environmental Working Group (www.mapscience.org) allowed anyone to type in an address and find out how close they would be to likely radioactive waste transport routes – and to see just how much waste would be left behind when Yucca Mountain reaches its legal storage limit. Popular rock bands, including Midnight Oil, B-52s, Indigo Girls, Bonnie Raitt, and Crosby, Stills, Nash and Young, turned their tours into organizing sessions for anti-Yucca activities. They held press conferences, encouraged people to write their Senators, and provided a boost to local efforts everywhere.

Led by Public Citizen and the lobbying firm Podesta/Mattoon (hired by the State of Nevada), environmental groups met every

Friday morning, and held conference calls every afternoon, to share information and plan new strategy.

By the week before the vote, momentum clearly had shifted to the anti-Yucca side. Senators Debbie Stabenow (D-MI) and Jean Carnahan (D-MO), previously undecided or leaning toward supporting Yucca, announced their opposition to the project.

The nuclear industry and its allies at the U.S. Chamber of Commerce responded by running expensive and misleading radio ads in markets all across the country, urging people to contact their Senators to support Yucca. And the Bush Administration stepped in and made clear they wanted all Republicans to vote for Yucca.

In the end, only three Republicans opposed the project, and 15 Democrats supported it. But afterwards, Senator Reid said he was upbeat about the vote, and vowed to keep up his opposition to Yucca.

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Summer vacation! The *WISE/NIRS Nuclear Monitor* will be taking a "summer vacation", and the **next issue** (572) will be mailed out on 30 August 2002. Happy holidays!

Oops! In the article "Severity of South Korean accident concealed" in the last *WISE/NIRS Nuclear Monitor*, the accident was described as the 12th steam generator tube rupture accident in the world. In fact, there have been at least 14 such accidents – a list appears on the web site www.wiseparis.org (click on "Our News" and then "Steam Generator Tube Rupture Accident in South Korea".)

Not a final determination

And Senator Reid’s opposition will be crucial to Yucca Mountain’s future. As chairman of the Senate Appropriations Subcommittee on Energy and Water, all funding for the project must go through him, and he has regularly been able to slash funding. He also has been able to prevent efforts to take the project “off-budget,” which would take it out of the appropriations process. This will be a major nuclear industry goal next year.

But Yucca Mountain has a number of other hurdles to go through before it can begin accepting radioactive waste. First, the Department of Energy (DOE) must submit a license application to the Nuclear Regulatory Commission (NRC). By law, that is supposed to be done within 90 days of this vote. In fact, the DOE already has announced it will not happen before December 2004 – at the very end of the Bush Administration.

Then, the NRC must review the

application, and open it to what surely will be lengthy and contentious licensing hearings. The last major construction hearing the NRC held, for the \$1 billion Louisiana Energy Services uranium enrichment plant proposed for Homer, Louisiana, took five and a half years and resulted in the denial of the LES license (see “Louisiana Energy Services tries again in Tennessee” in this *WISE/NIRS Nuclear Monitor*). Yucca Mountain is a far more controversial, first-of-a-kind \$60 billion engineering project. Hearings currently are scheduled to take four years; they could last a decade.

Meanwhile, the State of Nevada already has submitted several lawsuits against the project, and environmental groups including NIRS, led by Natural Resources Defense Council, have another pending against Environmental Protection Agency rule changes aimed at easing Yucca Mountain licensing. Nevada is expected to

submit more lawsuits in the near future.

The Department of Energy also faces substantial engineering challenges. Although there is a five-mile long tunnel in the mountain, wide enough for radioactive waste trucks to pass through, DOE has not yet even designed the storage sites for the casks of waste the trucks would bring in. The casks themselves have not been built, nor have they been physically tested – something a growing number of Congressmembers want to see done before any waste transport begins.

The current cost estimate to build and operate Yucca Mountain for 100 years (although it would stop accepting waste after 24 years; by then, according to current law, it would be full) is \$58 billion, a number that has been steadily rising over the years, and certainly will continue to increase.

