

The

Radioactive Exchange®

To promote the exchange of views and information on radioactive waste management

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GAO DECIDES AGAINST DOE ON NUS PROTEST OF HLW CONTRACT AWARD

The General Accounting Office (GAO) issued a decision document on June 20 finding that DOE "improperly utilized" contractor selection procedures in selecting Roy F. Weston over NUS as the sole firm to conduct negotiations with for the Office of Civilian Radioactive Waste Management's (OCRWM) overall technical support contract. This action was taken as a result of a protest filed by NUS and the Austin Company. The Austin Company's protest was denied.

DOE officials have yet to react to the decision. Though GAO does not have the authority to require DOE to follow its recommendations, if DOE chooses not to, a formal letter must be sent to Congress explaining why.

In the fifteen page decision document GAO explains in detail how the NUS and Weston proposals were ranked "so closely... that the slight difference in scoring did not necessarily represent a meaningful difference in actual technical merit." Because of this very slight difference, GAO concluded that DOE should have decided to conduct final contract negotiations with (See **GAO in the HLW Focus**)

SITED STATES DETERMINE NON-SITED STATES COMPLIANCE WITH COMPACT ACT

After a lengthy conference call on Tuesday, June 17, legal counsels for South Carolina, Washington State and Nevada determined that the states of Vermont and North Dakota would not be in compliance with the July 1, 1986 site development milestone stipulated in the Low-Level Radioactive Waste Policy Amendments Act of 1985 (LLRWPA).

Vermont, although not a member of a compact, had submitted a "legislative resolution" as evidence that the state should be viewed as in compliance under the LLRWPA provision providing that the July 1 milestone could be met by states certifying that a LLRW disposal facility would be developed. The sited state officials determined that the legislative "resolution" was not an acceptable substitute for a Governor's signed certification as required by the LLRWPA.

North Dakota, which has not disposed of any LLRW in a commercial facility for a couple of years did not provide any information to sited states with regard to any action. (See **Compliance** pg. 2)

(Compliance from pg. 1)

Documentation Requested From 13 States

In addition to deciding that Vermont's certification was unacceptable, and North Dakota would not be in compliance, the sited-state officials also informed thirteen states that documentation must be submitted by July 1 in order that a determination of compliance be made. The thirteen states are: Iowa, Michigan, Missouri, Wisconsin, New Jersey, New York, Rhode Island, Pennsylvania, West Virginia, The District of Columbia, Puerto Rico, Arizona and Texas.

Of this group only New York, The District of Columbia, Puerto Rico and Rhode Island have not met the July 1 milestone of being a member of a compact or taken action to develop a state LLRW disposal facility (Texas). All others will be viewed in compliance once "formal" documentation is in the hands of the sited state officials.

Iowa, Michigan, Missouri, Wisconsin and New Jersey have also been determined to be in compliance with the law by DOE (See Related Story this issue). New York, while neither a member of a compact nor expected to join or initiate one this session, is not expected to forward a "certification of site development" letter to fulfill the milestone until the LLRW disposal facility siting bill now under deliberation is adopted. This could result in a double surcharge to New York generators until the bill is passed.

Massachusetts and Maine are non-compact members who have been determined to be in compliance by having sent formal letters of certification notifying the sited states that a disposal facility will be developed. **

RULES ON LLRW ESCROW FUND ISSUED; DOE ASSERTS AUTHORITY OVER COMPLIANCE

The June 25 Federal Register is expected to include a formal "Notice of Procedures" from DOE's Low Level Radioactive Waste Program regarding the administration of the Surcharge Escrow Account. The notice states that all states that are members of ratified compacts are in compliance with the

July 1, 1986 milestone. It does not include a specific listing of unsited compact activities that can be supported by the rebate funds. Comments are requested. The contact is Jeff Smiley, (301) 353-4216.

DOE Not to Retain Fund Interest

As explained in the Notice, each sited state is to submit "25 percent of the collected surcharge for deposit in the Escrow Account within 20 calendar days following the end of the month in which waste was received at the disposal site." The principal and interest attributed to each non-sited compact region or non-member state will be separately tracked. DOE is to rebate the surcharge and the interest to non-sited states that are in compliance with the site development milestones stipulated in the LLRWPA. All states which are members of non-sited compact regions already approved by Congress (Northwest, Rocky Mtn., Central States, Central Midwest, Midwest, Southeast and Northeast) are judged to be in compliance and will receive the rebate upon request by either "the Governor, or authorized agent of the non-member state or the executive director or chairman of the non-sited compact region."

The request must state that the compact or region is in compliance with the applicable milestone.

Determination of Compliance

The Notice specifically states that DOE is to "determine whether non-sited compact regions and non-member States have met the milestone requirements, and are therefore eligible to receive a rebated disbursement" and, "shall notify the sited States, non-sited compact regions, and non-member States of its determination." It is, however, "understood" that DOE's determination will be made in concert with the sited states.

During the past week officials of the sited states did release their determination of complying and non-complying states (See related story this issue). South Carolina, as opposed to the states of Washington and Nevada, is also "imposing" the condition

that a state or compact must submit documented evidence of compliance to the State Department of Health and Environmental Control before it is judged to be in compliance, even if it complies with the provisions of LLRWPA.

