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Statement Of

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Press Conference on DOE Contracts for New Reactor Nuclear Waste

Good afternoon and welcome to this news event sponsored by the Institute for Energy and Environmental Research ... or I-E-E-R, for short.

As you heard, my name is Arjun Makhijani. I am the president of IEER, which provides policy-makers, journalists, and the public with understandable and accurate scientific and technical information on energy and environmental issues.

IEER's aim is to bring scientific excellence to public policy issues in order to promote the democratization of science and a safer, healthier environment.

As the Obama Administration's "Blue Ribbon Commission on America's Nuclear Future" convenes its first meeting in less than 24 hours, we would first like to thank and congratulate President Obama and Secretary Chu for cancelling the Yucca Mountain Project. And I say that even though I support a sound deep geological disposal program as the least damaging thing to do in the long-term with mounting piles of spent fuel at more than five dozen sites around the country. The accent of the program should be on the term "sound."

Yucca Mountain was known to be a poor repository site when it was named as the only site in 1987. Now, after 10 billion dollars of ratepayer money has been wasted, it has rightly been abandoned.

Along the way, the Department of Energy defaulted on its contracts to begin taking charge of spent fuel starting on January 31, 1998. Utilities have had to go to court to enforce their contractual rights. The liability cost to taxpayers now stands at \$1.3 billion and is headed to more than ten billion.

Yet, in its waning days, the Bush Administration quietly signed more contracts with nuclear companies to dispose of the waste from new reactors they plan to build. The DOE stated that it “is obligated and willing to provide such disposal services” for nuclear waste. Significantly it omitted to say that it would be *able* to do so. Evidently, it is not.

Even the Nuclear Regulatory Commission has not expressed confidence that a repository will open within ten years of the expiration of the license of the first new reactor. In fact the NRC has not committed to any specific date for a repository; it has no logical or factual basis to come up with one. It was rash for the Bush Administration to sign contracts for new reactors while taxpayers are on the hook for billions due to default on existing waste contracts. These new contracts are likely to add billions more in damages at a time when the federal government is struggling with deficit containment.

Spent fuel from existing reactors and from the 21 proposed nuclear reactors covered by Bush Administration last-minute agreements would fill the equivalent of two Yucca Mountain high-level radioactive waste repositories to the Yucca Mountain legal limit.

We now know for the first time about the full extent of the last-minute Bush Administration deals with the nuclear industry due to documents acquired under the Freedom of Information Act ...or FOIA. You will be hearing more about our FOIA request from Diane Curran.

The challenge that faces the United States and the new commission in devising a disposal path for spent fuel from commercial nuclear reactors is enormous. Kevin Kamps will be going into this in more detail shortly.

Separately today ... you will be hearing from one of our speakers, Deb Katz, about the more than 170 groups in all 50 states who are releasing today the “principles for safeguarding nuclear waste at reactors” calling for specific steps to protect the public from the immediate threats posed by the currently vulnerable storage of commercial spent fuel at nuclear reactor facilities.

The principles call for safer on-site storage of spent nuclear fuel through the use of less densely packed reactor pools and “hardened on-site storage” (HOSS) designed to “withstand an attack by air, land, or water from a force at least equal in size and coordination to the 9/11 attacks.”

This is no academic exercise about safety or about amounts of penalties for federal contractual defaults on spent fuel. Neighbors of nuclear power plants face real risks. And U.S. taxpayers have now been signed up for additional billion in likely nuclear waste penalties if the 21 proposed reactor projects proceed.

I believe that it was imprudent for the DOE to sign these new contracts in view of its history of prior defaults and the impending likely cancellation of the Yucca Mountain project that had been announced as part of President Obama’s agenda. It was also not prudent for the companies to sign them in view of DOE’s past contractual defaults and the trials and tribulations, if I may say so, they have had to go through to recover the added expenses occasioned by those defaults.

That concludes my opening remarks. I look forward to taking your questions.