But the Nuclear Waste Fund, which is a tax on all ratepayers of nuclear utilities, is expected to collect only about \$35 Billion or so, leaving a huge shortfall that would have to be made up by taxpayers (including those same already-taxed ratepayers). The nuclear utilities, under current law, would not put in a single penny of their own money for Yucca Mountain. This is also likely to receive Congressional attention in future years.

As the Senate vote drew near, several Senators were drawn to the fact that Yucca Mountain is not the solution to nuclear waste that they had thought it was. In fact, if the reactors now operating continue to operate until the end of their licensed lifetimes, Yucca Mountain can legally handle only about 60% of the high-level waste they would produce – giving the lie to the nuclear industry’s assertions that it is somehow safer to store nuclear waste casks at one location at Yucca Mountain than at sites across the country. In fact, huge amounts of waste will remain at sites across the country even if Yucca

HOUSE/SENATE CONFERENCE TO TAKE UP NUCLEAR PROVISIONS OF ENERGY BILL

Almost lost amidst all the attention paid to the Yucca Mountain vote in the U.S. Senate is another piece of legislation aimed at bolstering the nuclear power industry. The comprehensive energy bill, passed by both the House and Senate in very different forms last Spring, is now being considered by a joint conference committee. Realizing that they may not be able to reach agreement on several highly controversial issues (for example, drilling for oil in the Arctic National Wildlife Refuge), the conferees have decided on a two-pronged approach to the bill.

Tier One issues, the most controversial, will be shelved for the time being, and probably permanently. Instead, the conferees are working on Tier Two issues, which include all of the nuclear power provisions, in the hopes of attaining final passage of at least part of their energy legislation.

Among the nuclear provisions are reauthorization of the Price-Anderson Act; new money for nuclear research and development, including new support for reprocessing and for licensing and “deployment” of new nuclear reactors; tax breaks for utilities which purchase aging reactors in order to loot their decommissioning funds; and more.

The conference committee is addressing these issues now, but is not expected to conclude its work before early Fall. NIRS is working to coordinate opposition to these unacceptable policies. Please sign on to our letter to the committee which expresses our concerns. For a copy of the letter, and for more information, please contact Cindy Folkers at NIRS, 202-328-0002 (e-mail cindyf@nirs.org).

SPANISH VERSION

A Spanish translation of the *WISE/NIRS Nuclear Monitor* is now available on the WISE Amsterdam web site (www.antenna.nl/wise/esp). The web site includes issues from no.564 (8 March 2002) onwards and comes complete with its own search engine, so that Spanish-speaking readers can search for articles on a particular subject. Germán Garis in Argentina translates the newsletter into Spanish – thanks, Germán!

Mountain is able to accept its full load. Senator James Jeffords (I-VT), previously an unabashed supporter of the project, switched his vote at the last minute when he confirmed that Yucca Mountain would do little to rid Vermont of its nuclear waste, especially if Vermont Yankee continues to operate. Unfortunately, his “liberal” Democratic colleague, Patrick Leahy, voted for the project, as he has done every vote since 1995, under the mistaken impression that his NIMBY (not in my back yard) attitude is both progressive and reflects reality.

The industry plans ahead

For its part, the nuclear industry is planning ahead. For them, the Yucca Mountain’s legal limit of 77,000 metric tons of radioactive waste – established in law to ensure that Nevada would not be the only state dumped upon – is irrelevant. The day after the vote, a Nuclear Energy Institute lobbyist told an international audience on Voice of America that the industry would be seeking to raise that limit to 120,000 metric tons, or approximately enough to handle all the waste from existing reactors even if they are relicensed.

When challenged by NIRS to defend that statement in light of the industry’s desire to build still more reactors, the lobbyist had little to say.

The nuclear industry also is likely to attempt to again obtain congressional approval for an “interim” storage site

at Yucca Mountain, so it may begin transport of the waste even before the site is ready to accept waste. But even some Yucca supporters hold increasing reservations about premature waste transport, making this a potentially tough sell for the industry.

