Private ISF

From: T. Peck <tpeck@roundwave.com>
Sent: Thursday, January 26, 2017 10:32 PM
To: PrivateISF
Subject: Response to RFI on Private Initiatives to Develop Consolidated SNF Storage Facilities
Attachments: InterimStorageFacility.pdf

Dear sirs:

Please find attached a citizen response to your Request for Information on Private Initiatives to develop interim storage facilities for spent nuclear fuel.

Best regards,

Theodore Peck

Response to RFI on Private Initiatives to Develop Consolidated SNF Storage Facilities

Private initiatives are a bad idea because unlike government programs they are subject to financial incentives to cheat and to bankruptcy and hostile takeover. Further responses follow in answer to the RFI's 12 questions.

1. What key factors should be considered to ensure that PIs, as part of the overall integrated nuclear waste management system, would provide a workable solution for interim storage of spent nuclear fuel and high-level waste?

Interim storage is not suitable for private ownership or management because of the imperative for diligent operation and maintenance throughout the lifespan of the facility's custodianship of waste. Unlike the operation of a nuclear generating facility, operation of a storage facility has no future profit incentive to maintain standards and safety. At best there is an incentive to maintain the appearance of compliance until contract expiration.

2. How could a PI benefit:
a. the local community and state or Tribe in which an ISF is sited?
b. neighboring communities?

A private initiative could benefit its host and neighboring communities by offering employment, taxes, and increased population, traffic, and individual and community income. However each of these benefits would be provided more strongly by a government-owned operation. A private operation would have incentives to employ an under-qualified, under-staffed and under-paid workforce. It would also have incentives to draw on community resources for health, social services and emergency response without properly paying for them.

3. What type of involvement if any should the Department or other federal agency consider having with the PI and the community regarding organizational, structural, and contractual frameworks and why?

In order to guarantee safe operation of an ISF, the Department would need to provide detailed rules and oversight. Similar oversight would need to be exercised over a government-owned operation but the cost of providing this oversight could be smaller because of lower barriers between the overseeing and the operating functions, and because the operating function would not be as strongly incentivized to cheat.

5. What assurances to the Government do you think would be appropriate, to ensure that SNF stored at a private ISF, would be managed effectively so as to contain costs to the Government?

The costs of disaster and liability insurance alone would dissuade a PI from operating a private ISF, unless the government offered whole or limited indemnity to the private operator. This is a kind of assurance from the government to the operator rather than vice-versa. The costs of operating a facility are miniscule compared with the potential costs of responding to a disaster. Practically speaking there is no assurance an ISF could make to the government or to the community to contain that cost.

6. What possibilities are there with respect to business models for a PI, and what are the benefits and disadvantages of those models?

There is only one plausible basic business model: fee for service, whether paid by nuclear generators or the government, negotiated in one way or another

7. How could a PI manage liabilities that might arise during the storage period?

Liabilities that arise during the storage period could last long afterward in the event of contamination of the local environment. The nature of such liabilities can not practically be borne by a private entity.

8. What state/local/tribal authorizations/approvals would be needed?

Studies have shown that the communities chosen to site hazardous facilities such as these are generally those with the weakest local political capability.

9. How can the Government continue to explore or implement the PI concept in a fair, open and transparent manner going forward?

There is no fair and transparent process that could result in the PI concept going forward.

10. What, if any, supporting agreements might be expected between the Government and the host state/tribe/local community associated with a PI?

As mentioned above, in order for a private initiative to consider going forward, government would have to indemnify the business against the tremendous remediation and compensation costs that would arise in even a modest a catastrophe. In effect the government would be providing a huge taxpayer subsidy to the business by assuming its downside risks while paying for its ongoing operations. This is not a good deal for the government, the taxpayers, or the host communities.

11. What other considerations should be taken into account?

Utmost caution and competence must be employed in managing these terribly dangerous materials. This is not a job for opportunistic investors or cost-cutting business decisions.

12. Are there any alternative approaches to developing non-federally-owned facilities that might be proposed (e.g. how projects would be financed, anticipated regulatory and legal issues, etc.). If so, what are they, are there proposed solution, and how would the above questions be answered with respect to such approaches?

The costs should be recovered to the extent possible from the parties who profited from the production of these wastes, but there is no sensible alternative to employing a workforce dedicated to the public good in managing them.

Submitted by Theodore Peck, Cambridge Massachusetts
on 1/27/2017

A few images illustrating the potential for accidents and the kind of hazards that must be avoided:

A simulated spent fuel fire at the Peach Bottom nuclear power plant in Pennsylvania had a devastating impact on the mid-Atlantic region. Click on the dates to see the extent of contamination, which depended on weather patterns. Courtesy of F. Von Hippel and M. Schoeppner