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MRS FEASIBILITY ASSESSMENT GRANT

TECHNICAL PROGRESS REPORT

FINAL REPORT

On January 13, 1993, Governor of the State of Utah, Mike Leavitt officially announced that he was opposing a MRS Facility in the State of Utah and informed San Juan County of his decision which will preclude the County from applying for a Phase IIa feasibility grant. A copy of the policy statement made by Governor Leavitt is attached for your information.

Additionally, a bill in the State House of Representative has been filed opposing the facility. A copy of the bill is also attached.

The work accomplished under Phase I, indicated that there was about an equal amount of residents in San Juan County opposed and in favor of the facility. There were many concerns and issues presented during the Phase I grant period that would have been continued to Phase IIa, if allowed, including the citizen committee.

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Policy Statement
By Governor Leavitt
on Multiple Retrievable Storage
Jan. 13, 1993

After careful review, I am announcing today my opposition to the siting of a high-level nuclear waste storage facility in Utah. I oppose such a facility in Utah out of concern for the long-term interests of our state, for the reasons listed below.

I have informed San Juan County commissioners of my decision and have forwarded a letter to them. This action precludes them from applying for a Phase IIa feasibility grant under the Department of Energy's process conducted by the U.S. Nuclear Waste Negotiator to find a volunteer site for Monitored Retrievable Storage (MRS).

I recognize that San Juan County and Southeastern Utah face economic problems. The MRS facility would provide jobs and an infusion of money. But I believe the risks and problems outweigh the potential benefits.

My decision is based on the following reasons:

1. Utah has already been somewhat of a national sacrifice area as a result of nuclear activities. I am not willing to voluntarily bring in high-level nuclear waste from all over the country for what will likely amount to permanent storage.
2. Health and safety issues regarding transportation of spent nuclear fuel continue to be a problem area. I do not believe these issues have been adequately examined. Transportation over long distances is especially difficult to justify if storage capacity is available at reactor sites.
3. I do not believe it is in the best interests of San Juan County or Southeastern Utah to accept an MRS facility. An economic analysis by my Office of Planning and Budget indicates that state and local governments would experience a net loss of about \$300,000 annually following the construction phase, unless reimbursed by the federal government, because the infusion of tax dollars would not be enough to pay for the increased government services, such as education, police protection and road maintenance.

In addition, the tourism and recreation industries, which are highly important to San Juan County, would suffer significantly from the stigma of being what would be characterized nationally as a "nuclear dumping ground."

4. I believe the MRS concept is flawed. It makes little sense to transport nuclear waste from all over the country to a "temporary" site (to be stored until a permanent site is prepared) when adequate storage space exists at nuclear power plants, where the waste is created, for the foreseeable future.

According to numerous studies and expert testimony, the nuclear waste can be stored safely in special canisters for many years. If that is the case, it makes more sense to store the waste on-site, where it is produced, until a permanent storage site is prepared. The waste would then have to be handled and transported only once, instead of twice, saving a great deal of money and reducing the chances of a serious accident.

The General Accounting Office, the Nuclear Regulatory Commission, and even the Department of Energy itself have recently questioned the need for an MRS facility. Within the federal government itself there is serious debate and questions regarding the MRS process.

5. While the concept of MRS is supposed to be temporary storage, the reality is that an MRS facility will likely become permanent. It has been extremely difficult for the DOE to find a permanent storage site. Yucca Mountain in Nevada has been chosen as the permanent site, but serious questions remain as to whether it will, in fact, ever receive any nuclear waste. The State of Nevada continues to fight placement of waste there and serious seismic problems exist with the site.

Thus, once an MRS site is selected and nuclear waste is located there, the pressure will be off to find a permanent site. The nuclear energy industry will also stop pressuring the federal government to find a permanent site because the waste will be gone from the nuclear power plants. Anyone who looks realistically at the process agrees that an MRS site will become a permanent storage site.