And in fact, the nuclear industry has found itself in a conundrum. In order to sell Yucca Mountain to the public and the Congress, it has had to portray it as the “solution” to the nation’s nuclear waste woes. At the same time, the industry has publicly and often stated that opening Yucca Mountain would provide the “solution” that would enable it to begin building new commercial nuclear reactors.

But the reality, as was made increasingly clear during the Senate debate, is that Yucca Mountain is not the solution, it is a desperate site – prone to earthquakes, water movement, and unnecessary contamination – for a desperate industry. It can’t hold the nation’s nuclear waste, without a major change in the law; and even then can’t accommodate the industry’s desire for expansion. Already, the nation’s editorial writers, and perhaps some Senators, are taking a new look at the issue. If Yucca Mountain is not enough, if it presents only a partial illusion of a solution, and offers radioactive waste transport nightmares to boot, then how can the nation’s nuclear industry possibly justify building new atomic reactors? The simple fact is: they can’t, and now everyone is starting to realize that.

By winning the Yucca Mountain vote – which was just one stage in a long process – on the terms they themselves set, the nuclear industry may have sealed its own last goodbye.

Source and contact: Michael Mariotte at NIRS

MORE CONCERTS FOR NIRS: BONNIE RAITT, TOM PETTY, JACKSON BROWNE, JOHN TRUDELL

It’s been a great year for anti-nuclear concerts, with Crosby, Stills, Nash & Young; Bonnie Raitt; Midnight Oil; B-52s; and Indigo Girls all touring the country raising awareness about Yucca Mountain and nuclear power generally, and raising money for grassroots anti-nuclear groups.

Now, there are several more concert tours dedicated to raising awareness and much-needed funds.

Tom Petty and the Heartbreakers currently are on tour across the country. 10 great seats at every concert are reserved as benefit seats for NIRS and Nevada’s Citizen Alert. Tickets are at face value. To buy tickets for these shows and to see a full concert schedule, visit NIRS’ website (www.nirs.org) and/or Guacamole Fund’s website (www.guacfund.org). Jackson Browne is joining part of Tom Petty’s tour, with the same deal, check the same websites for more information.

Bonnie Raitt is doing a special NIRS benefit at her appearance at Merriweather Post Pavilion in Columbia, Maryland, August 3, along with Lyle Lovett and his Big Band. Gold Circle seats provide preferred seating and a reception with Bonnie and the NIRS staff after the show—if you’ve never been to one, these receptions are great fun! Silver Circle seating offers preferred seating for NIRS supporters. For more information, contact NIRS at 202-328-0002 or e-mail NIRS’ administrative coordinator Donald Keesing at donaldkeesing@hotmail.com.

Finally, longtime Native American and anti-nuclear activist/recording artist John Trudell will be doing a benefit concert, along with artists to be announced, for NIRS in Washington DC in mid-August. Contact NIRS for date and location information.

ROMANIA: NEW FINANCIERS, NEW PROBLEMS FOR CERNAVODA-2

In the last month the Romanian government has found new financiers, other than Euratom and the export credit agencies from Italy and Canada, for the controversial project to complete the second CANDU reactor of the Cernavoda nuclear power station in Romania.

(571.5424) Campagna per la riforma della Banca mondiale - On 19 June the US Export-Import Bank (Eximbank) received an application for an export credit from a US company involved in the project. At the same time also COFACE, the French export credit agency, reportedly has been involved in the project in order to support French nuclear industry involvement in the project.

The US Eximbank soon clarified that the reference environmental impact assessment (EIA) study for the project to be reviewed is the Environmental Assessment Summary produced by AECL from Canada and made public by the Romanian state-owned nuclear agency SNN since December 2001.

The document has been already highly criticized by the Sierra Club of Canada and several other international NGOs as highly inadequate, partial and incomplete (see *WISE/NIRS Nuclear Monitor* 563.5375, "Cernavoda 2: Exporting nuclear risks").

