STATE OF MICHIGAN

JOHN ENGLER, Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY

HOLLISTER BUILDING, PO BOX 30473, LANSING MI 48909-7973

RUSSELL J. HARDING, Director

REPLY TO:

DRINKING WATER & RADIOLOGICAL
PROTECTION DIVISION
3423 N MARTIN L KING JR BLVD
PO BOX 30630
LANSING MI 48909-8130

DSI-6
(11)

November 5, 1996

Mr. John C. Hoyle
Secretary of the Commission
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

ATTN: Chief of Docketing and Services Branch

Dear Mr. Hoyle:

We have received the U.S. Nuclear Regulatory Commission (NRC) request for stakeholder views on NRC's 16 direction-setting issues as part of NRC's initiative for Strategic Assessment and Rebaselining.

My staff have selected 6 of the 16 direction-setting issue papers to provide our preliminary comments for your consideration. The comments are presented issue-by-issue and focus on the various options that NRC has described for each issue. These issues and associated preliminary comments were selected on the basis of their potential significance from a Michigan-specific perspective as a non-Agreement State.

Should you have any questions concerning the enclosed comments, please contact Mr. David Minnaar, of my staff, in the Radiological Protection Section at 517-335-8198.

Sincerely,

Flint Watt

Flint C. Watt, P.E., Chief
Drinking Water and Radiological
Protection Division
517-335-9218

Enclosures

cc: Mr. David Minnaar, MDEQ
Mr. Richard L. Bangart, NRC
Mr. Charles M. Hardin, CRCPD

DSI 6: High Level Waste and Spent Fuel

Option 1: *Approach Congress and the Administration to Refocus the National Program*

We support a more proactive role for the NRC, including approaching Congress and the Administration with a definite proposal to refocus the national program. Continued delays in the development of a national geologic repository have necessitated one of Michigan's nuclear plants to resort to dry cask storage of spent fuel and the same utility must consider the same on-site storage method for its oldest plant as a decommissioning option when it reaches its end of life in the year 2000. These delays are seen by many to place a double burden upon Michigan rate-payers as the utilities continue to pay into the Nuclear Waste Fund and also face the expense of indefinite on-site storage. As another proactive initiative, the NRC could propose, given sufficient funding and congressional resource commitments, creation of a quasi-government agency to assume the responsibility currently assigned to DOE, if DOE is unable to demonstrate reasonable progress toward site suitability determination and repository development.

Since proliferation of on-site dry cask storage tends to increase the regulatory oversight necessary to assure protection of public and environmental health and safety, and indefinite on-site storage seems to exacerbate the current poor status of public trust, despite NRC assurance that dry storage can be safely conducted for 100 years, the NRC should advocate and promote rapid development of a centralized independent spent fuel storage facility pending availability of a national geologic repository.

If necessary, to prevent contentious litigation from overriding the national interest, the NRC should propose that Congress determine the acceptability of the Yucca Mountain site by law, but only after review of confirming data by an independent non-partisan scientific committee.

Option 2: *Reduce Uncertainty by Modifying NRC's Programs*

We support this potion. As uncertainty leads to delays and delays lead to expense and possible errors when schedules are adjusted or deadlines are missed, the NRC should be encouraged to pursue every opportunity to modify existing regulations and guidance in an effort to add clarity to safety concerns and issues and to streamline the process of site characterization, licensure, construction and operation of both a geologic repository and a centralized monitored retrievable storage facility. Methods to reduce protracted adjudicatory licensing hearing processes should be explored by addressing generic environmental and safety issues early in the pre-licensing stages of program development.

In addition, in order to reduce the uncertainty of the future of the nuclear power industry until technology can develop satisfactory alternatives to increased use of non-replenishable fossil fuels, the NRC needs to increase its activities to develop solutions to the waste disposal problems, including disposal of greater than Class C wastes, and

should develop pre-approved standardized designs for enhanced light water reactors. These initiatives would increase public confidence in the ability to safely decommission existing reactors and acceptance of safer replacement reactors to maintain the nation's nuclear-generated electric power base.

Option 3: *Maintain NRC's Existing High-Level Waste Repository Program*

This option is preferred over Option 4 below, but is viewed as ineffective compared to NRC initiatives embodied in Options 1, 2, and 5. If Options 1, 2 and 5 cannot be implemented this option should be the minimum effort adopted by NRC.

Option 4: *Take a Minimal Approach to NRC's High-Level Waste Repository Program*

This option is not recommended. Although this option may save resources in the short term, reducing the NRC HLW Program to a bare minimum while waiting for DOE to submit a repository license application or for Congress to mandate a different approach to HLW disposal could have serious negative consequences. The resulting stand-aside image projected could undermine confidence in NRC's ability to safely regulate the industry, which could influence national policy regarding the choice of nuclear versus non-nuclear energy sources in the future. This influence could subsequently affect national environmental quality.

Further delays would be expected as NRC attempts to rebuild its base of expertise and experience after a period of reduced staff and resources. These delays could impact funding for the HLW Disposal Program and could eliminate the intended savings through program reduction by increasing the cost of on-site storage or monitored retrievable storage.

Option 5: *Take a Position on the Storage of Spent Fuel*

As a world leader in the regulation of peaceful uses of nuclear energy and radioactive materials, the NRC should take a position on the storage of spent fuel and propose to Congress and the Administration a preferred direction for the national program. This proposal should include both near term and long term activities for the disposition of other high-level radioactive waste as well as greater than Class C waste.

Indefinite at-reactor storage of spent fuel is not a satisfactory near-term or long-term solution to spent fuel storage because of its impact upon decommissioning of the nation's first generation of nuclear plants. Full decommissioning cannot be completed until spent fuel is removed from the site to either a centralized independent spent fuel storage facility or a disposal site. Dismantling cannot be completed until remaining high-level, low-level, and greater than Class C waste can be accommodated off-site.

If existing reactor sites cannot be returned to unrestricted use or other productive use, lack of public and industry confidence will limit future energy choices.

A centralized monitored retrievable storage facility would be preferred for interim storage of spent fuel, not only because it would permit complete decommissioning of existing reactors, but it would also provide concentration of national resources for safe and efficient indefinite storage pending development of a geologic repository. Indefinite at-reactor storage would result in defacto creation of scores of waste sites across the country in apparent contradiction to our national policy for a single, national disposal site.