I do not believe it is in the long-term interests of Utah to have a permanent high-level nuclear waste storage site in our state.

6. The federal government has not proven itself to be a reliable partner in fulfilling its promises or following policy it has established. Although the Nuclear Waste Negotiator has stated that a volunteer site may withdraw from consideration even after receiving "feasibility grants," the repository selection process has shown that sites which have been studied are more likely to be forced into participation, eg. Yucca Mountain. The Department of Energy has a track record of numerous delays, cancellations, cost overruns, and changes of direction. This is not a process Utah should embrace, because disappointment will likely follow.

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State of Utah

OFFICE OF PLANNING AND BUDGET

Norman H. Bangertter
Governor

Charles E. Johnson, CPA
Director

Brad T. Barber
Deputy Director

116 State Capitol
Salt Lake City, Utah 84114
(801) 538-1027

MEMORANDUM

TO: Governor Michael O. Leavitt

FROM: Randy Moon, Brad Barber & Peter Donner
RM *AB* *PD*

DATE: January 8, 1993

SUBJECT: Proposed siting of a Monitored Retrievable Storage Facility in San Juan County or other locations in Utah.

BACKGROUND

The U.S. Congress has authorized the U.S. Department of Energy (DOE) to develop a facility for Monitored Retrievable Storage (MRS). The purpose of this facility is to provide temporary above-ground storage for a limited amount of spent nuclear fuel from commercial reactors, until a deep, geologic site is completed to store the spent nuclear fuel. (The current designated deep, geologic site is Yucca Mountain in Nevada).

The Nuclear Waste Policy Act Amendments of 1987 (NWPAA) provides for two siting paths to obtain a site for the MRS, one by the Department directly and the other through the Nuclear Waste Negotiator. Until recently, DOE has supported the Nuclear Waste Negotiator's efforts to identify a volunteer site for the MRS using a "Feasibility Grant" approach.

These grants are awarded in two phases: Phase I feasibility grants of up to \$100,000 for six months, are available to eligible States, Indian Tribes, and affected units of local government. These grant awards may be used for the purpose of learning about the waste management system and determine if the grant recipient wishes to proceed with the process.

Phase II feasibility grants of up to \$3,000,000 for twelve months may be awarded in two steps. Not more than \$200,000 will be provided until the Negotiator receives a letter from the Governor or Tribal Chief Executive requesting to enter into formal discussions which may lead to an agreement for presentation to Congress. This original \$200,000 shall be used to conduct public information activities to participate in MRS meetings, and to prepare the letter to the Negotiator. After the Negotiator receives the letter from the Governor requesting formal discussions, the remainder of the Phase II funds will be provided. This money may be used for a number of activities such as continued feasibility studies, intergovernmental coordination, public information activities, identifying sites, formal negotiations, etc.

The deadline to identify a volunteer site for the MRS was originally December, 1992 but was extended to June 1993.

PROPOSED SITES

There are currently 7 active "feasibility grants". San Juan County is the only non-tribal participant, however, the Negotiator's office states that "a few other states have recently shown interest in the grants". The seven are:

- 1- Mescalero Apache Tribe, New Mexico -- Phase IIa \$200,000 April 1992
- 2- Skull Valley Goshute Tribe, Utah -- Phase IIa verbal notification Dec 1992
- 3- San Juan County, Utah -- Phase I, May 1992
- 4- Prairie Island Indian Community, Minnesota -- Phase I, March 1992
- 5- Eastern Shawnee Tribe, Oklahoma -- Phase I, September 1992
- 6- Ponca Tribe, Oklahoma -- Phase I, September 1992
- 7- Fort Mcdemitt Paiute Shoshone Tribe, Nevada -- Phase I, July 1992

In addition to San Juan County, there were five additional states that were at one time involved or interested in this process. For various reasons listed they are no longer participants:

- 1- Apache County, Arizona -- failed due to lack of response from Governor Symington
- 2- Labette County, Kansas -- Phase I opposed by Governor Finney
- 3- Bingham County, Idaho -- Phase I opposed by Governor Andrus
- 4- Fremont County, Wyoming -- Phase I completed, Phase II opposed by Governor Sullivan
- 5- Grant County, North Dakota -- Phase I completed, Phase II opposed by Governor Schafer

ARGUMENTS FOR THE MRS PROCESS

Feasibility Grants provide money to the local community to explore the possibility of siting an MRS. Every little bit helps, even \$100,000 - \$200,000 grants have a positive economic impact on a small community. (DOE has stated that a recipient of the grant monies will not be forced into siting the facility.)

The major reason why San Juan County and others are interested in the project and the major arguments for the facility are the substantial positive economic impacts for the local

economy with an immediate construction phase followed by long term jobs once the facility is operational. The following is a brief analysis of the economic and fiscal impacts if an MRS facility were built in San Juan County:

ECONOMIC AND FISCAL IMPACTS

San Juan is one of Utah's most economically distressed counties. In 1991, the unemployment rate was 9.2 percent, almost twice the state average, and the average wage was \$15,912, about 70 percent of the state average. Currently, the county's population is about 12,700, total employment is about 3,600, and total earnings are about \$75 million. The construction, operation and maintenance of a Nuclear Waste Monitored Retrievable Storage (MRS) facility will significantly increase the county's employment and earnings, as well as its population. The estimated impacts of the MRS are presented in the table below. Given the uncertainty surrounding the siting and design specifications of the MRS, the uncertainty of the impacts it produces cannot be overemphasized. At this point, the figures presented below are essentially a best guess. As better information about the MRS becomes available, its estimated impacts could dramatically change.

Estimated Economic and Fiscal Impacts of Constructing, Operating and Maintaining a
Nuclear Waste Monitored Retrievable Storage Facility
in San Juan County
(Monetary Figures in Thousands of 1993 Dollars)

Impact	1997	1998	2005
Additional Population	2,587	2,992	2,104
Direct Project Employment	0	460	540
Total Employment	1,217	1,388	979
Total Annual Earnings	27,533	35,873	27,480
Annual State and Local Revenue	5,774	7,523	5,764

The peak year of construction will be 1997, though since the facility will begin operating in 1998, with substantial construction still underway, the peak year of impact will be 1998. By 2005, normal operations will have been reached, so 2005 is representative of the out-year impacts. It is extremely unclear how the facility will be constructed, but the figures above assume 20 percent of the value of construction contracts during the peak years 1996 and 1997 is awarded to contractors in Southeast Utah, and 50 percent as construction winds down during 1998 and 1999. This assumption implies local contractors will quintuple their employment from its current level of about 150 to over 750 during 1997. However, the total MRS construction work force will peak around 1,500, and the prime contractor will likely be a firm headquartered outside Utah such as Bechtel

or Morrison-Knudsen. Ultimately, once operations reach a normal level, total employment associated with the MRS, both at the facility itself, and at firms providing supplies to the facility and goods and services to its workers, will stabilize at almost 1,000, or more than 25 percent above San Juan County's current employment of 3,600. Furthermore, total earnings generated throughout the local economy will stabilize around 27.5 million dollars, or about one-third more than the current level of 75 million dollars.

State and local revenue generated from the increased earnings will peak at about \$7.5 million in 1998, but will stabilize around \$5.8 million per year in the out-years. However, because it provides such good job opportunities, the local population will be about 2,100 above what it would have been without the facility, or about 15 percent above the current population of 12,700. These additional people will require additional government services, such as education, police protection and road maintenance, which are estimated to cost \$6.1 million per year in the out-years. Thus, on net, state and local government will lose about \$300,000 per year in the out-years, unless reimbursed by the federal government.

CONCERNS REGARDING THE MRS PROCESS

First, the western Governors have met and discussed common concerns among their states. The result was a resolution that was submitted to the Department of Energy.