NGOs had better expectations from US Eximbank's approach, because of the higher environmental and transparency standards adopted by the agency in the past. In particular, like other project financiers, US Eximbank decided to review the Canadian study instead of waiting for the Romanian government to complete its own EIA study and to submit it to local affected communities in the Cernavoda region according to the Romanian environmental protection law.

In this way, Euratom and all export credit agencies are reviewing different EIA studies for the project,

all of which have never been subjected to public consultations in Romania in violation of the Romanian environmental protection law.

Last April, in a written reply to NGO requests, Commissioner Verheugen declared himself in favor of the disclosure of the project EIA document and the safety study commissioned by the European Commission through the TACIS program for Euratom and currently reviewed, together with an economic study and a financial assessment of the project, by the European Commission and SACE, the Italian export credit agency.

EIA studies for the project have never been subjected to public consultations in Romania - in violation of the Romanian environmental protection law.

The Commissioner made it clear to international NGOs that a final decision on the project still has to be taken by the Commission and it is likely that conditions might be attached to the Euratom loan to the Romanian government.

Since none of the four documents paid for by the European Commission has yet been made public despite NGOs' repeated requests, on 9 July *Campagna per la riforma della Banca mondiale* in Italy together with several European NGOs wrote to President Prodi to urge him to make public the four studies and to promote a public consultation at European level on the project, thus following up on his recent commitments for more

transparency of the European Institutions.

On 16 July the European Commission experts from the Nuclear Safety Division of the Directorate-General for Energy and Transport met in Brussels to assess the safety study produced by the British company N&C. On the same day international NGOs denounced how the Romanian government has violated article 3 of the 1991 Espoo Convention on Environmental Impact Assessment in a Transboundary Context which has entered into force since 1995 and was ratified by Romania in 2001.

In particular, the Romanian government has not notified to neighboring Bulgaria its interest to go ahead with the Cernavoda-2 project and to draft the EIA study for the project. Bulgaria is under pressure by the European Union for the closure of the Kozloduy NPP and fears that Romania could become a dangerous competitor for energy export towards western European countries, like Italy, through the completion of the new 700 MW CANDU reactor at Cernavoda.

International NGOs believe that Euratom and export credit agencies' approval of financial aid for the project would condone the violation of international law by the Romanian government.

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EU TO SUPPORT NUCLEAR IN DEVELOPING COUNTRIES?

On 17 July, the European Commission adopted the Communication on Energy Cooperation with the Developing Countries as a contribution to the World Summit on Sustainable Development in Johannesburg (WSSD). The Communication includes a highly controversial chapter suggesting that the EU may support nuclear programs in those countries.

(571.5425) Friends of the Earth

Europe - "This is absolutely unacceptable", says FoE Europe's Antinuclear Campaigner Patricia Lorenz. "In times when the international community is fighting the whole range of nuclear threats from unsafe reactors to dirty bombs and nuclear weapons, the Commission has with this paper cleared the way for the EU to support upcoming nuclear programs in the developing world".

Patricia Lorenz continues, "contrary to what the Commission Communication is implying, nuclear safety can never be guaranteed and the risk of proliferation of nuclear material for bomb use by terrorists and state actors is growing. It is very cynical to present the nuclear option as a contribution to the UN-summit in Johannesburg".

Furthermore, the EU already made clear that nuclear energy is not part of a sustainable development when the EU heads of state and

government at the 2001 Gothenburg Summit did not accept the EU Commission's proposal to include nuclear power in the EU Sustainable Development Strategy (SDS).

The Communication on Energy Cooperation with the Developing Countries is also out of step with the international view on nuclear power. Nuclear energy and whether it has a role in sustainable development was hotly debated last year in the international community and consequently, the Johannesburg Draft Plan of Implementation for the World Summit on Sustainable Development (1) – while addressing energy supply in depth – does not even mention nuclear energy.

Nuclear was decisively excluded from receiving "carbon credits" under the Kyoto Protocol (2).

The Ninth Session of the United Nations Commission on Sustainable Development (UNCSD9) agreed a text on nuclear energy which urged better

nuclear safety but was generally ambivalent (3).

