

THE  
NEW ENGLAND  
COUNCIL

April 21, 2004

Dear Congressman:

On behalf of The New England Council, I am writing to urge you to cosponsor H.R. 3429, a bill “*To improve the funding mechanism for the Department of Energy Civilian Radioactive Waste Management Program*”. This bipartisan bill establishes the Nuclear Waste Trust Fund as off-setting, revenue neutral, cost in the federal budget.

In 2002, the Congress overwhelmingly approved Joint Resolution 87, which allows the Department of Energy to proceed with the licensing application with the Nuclear Regulatory Commission (NRC) that will establish Yucca Mountain as the nation’s permanent nuclear repository for spent nuclear fuel from commercial reactors and the Department of Defense.

As you know, there is mounting concern that on-site storage of spent nuclear fuel at commercial reactor sites in the New England region will become permanent as a result of continued under funding for a national repository and associated delays in the Department of Energy’s nuclear waste management program.

Under the Nuclear Waste Policy Act of 1982, funding for the national nuclear waste program is provided by the ratepayers who directly benefit from nuclear generated electricity. Annually, ratepayers make more than \$700 million in payments into the Nuclear Waste Fund (NWF), and with interest credits, this amount exceeds \$1.5 billion per year. **Thus far, New England’s electric ratepayers have provided nearly \$2 billion dollars into the Fund.** It is essential that the money paid into the fund be dedicated to completing the permanent disposal repository and funding the waste acceptance program needed to remove the spent nuclear fuel (SNF) and high level radioactive (HLW) waste as soon as possible.

Historically, Congress has appropriated only a fraction of the amount of revenues paid into the NWF to the nuclear waste program. As a result, there continues to be significant delays in the development of the permanent national repository at Yucca Mountain in Nevada and the associated transportation infrastructure. If funding falls short again this year the project will begin to miss critical deadlines and will fail to open in 2010 as presently projected by the Department of Energy. **Recent testimony before the House Subcommittee on Energy and Air Quality highlighted the fact that for each year the Nuclear Waste Repository falls behind schedule it will cost the ratepayers an estimated \$1 billion annually.**

If the nuclear waste repository project at Yucca Mountain is continually under funded, particularly this year, concurrent projects such as building the transportation-related systems and infrastructure necessary to ultimately remove the spent fuel will also fall behind, adding further delays and costs to ratepayers in New England. This situation is further compounded for the ratepayers of the region's utilities engaged in the decommissioning of nuclear energy plants that have reached the end of their useful lives – specifically the three single-unit reactors sites located in Massachusetts, Connecticut, and Maine – that are in the process of dismantling their reactors and placing the SNF and HLW into transportable canisters and dry cask storage systems.

Further delays in DOE's progress will also mean that security resources, in growing increments, will continue to have to be devoted to these sites in New England to protect nuclear fuel that should have already been removed. As a result, the region's utility ratepayers and taxpayers are adversely impacted, yet again, by the increased security requirements and associated costs necessary to ensure the continued safety of spent nuclear fuel and high level waste that should have been removed from these sites beginning in 1998.

Fully funding the Yucca Mountain Repository project is important to the New England region economically. New England ratepayers have already paid into the Nuclear Waste Trust fund over \$2 billion so that the Department of Energy could meet its obligation of removing spent nuclear fuel for commercial nuclear reactor sites. If the funds, which already exist, are not being used for the nuclear waste repository, then New England rate payers will face the unnecessary burden of paying for project delays and additional costs for onsite storage.

Thank you for your consideration of these efforts directed at ensuring that the federal government will remove the Spent Nuclear Fuel and High Level Radioactive Waste from the commercial reactor sites in New England. As always, if you have any questions or if I can be of any assistance to you or your staff, please do not hesitate to contact me.

Sincerely,

James T. Brett  
President & CEO