WESTERN GOVERNOR'S ASSOCIATION RESOLUTION 91-021 November 22, 1991

- An objective of the western governors is that there be safe and uneventful storage and transportation of spent fuel from nuclear power reactors.
- Prior to the selection or approval of any MRS site, the western governors urge that there be a demonstration of the safety and cost advantages of developing an MRS over continued on-site spent nuclear fuel storage.
- The western governors oppose the location of an MRS only in a western state for waste not generated in the West, because such location would fail to minimize the system-wide impacts of transportation of spent fuel from nuclear power reactors to an MRS.

Second, there is an ongoing debate regarding the necessity of an MRS. The U.S. Nuclear Regulatory Commission has stated that spent nuclear fuel can be safely stored at the reactor site for the duration of the operation of the reactor. After this period of time the spent fuel is supposed to be deposited in a deep-geologic facility currently designated as Yucca Mountain, Nevada. Due to the ongoing controversy and potential technical problems with Yucca Mountain, some have stated that an MRS facility may not be temporary at all and may in fact become the permanent repository for the spent nuclear fuel.

Third, although the Nuclear Waste Negotiator has stated that a volunteer site may withdraw from consideration even after receiving "feasibility grants", the repository selection process has

shown that sites which have been studied are more likely to become forced into participation, eg. Yucca Mountain.

Fourth, health and safety issues regarding transportation of spent nuclear fuel continue to be a problem area. Transportation of spent nuclear fuel over long distances is difficult to justify if health and safety issues are not completely examined and especially if storage capacity is available at the reactor sites.

Lastly, the Department of Energy has a track record of numerous delays, cancellations, cost overruns, changes of direction and most recently announcing a "new strategy regarding spent nuclear fuel interim storage in 1998". In the attached document, Admiral James Watkins states that DOE should plan for use of Federal Government sites for interim storage. "Current work on MRS facility siting will be terminated and design work will be redirected toward the modular canister concept." However, the Nuclear Waste Negotiator maintains that the MRS federal grant process remains in place and will continue to seek a volunteer site. This appears to be conflicting and somewhat confusing to those attempting to participate in the process.

SAN JUAN COUNTY CONCERNS

San Juan County issues raised during their Phase I Study are summarized below and fall into the following categories:

- Health and Safety Issues
 - transportation
 - siting and design
 - monitoring
 - emergency response
- Environmental and Aesthetic Issues
- Social and Cultural Issues
- Economic Issues
- Process Issues
- Government Credibility Issues
- Nuclear Industry Issues
 - energy production
 - alternatives to the MRS

The Public Involvement Process for Phase I of the Monitored Retrievable Storage Facility was an attempt to identify a broad range of issues, both concerning the MRS facility and the study process. Consultants invited questions, comments and ideas in a variety of forums, including private interviews, community meetings, open public forums, newsletter/survey and toll free phone number. This was not a referendum, nor was it a scientific survey of all households. The responses from the public were volunteered, and often passionate. The issues raised and opinions expressed represent the voices of approximately 800 San Juan County residents, and 60 Moab area residents, as well as state level agencies and interest groups.

The issues raised frequently fell in three categories: substantive issues concerning the storage of nuclear waste, issues concerning the study and public involvement processes for the MRS, and issues relating to government credibility, particularly at the federal level.

The issue most often raised concerning the storage of nuclear waste related to health and safety risks to the people, animals and environment (particularly water) of the county and surrounding areas. There was a great deal of concern about the potential transportation risks. The economic impacts which could result from the facility were also of great concern to a public hungry for economic stability. Other issues repeatedly raised dealt with social, cultural and aesthetic impacts which the MRS facility might bring.

The public had many comments and suggestions about the public involvement process and the study process for the Feasibility Study, should it continue. They want a process which would be above all fair and open, where the county would work in coordination with the citizens to learn and make informed decisions. They expressed the need for information from unbiased sources, which is clear, honest, and complete. Some suggested scientific random-sample surveys or a referendum to gather public opinion. They suggested citizen committees, which could travel to communities familiar with waste storage, and liberal use of local newspapers and radio for the learning process. Public meetings were considered less successful learning formats, although valuable for gathering interest in the subject.

