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August 6, 2009

Letter sent by facsimile

The Honorable Steven Chu
Secretary of Energy
United States Department of Energy
Washington, D.C. 20585-1000

Dear Mr. Secretary:

The Nuclear Waste Strategy Coalition (NWSC) is amazed with Senator Harry Reid's (D-NV) announcement that the President and yourself have agreed with him to cut off all funding for the continued review of the license application by the Nuclear Regulatory Commission (NRC) in the Administration's fiscal year (FY) 2011 budget request.

Given the energy challenges facing our nation and the important role nuclear energy plays in our nation's energy generation, it is disturbing to learn that the Administration may have made such a decision while the NRC is still reviewing the license application.

Failing to allow the license application to proceed would cast the whole process into political chaos and uncertainty since Congress directed Department of Energy (DOE) to submit the licensing application through the 1982 Nuclear Waste Policy Act, as amended (NWPA). In addition, a decision to stop or redirect the Yucca Mountain program means stranding indefinitely spent nuclear fuel and high-level radioactive waste in 39 states. As you stated during your confirmation hearing, DOE has a legal obligation and will use the best scientific analyses to provide safe disposal of spent nuclear fuel.

Therefore, allowing a full and thorough review of the license application by the NRC, as required by the NWPA, would be the best way to proceed. We will find out once and for all if questions about the technical suitability and safety of the Yucca Mountain permanent repository have been adequately addressed over the 20 years of scientific study, rather than used as a political tool.

In addition, the withdrawal of the license application would force you to lay off approximately 700 DOE federal and contract employees that are presently working on the license application. The Administration's decision would also disrupt the DOE clean-up program in Hanford, Idaho and Savannah River, as well as agreements with states that currently store defense material.

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It is also our understanding that the Administration's policy position is to continue collecting approximately \$758 million in fees paid by the nation's ratepayers into the Nuclear Waste Fund (NWF). Since 1983, ratepayers from 41 states have paid more than \$30 billion, including interest, into the NWF, which Congress established for development of a permanent repository for spent nuclear fuel and high-level radioactive waste.

The decision to cut off all funds for the review of the license application will undermine the creditability of the proposed Blue Ribbon Panel if it is tasked to ignore the current law of the land, the NWPAA. Therefore, all options should be taken into consideration, including the geologic repository at Yucca Mountain, Nevada, as well as a central interim storage facility or regional facilities to provide storage for spent nuclear fuel and high-level radioactive waste currently stranded at commercial and decommissioned plant sites.

On behalf of the NWSC, we request that the Administration consider its legal obligations by fully funding the Yucca Mountain project in the FY 2011 budget request. Further, the Administration should also consider the ramifications to the nation's ratepayers and taxpayers that will be burdened with the ongoing and increasing liabilities now estimated to be \$12 billion, associated with the DOE's failure to fulfill its statutory and contractual obligations to remove spent nuclear fuel and high-level radioactive waste from commercial and decommissioned plant sites.

The NWSC is an ad hoc group of state utility regulators, state attorneys general, electric utilities and associate members representing 46 member/affiliate organizations in 26 states, committed to reforming and adequately funding the U.S. civilian high-level nuclear waste transportation, storage, and disposal program.

Respectfully yours,



David Wright
Commissioner, South Carolina Public Service Commission and
Chairman, Nuclear Waste Strategy Coalition

C: The President of the United States
The Speaker of the House of Representatives
The United States Senate
Governors of 41 States - Ratepayers Pay into the Nuclear Waste Fund
The House Appropriations Committee
The House Budget Committee
The House Energy and Commerce Committee
Mr. Peter Orszag, Director, Office of Management and Budget
Mr. Chris Kouts, Acting Director, DOE/Office of Civilian Radioactive Waste Management