FoE Europe has stressed to the environment ministers to use the informal European Ministerial in Sonderborg in Denmark on 19 July to make clear that the Commission's push to spread nuclear power is not the EU's intention and does not have support of the member states.

References

- (1) www.Johannesburgsummit.org/html/whats_new/whatsnew.html
- (2) *WISE News Communique* 553.5313, "Kyoto victory at Bonn"
- (3) *WISE News Communique* 548.5268, "Nuclear unbracketed to the Rio+ 10?"

Source: Friends of the Earth Europe press release, 17 July 2002

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LOUISIANA ENERGY SERVICES TRIES AGAIN IN TENNESSEE

Despite the 1998 rejection of its uranium enrichment plant planned for Homer, Louisiana on environmental justice grounds, the Urenco-led consortium Louisiana Energy Services (LES) is trying again, this time in eastern Tennessee. Though the plans are at an early stage, the politicking, complete with threats, has started already...

(571.5426) NIRS/WISE Amsterdam –

One of the candidate sites under scrutiny by LES is a site in Unicoi County, not far from the Nuclear Fuel Services (NFS) plant at Erwin. Originally it seems they wanted to build the new plant on the same site, but NFS was apparently not prepared to give up any of its land for the

plant (1). Undaunted, Unicoi County officials, with whom LES have been in secret talks for the last three or four months, proposed another site about eight miles away.

When aldermen from the Town of Unicoi found out about the plans, they were far from happy. Yet in an

outrageous effort to stifle dissent, threats were made to wipe the town off the map of local government if they opposed the project.

Johnny Lynch, one of the aldermen, revealed this at a public meeting against the LES plans. "I've had, I guess, a threat, if you will, that if we

didn't stop trying to stop this industry from coming in, that they were going to do away with the Town of Unicoi and start a move to unincorporate." In other words, he explained, "they would do away with our planning commission and our Board of Mayor and Aldermen, which is one of the obstacles in front of these folks as they try to move into this county." (2)

LES is expected to announce its choice of site in the next few weeks – the US Nuclear Regulatory Commission (NRC) has said it needs to know before September in order to meet LES' proposed 18-month licensing schedule.

What is the attraction of Unicoi for LES? One reason, according to trade journal *NuclearFuel*, is that LES could take advantage of information in an NRC environmental impact assessment for a project to blend down high-enriched uranium at the NFS plant at Erwin. The NRC study found "no significant impact" even when the effects of a nearby facility

STEALING THE FIRE

A new film, *Stealing The Fire*, was screened at the Human Rights Watch International Film Festival in New York last month. It is about a German nuclear spy for Saddam Hussein and the security problems at Urenco, as well as the wartime activities of Dr. Jacob Kistemaker, one of the key developers of Urenco's gas ultra-centrifuge uranium enrichment technology.

As well as Saddam Hussein in Iraq, Pakistan obtained the uranium enrichment technology by espionage, from Urenco Netherlands. Following September 11, the UK announced plans for harsh jail sentences for disclosing information relating to uranium enrichment (see *WISE News Communique* 559.5347, "Full steam ahead for UK's nuclear industry 'Titanic' ", which was reprinted in last December's *Nuclear Monitor*).

operated by Studsvik Inc. for processing radioactive wastes were included (3). Bizarrely, the NRC issued its "no significant impact" ruling not long after issuing two Notices of Violation to NFS – one for keeping high-enriched uranium in unlocked containers and one for failing to test its criticality detection and evacuation alarm system in March (4).

One difference with the previous LES attempt is that this time the U.S. Enrichment Corporation (USEC) is opposing the plans.

But then, the NRC's behavior should not come as a surprise to many readers. After all, the NRC has only once turned down an application for a new nuclear plant without it being approved on appeal. Significantly, that one case was the previous attempt by LES to build a uranium enrichment plant in Homer, Louisiana.

