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WHITE HOUSE BUDGET: Sky may be falling over Yucca

Funding cutoff, DOE plans may close door on project

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STEPHENS WASHINGTON BUREAU

WASHINGTON -- After two decades of strife between Nevada and the federal government, the end may be in sight for Yucca Mountain following a series of critical moves Monday by the Obama administration.

The Department of Energy filed paperwork seeking to suspend licensing for the site. It also served notice that, within 30 days, it will withdraw its bid to build a nuclear waste repository in Nevada.

That action, coupled with the announcement of a new White House budget that essentially zeroes out federal support for Yucca Mountain, suggested to some people that a controversial chapter in Nevada history is about to close.

"I don't want to be premature in doing a eulogy, but if this were to be true, this has been going on now for over 20 years, and it has been a titanic battle," said retired state archivist Guy Rocha.

The White House budget plan still needs to get through Congress, and judges at the Nuclear Regulatory Commission would need to sign off on the Energy Department's bid to pull the license application.

Nevada officials who have managed political fights and legal campaigns against Yucca Mountain since the 1980s said they were keeping the corks in the bubbly for now.

"We have been waiting for the day that the Yucca Mountain Project is called unsuitable to go forward," said Irene Navis, Clark County nuclear waste division planning manager. "We have our fingers crossed."

Absent any surprises, "I think it's over," said former Democratic U.S. Sen. Richard Bryan.

In Nye County, leaders and many residents see the repository as a potential economic engine.

"First of all, keep your mind, keep your cool, the sky is falling, but the sky hasn't fallen," said Cash Jaszczak, a Nye County consultant. Jaszczak called Obama's nuclear policy "schizoid," in that the president wants to build new reactors without having a solution for managing waste.

"If you're going to have new nuclear, eventually you're going to have to have a repository," Jaszczak said.

Two things happened Monday.

In the front end of a one-two punch, a 2011 budget the White House sent to Congress declared

that the plan to store and bury spent nuclear fuel at the Yucca site 100 miles northwest of Las Vegas is "not a workable option."

The budget proposed eliminating funding for the project office in the fiscal year that begins Oct. 1. Congress would need to agree to that when it writes an Energy Department appropriations bill this year.

"The president has made clear that the nation needs a better solution," the White House budget office said in a budget book that details 54 programs to be terminated, including the Yucca project.

Secondly, Energy Secretary Steven Chu told reporters that the Energy Department would file a motion to "stay" all license proceedings before the Nuclear Regulatory Commission for 30 days.

"Within that period, DOE will move to withdraw the application," Chu said.

Energy Department general counsel Scott Harris said the application will be withdrawn "with prejudice."

That means the department will be barred from refileing it at a later date, according to attorneys. That was seen by attorneys as a clear indication the door was being shut tight on the repository plan. It would take an act of Congress to revive it.

"I think this is virtually it," said Marty Malsch, an attorney who has represented Nevada in lawsuits against Yucca Mountain. "But I want to see the 'it' when it happens, which would be when the (NRC) board grants the motion" to withdraw the application.

Withdrawal of the license application should also signal the end of three legal matters pertaining to water rights the Energy Department had sought for the Yucca Mountain Project, said Marta Adams, Nevada senior deputy attorney general.

Two lawsuits -- one in federal court in Las Vegas and the other in District Court in Tonopah -- deal with water to build and operate the repository.

The other legal matter focuses on 116 protests Nevada filed against the Energy Department's applications with the state engineer to construct wells along a rail corridor for transporting nuclear waste from Caliente to Yucca Mountain.

Also under the budget sent to Capitol Hill, the Office of Civilian Radioactive Waste Management that operates the Yucca project will be absorbed into the Office of Nuclear Energy at the Department of Energy.

Marvin Fertel, chief executive officer of the Nuclear Energy Institute, the government affairs arm of the nuclear industry, said the industry opposed terminating the Yucca Mountain program. He gave no indication whether his group would actively fight the shutdown.

The Obama budget does include other things for the nuclear industry to cheer, including its top priority, the tripling of loan guarantees to build new reactors.

While there are no funds budgeted for the repository, Energy Department chief financial officer Steve Isakowitz said \$55 million is in other accounts to pay for Yucca shutdown activities.

Chu said federal workers on the Las Vegas-based project will be offered new assignments.

"We are also working with the contractors to see if many if not all of those people can be employed in some way," he said.

Most Yucca Mountain Project office workers said little as they left work Monday, but some questioned the administration's plan.

"It's not unexpected," said Claire Sinclair, a Department of Energy employee. "We don't know how that RIF (reduction in force) process will take place, but it will be over by September."

With rampant unemployment in the Las Vegas Valley and the housing market still reeling from the last round of hundreds of layoffs at the project, she said she hopes she and her coworkers will be transferred into other local federal jobs.

A contract worker for the project, Chris Acara, said he thinks there's a misconception fostered by politicians who have opposed Yucca Mountain.

"I think most of Nevada doesn't understand the difference between a repository and a nuclear waste dump," Acara said, referring to the perception that nuclear materials will be dumped instead of stored in an engineered system of tunnels.

According to Energy Department officials in Nevada, there are 130 federal employees in Las Vegas and 53 in Washington, D.C. An additional 442 people work for project contractors.

The total of 625 employees is a far cry from three years ago when the project workforce was 2,750 people and its federal budget was close to \$500 million.

Budget cuts forced a series of layoffs, and then President Barack Obama opposed the project during his campaign for office. Once elected, Obama allied himself with Sen. Harry Reid, D-Nev., to declare that the Yucca project was outdated and that newer technologies for managing spent nuclear fuel should be explored.

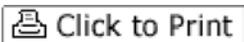
The administration on Friday announced a 15-member blue ribbon commission that would be given two years to come up with recommendations for other nuclear waste storage alternatives.

"I deeply believe that waste material from spent fuel is a solvable problem, both scientifically, and quite frankly, call me overly optimistic, they are resolvable politically," Chu said.

Review-Journal writers Keith Rogers and Henry Brean and Mark Waite of the Pahrump Valley Times contributed to this report. Contact Stephens Washington Bureau Chief Steve Tetreault at stetreault@stephensmedia.com or 292-783-1760.

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