



Department of Energy
Washington, DC 20585
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WM Project 1
Docket No. _____
PDR
LPDR _____

Ms. Elaine Southard
5691 Connie Court
Loomis, CA 95650

Distribution:
REB MJB Linchan
JOB RB
(Return to WM, 623-SS)

Dear Ms. Southard:

On behalf of President Reagan, thank you for your recent letter regarding the Nation's high-level radioactive waste repository program. We are pleased that you have taken an interest in the Department of Energy's (DOE) high-level radioactive waste disposal program, and welcome this opportunity to address your concerns regarding the funding of our activities.

Currently, high-level radioactive waste and spent nuclear fuel are in interim storage in water basins at the nuclear power plants or at separate storage facilities. While these concepts are adequate as a means of storage, they represent a temporary step requiring maintenance and surveillance. Technical experts in the United States and overseas generally agree that the best method for the disposal of high-level radioactive waste is a deep underground mined repository. This is the concept that DOE is following in compliance with the provisions of the Nuclear Waste Policy Act of 1982 (NWPA). The NWPA represents the culmination of a broad-based bipartisan effort by the Congress and the Administration to establish a national policy for disposing of our highly radioactive waste.

On May 28, 1986, DOE announced that sites in Yucca Mountain, Nevada; Deaf Smith County, Texas; and Hanford, Washington, have been selected for site characterization as candidates for the Nation's first geologic repository for permanent disposal of spent nuclear fuel and high-level radioactive waste. Characterizing the three sites requires constructing exploratory shafts to depths of an actual repository--about 1,000 to 4,000 feet below ground--so that scientific data collection and analysis can be performed to determine if those sites meet the criteria for the construction of a repository. We expect that full characterization of the sites will take several years. During site characterization, we will be working with State and local officials, and the public, to ensure that site characterization takes place in a safe and environmentally acceptable manner.

Upon completion of site characterization, the President will select one site for construction of a repository. At this point, a potential host State may disapprove the selection, but Congress can override that disapproval.

We would like to take this opportunity to address your concern regarding funding of the nuclear waste disposal program. To pay the costs of geologic disposal, the NWPA provides for a Nuclear Waste Fund (NWF) through which commercial electric utility companies are charged a standard fee that is based on the amount of electricity they produce in nuclear power plants. Our present estimates indicate this program for permanently disposing of our Nation's high-level radioactive waste will cost between \$24-32 billion in

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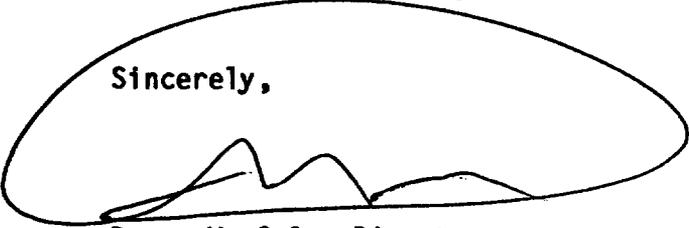
1985 dollars. The DOE spent \$316.3 million in FY 1985 to support high-level radioactive waste management activities. This level is adequate to meet current program needs. Each year DOE reviews the level of funds required and estimated revenues from the NWF to determine if the fee charged to electric utility companies is adequate.

A primary purpose of the NWPA is to ensure public health and safety in the course of selecting, constructing, and operating the Nation's high-level radioactive waste repositories. The DOE will not establish a high-level radioactive waste repository in any part of the United States if it would pose a significant risk to public health and safety, or have a serious impact on the environment.

We are forwarding your letter to the Nuclear Regulatory Commission to facilitate their response to your other concerns regarding the Rancho Seco Nuclear Plant.

Thank you for your interest. Please be assured that your continuing involvement in the Civilian Radioactive Waste Management Program is welcomed.

Sincerely,



Roger W. Gale, Director
Office of Policy and Outreach
Office of Civilian Radioactive
Waste Management