Environmental racism

The site chosen by LES for its previous attempt to build a uranium enrichment plant was a poor community near Homer, Louisiana with a predominately African American population. This led to accusations of environmental racism, and a study showed that the assessors' scientific methods compounded the problem by causing de facto discrimination (5).

NIRS, together with local group Citizens Against Nuclear Trash, Earthjustice and private attorney Diane Curran, fought the project for over eight years, and with success. In the spring of 1996, a Louisiana state court threw out the environmental permits (6). Later in the year, the NRC's Atomic Safety and Licensing Board (ASLB) ruled that LES was not financially qualified to build the plant (7). The real victory came after a landmark ASLB ruling denying a license on environmental justice grounds. Although the NRC

Commissioners reversed the financial qualifications ruling, they upheld the environmental justice claims, and LES eventually gave up (8).

USEC opposes plans

One difference with the previous LES attempt is that this time the U.S. Enrichment Corporation (USEC) is opposing the plans. USEC has written to the NRC suggesting that construction of an LES enrichment plant might not be in the national interest (9).

Last year, USEC closed one of its two uranium enrichment facilities: the Portsmouth enrichment plant in Piketon, Ohio (10). USEC has recently renewed its "Megatons to Megawatts" agreement for downblending of Russian ex-weapons uranium, and has agreed to build a centrifuge plant of its own (11).

The LES consortium

LES includes US utilities Exelon, Duke Energy, Louisiana Light and Power, and also Fluor Daniel, but it is led by the European uranium enrichment corporation Urenco. Urenco's major owners are the British and Dutch governments, with the German corporations RWE Nukem and E.On also holding a significant stake (12).

Urenco operates uranium enrichment facilities in Almelo (the Netherlands), Capenhurst (UK) and Gronau (Germany). The plants have a controversial history. 40,000 people demonstrated in Almelo in 1978 against their plans to supply enriched uranium to Brazil while it was under a military regime (13).

The Dutch Minister of Economic Affairs, Van Aardenne, was forced in 1985 to admit that he had misled Parliament in 1983 about the use of reprocessed uranium at Almelo (14). The Dutch memorial demonstration for Chernobyl was held in Almelo in 2001.

The demonstrations go on, particularly in Germany, where

Urenco also is expanding. A demonstration in Gronau on 1 September 2002 will mark the start of two weeks of decentralized actions against uranium, in which anti-nuclear and peace activists will get together, focusing not just on the nuclear industry but also on weapons containing depleted uranium, a by-product of uranium enrichment (15).

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SYDNEY'S REACTOR RUMBLES

The revelation that the site for a new nuclear research reactor in Sydney lies on two seismic fault-lines has generated calls for the project to be abandoned.

(571.5427) Jim Green – The federal government and the Australian Nuclear Science and Technology Organization (ANSTO), operator of the Lucas Heights nuclear site in Sydney's southern suburbs, plan to shut down the existing HIFAR reactor - Australia's only operating reactor - when the new reactor is operating in 2005-06. Argentinean company INVAP won the contract to build the new 20-megawatt, A\$300 million (US\$168 million) reactor.

Two years ago a seismic study by a New Zealand organization, the Institute of Geological and Nuclear Sciences (IGNS), commissioned by the Australian government, found that ANSTO had seriously underestimated the potential impact of an earthquake. The IGNS calculated a peak ground acceleration of 0.41 g compared to ANSTO's estimate of 0.23 g. In 2001, a review of ANSTO's environmental impact statement for the new reactor by the International Atomic Energy Agency recommended more information be gathered on the risks of an earthquake affecting the site.

John Loy, chief executive of the regulatory agency, the Australian

Radiation Protection and Nuclear Safety Agency (ARPANSA), said that last September he asked ANSTO to investigate the site for fault-lines and that "... this, of course, could not be done until excavation itself was authorized through the issuing of the construction license."

A reactor construction license was issued by ARPANSA in April. The seismic fault-lines were discovered in June 2002 by IGNS, which had been contracted by ANSTO to study seismological risks. IGNS is conducting further studies.