Finally, the public had much to say about the credibility of government at all levels, particularly at the federal level. The Nuclear Negotiator and the Department of Energy were suspect by many as "slick", preying on poor, rural and ethnic communities. Many felt the government's record of honesty about health risks relating to mining, milling and nuclear testing was seriously flawed in San Juan County. They also had little faith in the government's ability or willingness to keep promises about clean-up and benefits. Those favoring the facility, or willing to continue study, were willing to give the government the benefit of the doubt.

This public involvement process for Phase I of the MRS Feasibility Study has produced some contrasting results:

Most citizens who did express themselves during Phase I were not interested in learning more about the issues. Approximately 80 percent, in the consultants opinion, of those citizens already had a firm position on the MRS facility: it would be an economic benefit and pose no significant health risk, or it would not be the answer to the county's economic woes and it would bring intolerable health risks. Approximately twenty percent remain undecided about the wisdom of siting an MRS facility, and believe that a serious study process is necessary.

cc: LaVar Webb
Charlie Johnson

LEGISLATIVE GENERAL COUNSEL

&&& H. J. R. No. 4 &&&

Approved for Filing SC

Date 12-18-92 11:39 AM

(LEGISLATIVE OPPOSITION TO RADIOACTIVE
WASTE STORAGE FACILITIES IN UTAH)

1993

GENERAL SESSION

H. J. R. No. 4

By Norm Nielsen

A JOINT RESOLUTION OF THE LEGISLATURE OPPOSING THE HOSTING OF A MONITORED
RETRIEVAL SITE FOR THE STORAGE OF RADIOACTIVE WASTE WITHIN THIS
STATE.

Be it resolved by the Legislature of the state of Utah:

WHEREAS the federal government is seeking a state or Native American
nation to host a Monitored Retrievable Storage (MRS) site for high-level
radioactive waste;

WHEREAS San Juan County Commission has conducted a federally funded
preliminary study of the feasibility of placing an MRS in that county;

WHEREAS the management of radioactive waste poses serious health
risks to those in the areas where it will be handled, transported, and
stored;

WHEREAS the immediate economic benefits of hosting an MRS site are to
be weighed against the broad spectrum of health hazards and the potential
for long-term irreversible damage to the natural environment of the state
that may result from the transportation and management of radioactive
waste;

1 WHEREAS the federal government intends to transfer radioactive waste
2 stored at an MRS to a permanent storage site, but so far has been unable
3 to establish a permanent site;

4 WHEREAS there is a strong possibility that an MRS site, once
5 established, will become a permanent storage site for radioactive waste
6 for all time;

7 WHEREAS although the federal government claims the proposed
8 technology for storing radioactive waste at an MRS is safe and the
9 chance of an accident is minimal if the site is managed correctly, the
10 potential for serious and long lasting health and environmental damage
11 from even one accident must be taken into account; and

12 WHEREAS Section 13-3-301, Utah Code Annotated, as amended, prohibits
13 the placement in Utah of high level nuclear waste unless the governor,
14 after consulting with the affected county commission and with the
15 concurrence of the Legislature, specifically approves the placement:

16 NOW, THEREFORE, BE IT RESOLVED that the Legislature opposes the
17 placement of an MRS within the state due to the potential risks to human
18 health and the natural environment.

19 BE IT FURTHER RESOLVED that the Legislature requests that the
20 Governor deny approval of the placement of an MRS within the state, due
21 to the potential risks to human health and the natural environment of the
22 state.

23 BE IT FURTHER RESOLVED that copies of this resolution be sent to the
24 Governor and to the Nuclear Waste Negotiator of the federal Office of the
25 Negotiator.

END

**DATE
FILMED**

3 / 16 / 93

