

## Eye on Yucca Mountain

The Department of Energy's (DOE) budget request for fiscal year 2005 assumes that \$749 million of the total \$880 million request for the Yucca Mountain project would be "off-budget," not subject to budget caps. However, reclassification of the \$749 million, which comes from fees paid by nuclear power utility consumers into the Nuclear Waste Fund, cannot be done without congressional approval and is unlikely to happen in the Senate, due to Nevada's opposition.

In May, an NRC Inspector General report on the Licensing Support Network, the web-based system for making all DOE documents related to the Yucca Mountain project publicly available, concluded that "a number of obstacles may prevent" DOE from meeting its June 23 deadline. All of the millions of documents and emails relevant to the project must be processed six months prior to DOE's submission of its license application to the NRC. According to the report, unless DOE improves its transfer of these documents to the NRC, "the availability of the documents to the public could be delayed until as late as May 2005."

## Reclassifying High-Level Waste

Thanks to Sen. Graham (R-S.C.), the Fiscal Year 2005 Defense Authorization bill pending in the Senate would allow the DOE to reclassify high-level radioactive waste in South Carolina as "Waste Incidental to Reprocessing." This waste, which is produced during reprocessing (the separation of plutonium from irradiated fuel), is currently in underground tanks at the nuclear weapons complex sites in South Carolina, Idaho, and Washington. The bill also

### DID YOU KNOW...?

#### *The Power of the Public Utility Holding Company Act*

Standard & Poor's credit analyst, on hearing that Enron finally ran out of PUHCA exemptions on March 9, 2004: "The whole Enron thing was an embarrassment to [the SEC]. Enron should never have had the [PUHCA] exemption."

forces Washington and Idaho to agree to reclassify their high-level waste by June 2005, or lose \$350 million in clean-up funds. DOE wants to cement the highly radioactive waste in the tanks and abandon them – resulting in radioactive sacrifice zones that threaten important regional water supplies such as the Savannah River. Sens. Cantwell (D-WA), Hollings (D-SC), Murray (D-WA), Clinton (D-NY), and Feinstein (D-CA) intend to offer an amendment to strike these provisions from the bill. ASK YOUR SENATOR to support this important amendment, which could come up for a vote as early as June 1, and SIGN A PETITION sponsored by Sen. Cantwell to register your opposition to this environmentally-destructive policy: [http://cantwell.senate.gov/contact/nuclearwaste\\_petition.html](http://cantwell.senate.gov/contact/nuclearwaste_petition.html).

## Public Citizen Testifies at Congressional Hearing on Gas Prices

On May 28, Public Citizen testified at a congressional field hearing on high gas prices in Arizona, California and Nevada, urging Congress to restore competitive markets to bring down gas prices.

Tyson Slocum, research director for the organization's energy program,

called on the U.S. government to fix the price crisis through increased oversight and regulation, as well as stronger fuel economy standards to reduce America's dependence on oil.

Gas prices in the Western United States are more than 10 percent higher than the national average. California has the highest gas prices in the nation. Testifying before the House Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs, Slocum argued that the top five oil companies have a stranglehold on the market, enabling them to manipulate prices by intentionally withholding supplies. A new GAO report on gas prices echoed Public Citizen's stance that oil mergers have contributed to rising prices. To read the report, go to: <http://www.gao.gov/highlights/d0496high.pdf>.

"Congress can remedy this price-gouging by taking two broad actions," Slocum said. "First, it should limit the financial incentives oil companies have to keep gasoline supplies artificially tight. Lawmakers can do this by mandating minimum storage of gasoline, re-evaluating recent mergers, investigating anti-competitive practices and re-regulating oil trading. Second, lawmakers should temporarily cease filling the Strategic Petroleum Reserve because this would help increase domestic oil supplies."

## Government Affirms Interest Groups' Role in Licensing of Nuke Plant

The NRC has affirmed that Public Citizen and the Nuclear Information and Resource Service (NIRS) have demonstrated an interest in the forthcoming licensing proceeding for a proposed nuclear plant in southeastern

**QUICK QUOTE:**

“MATT: Ken Lay’s going to be Secretary of Energy...  
TOM: That would be awesome, actually.  
MATT: That would be - how great would that be for all the players in the market!”