A researcher at the Seismological Research Centre, Wayne Peck, said that because Sydney lies in the middle of a tectonic plate, it was not prone to regular earthquakes: "The rate of activity is low but we have seen major earthquakes in the area."

Australia's most damaging recorded earthquake hit Newcastle, 110 km north of Sydney, in 1989, killing 13 people. In 1999, an earthquake measuring 4.5 on the Richter scale was recorded near Sydney. In October 2000, an earthquake measuring 2.2 occurred just 8 km from the reactor. In February 2002, an earthquake of

3.8 magnitude was recorded 80 km south of Sydney. Geoscience Australia recorded more than 200 earthquakes in Australia during 2001 - about 50 more than the previous year - including two measuring more than five on the Richter scale.

The discovery of the fault-lines has led to renewed calls for the reactor project to be cancelled from the Australian Greens, the Australian Democrats, Greenpeace, the Australian Conservation Foundation, the Sutherland Shire Environment Center, and People Against a Nuclear Reactor among other groups.

Giji Gya from the Medical Association for the Prevention of War (MAPW - the Australian affiliate of the International Physicians for the Prevention of Nuclear War) said: "This fault-line discovery points to the lack of scrutiny over the siting-approval process and the process of this replacement reactor project in general. As MAPW keeps saying, there are better - and safer - alternatives."

MAPW's Dr. Bill Williams, who participated last year in an inquiry conducted by ARPANSA on the

application for a license to build the new reactor, said: "A reactor sitting on a fault-line has the potential of breaching the reactor containment, resulting in dispersal of toxic radiation into the neighborhood. You do not site a nuclear reactor on a fault-line. End of story."

Dr. Williams added, "The cracks under the reactor are nothing compared to the cracks that we see in arguments justifying the need for the reactor. Australia would be better to spearhead R&D into the already well-developed alternatives to produce isotopes needed for nuclear medicine."

Senator Natasha Stott Despoja, leader of the Australian Democrats, said in response to the discovery of the fault-lines: "It beggars belief that this kind of basic information was not found as part of the lengthy, but obviously not very effective, assessment and approval processes. The Australian community was told that safety and health concerns are paramount, while the reality is entirely different. Lucas Heights may

be the most mismanaged development in Australia."

ANSTO spokesperson Peter Russell said the new reactor "will proceed at the site - there's no doubt about that." Federal science minister Peter McGauran said: "These issues will be quickly resolved and the project will proceed post haste. ... It appears that everything was done by the book and this setback was entirely unpredictable."

ARPANSA has not ruled out construction of the reactor at the current site. John Loy said: "The age [the geological time period during which the fault occurred] and extent [length and depth] of the fault are not known at this time. Judgments about the implications for the siting and design of the replacement research reactor are premature until further information is available. ... A number of hold points result from a condition of license that ANSTO must gain my approval prior to the construction of an item important for safety. As a consequence, ANSTO are unable to proceed with construction

of the foundations until I have given my approval."

Once IGNS has completed its report into the fault-lines, ARPANSA will have the report peer-reviewed, possibly by the Australian Geological Survey Office.

ARPANSA's lack of independence has been a major bone of contention throughout the debate over the planned new reactor. ANSTO chief executive Helen Garnett was directly involved in the selection of the chief executive of ARPANSA. Moreover, ANSTO and ARPANSA are linked by a "revolving door"—six former ANSTO staff members now work for ARPANSA.

[More information on the Lucas Heights reactor debates can be found on the web site www.geocities.com/jimgreen3]

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IN BRIEF

US: Entergy reconsidering Vermont Yankee purchase. The Entergy Corporation is reconsidering its proposed purchase of the Vermont Yankee reactor, after the Vermont Public Service Board upheld its earlier decision that would require Entergy to return any unused decommissioning funds to ratepayers. The Board's decision could serve as a major precedent—and deterrent—for future reactor purchases by nuclear utilities like Entergy that are bent on expansion. A major incentive for companies like Entergy to buy reactors is to obtain huge decommissioning funds for pennies on the dollar—the Oyster Creek reactor in New Jersey, for example, sold to Amergen for only \$10 million, even while it held a \$400 million decommissioning fund. The purchasing utilities are hoping that relaxed NRC decommissioning standards will enable them to

decommission reactors cheaply, and that they can then pocket the difference. Aging reactors like Vermont Yankee will look much less attractive to out-of-state utilities if they can't tap that pot of gold at the end of the decommissioning rainbow.
NIRS, 12 July 2002

