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STATE OF ILLINOIS DEPARTMENT OF NUCLEAR SAFETY

1035 OUTER PARK DRIVE • SPRINGFIELD, ILLINOIS 62704
217-785-9900 • 217-782-6133 (TDD)

George H. Ryan
Governor

Thomas W. Ortziger
Director



August 27, 2001

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

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RE: Preliminary Impact Assessment of Nuclear Industry Consolidation on NRC
Oversight: Request for Comments

Dear Madam Secretary:

The Illinois Department of Nuclear Safety (Department) has reviewed the above referenced document and submits the following comments.

Issue Category: 1. Plant Operational Safety

Issue: 1.d Low-Level Radioactive Waste Management

Industry consolidation has resulted in a larger number of nuclear power stations being owned by the same company. The NRC is correct in stating that there could be a positive benefit of being able to negotiate more favorable disposal contracts at certain disposal facilities due to a larger waste volume base. This benefit will also exist for negotiating more favorable commercial waste processing contracts.

We disagree that the utilities could realize cost savings for processing their own wastes. A utility would need to develop a centralized facility in order to achieve the economies of scale necessary to compete with existing commercial facilities. Nuclear power stations are generally not licensed to receive waste generated off-site. This would likely prohibit the development of a centralized facility at an existing nuclear power station. Developing a centralized facility at a location other than a nuclear power station would likely be cost prohibitive if it did not accept waste from other waste generators. A waste processing facility not located at a nuclear power station would likely be licensed by an Agreement State

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Secretary, USNRC
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rather than the NRC and therefore present no regulatory burden to the NRC. Finally, industry consolidation has involved nuclear power generating plants located in multiple states and compact regions. Transferring waste across compact boundaries for processing may run afoul of the import/export authority of regional compacts.

We concur with the NRC's conclusion that industry consolidation will have no appreciable impact on the waste management area and no further effort is required.

Issue Category 6 – Fuel Cycle Facilities

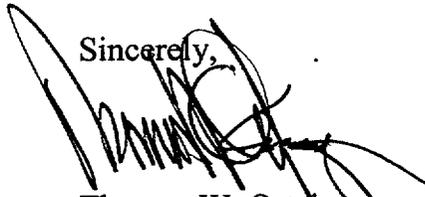
The notice discusses the potential national security impact due to industry consolidation among the fuel cycle facilities. However, the unspoken threat to national security as it relates to fuel cycle facilities are the arms control treaties negotiated by the federal government that have resulted in significant quantities of foreign produced highly enriched uranium that will be blended-down to make nuclear fuel. This could have a strong negative impact on the economic viability of the UF6 production and enrichment facilities.

Issue 1.c – Spent Fuel Storage and Transportation.

NRC did not account for the large increase in Spent Nuclear Fuel (SNF) transportation that would result from the licensing of away-from-reactor ISFSIs. A central ISFSI for all Illinois plants may be seen to result in a significant but manageable volume of local transportation. However, with consolidation, a centralized ISFSI for a very large consolidated utility would result in considerable cross-country SNF shuffling.

If you have any questions regarding the Department's comments, please contact Mike Klebe of my staff at 217/785-9986.

Sincerely,



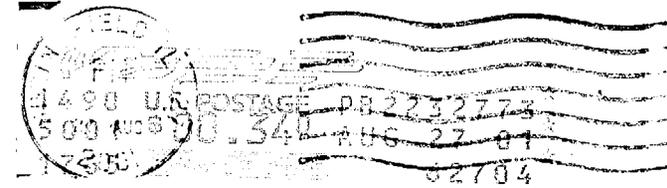
Thomas W. Ortziger
Director

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