- From transcripts of phone conversations between Enron energy traders on August 3, 2000, during the California energy crisis.

New Mexico.

The NRC issued an order on May 20 officially granting “standing” to the two public interest groups. The Commission acknowledged that there is “no question” regarding the standing of Public Citizen and NIRS, which was established by virtue of the groups’ members living in close proximity to the site of the proposed facility. The plant, dubbed the “National Enrichment Facility” (NEF), would refine fuel for commercial nuclear power reactors.

The NRC decision is an important step towards admission as a party to the proceeding, but the Atomic Safety and Licensing Board (ASLB), which governs the permitting process, must still decide on the validity and relevance of the contentious issues raised by Public Citizen and NIRS in their joint intervention petition. (The NRC staff has already recommended that most of the contentions be admitted.) If the ASLB admits at least one contention, the groups will be able to participate in the proceeding; a ruling is expected by late June. A conference intended to initiate the licensing hearing is scheduled for mid-June in New Mexico.

In their petition, Public Citizen and NIRS charge that the application proffered by Louisiana Energy Services (LES) is incomplete, misrepresentative, and unlawful. The petitioners charge that LES lacks a concrete strategy to dispose of its hazardous and radioac-

tive waste. The groups also argue that the petition is deficient in its treatment of water resources impacts, national security and nuclear proliferation issues, the need for the facility, and the cost of decommissioning the plant when it has ceased operation.

LES is a multinational group of energy companies, dominated by the European consortium Urenco. The group submitted an application to the NRC in December 2003 for the NEF, a uranium enrichment plant. The site of the plant is near Eunice, N.M., close to the Texas border.

### ***Companies Take More Steps Toward New Nukes***

Three separate consortia, or groups, of nuclear utilities, engineering and construction firms, and reactor vendors have announced their intention to apply to the NRC for what is known as a Combined Construction and Operating License (COL). The COL is part of the NRC’s new, “streamlined” process for approving new reactors.

Under the U.S. Department of Energy’s Nuclear Power 2010 program, up to half the cost of preparing and approving the COL applications will be paid by taxpayers. On March 17, a consortium led by Dominion, which has also applied for an Early Site Permit at its North Anna nuclear plant in Virginia, applied for up to \$250 million in federal dollars for its COL. A second consortium, called NuStart Energy Development and including the two other Early Site Permit applicants, Entergy and Exelon, applied for up to \$400 million from DOE. The third consortium, led by the Tennessee Valley Authority, seeks only to license an advanced boiling water reactor for construction at Bellefonte, Alabama, but still seeks \$2 million in taxpayer assistance.

Once approved, any of the members of the consortia will be able to use the new reactor license to construct a new nuclear reactor. The COL format, combining the permits for construc-

tion and operation, means the reactor is approved to begin operation before the first shovel hits the ground. If any problems arise during the construction process, there is no opportunity for the public to raise objection. For more information, visit [www.citizen.org/cmep/COL](http://www.citizen.org/cmep/COL).

### ***Sending Waste to Yucca via Rail***

Public Citizen filed its comments on May 28 on the scope of the upcoming Environmental Impact Statement (EIS) for the rail line—known as the Caliente corridor—that DOE plans to construct to ship waste from around the country through the Nevada desert to Yucca Mountain. Public Citizen pointed out that the alignment of the new rail spur impacts the entire country’s waste shipment routes, not just within the state of Nevada. Therefore, public hearings should have been held in numerous locations around the country, not just in Nevada.

Of additional concern is a study commissioned by Nevada that found up to 90% of waste shipments could pass through Las Vegas even if the new rail spur—which winds 319 miles north and west of Nellis Air Force Base and the Nevada Test Site—is built. Bad weather in the Rocky Mountains or tornadoes in the mid-west could lead rail companies, which will have the final say in what routes are used for waste shipments, to take a more southern route that runs within a mile of the Las Vegas strip. Visit [www.citizen.org/fax/background.cfm?ID=351&source=1](http://www.citizen.org/fax/background.cfm?ID=351&source=1) for more information.

**\$35.9 million:**

What Reliant Energy is being paid to provide electricity to several military bases, despite being under federal indictment for its role in the California energy crisis.

**Corporate Corner**