Belgium postpones US MOX

decision. Following pressure from the Greens and NGOs, the Belgian government has twice postponed a decision on converting excess U.S. military plutonium into mixed-oxide fuel (MOX). Under an agreement which was in preparation since last April, Belgonucléaire was to produce test assemblies of MOX fuel for irradiation in Duke Energy reactors. The tests are part of the plan for both the US and Russia to convert excess plutonium into MOX (see *WISE/NIRS Nuclear Monitor* 570.5416,

"Plutonium hits the road despite 'dirty bomb' scare"). Last month the G8 Summit agreed a US\$20 billion package for a "global partnership against the spread of weapons of mass destruction", including disposition of fissile materials.
For Mother Earth, 18 July 2002;
Nucleonics Week, 18 July 2002;
NuclearFuel, 8 July 2002

Clean-up money for Russian nuclear submarine waste. A 110 million euro (US\$110 million) fund to tackle the legacy of environmental and nuclear waste problems in northwest Russia was launched on 9 July. Of this, 62 million euros is for nuclear projects. More money is needed – the priority nuclear waste management projects are estimated to cost around 500 million euros. These include the Kola Peninsula nuclear submarine facilities, often described as the

world's worst nuclear waste site. The problems of Russia's Northwest were the subject of a report *The Arctic Nuclear Challenge* by the Bellona Foundation (www.bellona.org).
ENS, 10 July 2002

French airport worker exposed in December 2001 transport accident.

A FedEx delivery company worker at the Roissy (Charles de Gaulle) airport in Paris received a radiation dose of about 100 millisieverts when handling a "leaking" transport cask with iridium-192 radiation sources. The container was sent from Studsvik in Sweden to New Orleans in the U.S. and trans-shipped in Paris. The abnormal radiation had previously only been detected in the US (see *WISE/NIRS Nuclear Monitor* 561.5357: "To U.S. from Sweden – irradiation"). After blood tests by the

French nuclear safety and protection agency (IRSN) it was shown that the Paris worker had received a dose of about 100 millisieverts, 100 times the annual limit for the general population. Until now, authorities had assumed that the cask only started "leaking" in the U.S. but the new finding shows that the cask must have failed at the Paris airport or before.

WNA News Briefing 26 June – 2 July 2002

European meetings. Some important European anti-nuclear meetings are coming up. On 12 September, Friends of the Earth Europe are organizing a conference at the Brussels offices of the European Parliament. The theme is: "Euratom: After 45 years of nuclear promotion: time for change". Those interested

should contact Patricia Lorenz at Friends of the Earth Europe (for contact details, see "EU to support nuclear in developing countries?" in this *WISE/NIRS Nuclear Monitor*).

On 20 October, the French anti-nuclear network Réseau Sortir du Nucléaire is organizing a large rally in front of the European Parliament building in Strasbourg, France. The rally will play an important role for organizing the anti-nuclear movement on a European level. Further information is available from Sylvain Darou, e-mail sdarou@gmx.de

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WISE/NIRS NUCLEAR MONITOR

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The *WISE/NIRS Nuclear Monitor* publishes international information in English 20 times a year. A Spanish translation of this newsletter is available on the WISE Amsterdam website (www.antenna.nl/wise/esp). A Russian version is published by WISE Russia and a Ukrainian version is published by WISE Ukraine. The *WISE/NIRS Nuclear Monitor* can be obtained both on paper and in an electronic version (pdf format). Old issues are available through the WISE Amsterdam homepage: www.antenna.nl/wise.

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