Use of Escrow Funds

The initially proposed notice included a specific listing of activities that could be supported by the surcharge rebates. The final notice just incorporates the list of objectives included in the LLRWPA:

- o establish low-level radioactive waste disposal facilities;
- o mitigate the impact of low-level radioactive waste disposal facilities in the host state;
- o regulate low-level radioactive waste disposal facilities; or
- o ensure the decommissioning, closure, and care during the period of institutional control of low-level radioactive waste disposal facilities. **

MA HIGH COURT RULES AGAINST VOTER, LEGISLATIVE APPROVAL OF LLRW SITE

On June 16, Massachusetts' Supreme Judicial Court issued an Advisory Opinion ruling that the referendum adopted state law that called for a statewide ballot on the site selection of a state LLRW disposal facility was unconstitutional. The Supreme Judicial Court also found that, the provisions in proposed siting legislation requiring both Houses of the Legislature to approve or certify the selection of a LLRW disposal site and technology, were an infringement of executive powers and, therefore, also unconstitutional.

The Court's opinion was rendered following a request from the State Senate for a review of provisions of the proposed state LLRW disposal facility siting legislation (S. 1763) which included the statewide balloting process adopted by Referendum in 1982 (often cited as Referendum 503). Though the opinion is only advisory, it provides the reasoning the Court would use to rule on an actual challenge to the statewide ballot on LLRW disposal site

selection and compact membership.

Legislative Certification, Voter Referendum

Though the Senate had requested that the Court issue an advisory opinion on nine separate issues regarding the proposed siting law, the Supreme Judicial Court only offered advisory opinions on two:

- The proposed provisions requiring that both Houses of the Legislature vote on a resolution specifying the disposal site and the technology to be utilized, once such decisions were made by the Department of Public Health; and,
- The law, as included in the proposed siting bill and adopted by referendum, that requires "the affirmative vote of a majority of the voters voting in a statewide general election" authorizing the Commonwealth to permit construction and operation of a LLRW disposal facility at a particular state site.

On the first question the SJC found that the legislative certification process as outlined in S. 1763 "contemplates that one branch of the Legislature, by failing to certify its approval...could block the construction and operation of a licensed facility already found by the executive branch to warrant a license. Such a one-House veto provision is not within the legislative power." The Court further advised that the certification provision "encroaches impermissibly on the power of the executive in violation of separation of powers principles stated in...the Massachusetts Declaration of Rights."

On the question of the voter approval requirement, the Court advised that the voter approval process stipulated in the siting bill did not conform to the Amendments to the Constitution of the Commonwealth, and that the process was in and of itself unconstitutional under the Amendments to the State Constitution. The advisory opinion based the latter conclusion on language in the "Amendments" that prohibits the General Court (i.e., the State Legislature) from referring "any act or resolve on its own initiative to the people for their rejection or approval." **

Wrap Up (LLRW)

IN THE NORTHEAST

The Northeast Compact Commission has just hired Ms. Denise Drace as their Executive Director. Ms. Drace was formerly with the environmental staff of the New Jersey Legislature. The Compact Commission office will be located in New Jersey.

IN APPALACHIA

The long awaited LLRW disposal facility siting legislation is planned to be forwarded to the **Pennsylvania** State Legislature by the end of June. As of June 24, the Appalachian Compact had not been introduced in Congress but the EXCHANGE has been informed that it will be shortly.

IN THE SOUTHEAST

The showdown on which state will be selected to host the next LLRW disposal facility is drawing closer (July 14) in the Southeast and **North Carolina** opposition to being ranked as the number one possibility is intensifying. N.C. State Representative Joe Mavretic has introduced legislation rescinding his state's membership in the Southeast Compact, and at the same time establishing a 15 member study committee to develop recommendations on how the state could manage its own waste. The bill is to have a hearing before Representative George Miller's Judiciary I Committee on Thursday, June 26. Representative Miller is also one of North Carolina's SE Compact Commissioners. N.C. Governor Martin has not taken a position on the legislation.

IN THE MIDWEST

The Midwest Compact Commission has a new Chairman, Mr. Tom Kalitowski, from Minnesota. Tom is the Executive Director of Minnesota's Pollution Control Agency. The Compact Commission expects to appoint a new Executive Director by Friday, July 27.

IN CALIFORNIA

US Ecology's Steve Romano reports that the Louisville-based disposal operator and California LLRW site license designee will begin the first round of public hearings on

the selection the California LLRW disposal facility on June 24 in Blythe, California, and end with a hearing on July 1 in Riverside. This is the first of three sets of hearings that will be held over the next several months. For more information contact the US Ecology office at (714) 955-1201.

The possibility of California joining the Rocky Mountain Compact (See EXCHANGE, Vol. 5, No. 9) was discussed at the June 20 Jackson Hole meeting. No action was taken. It appears that there may be some reluctance on Nevada's part to allow California to join. This could be attributed to two factors: (1) California generates about 250,000 cubic feet of waste annually, which is above the volume cap that Beatty is now required to accept; and (2), as an in-region compact state they would not pay a surcharge to Nevada, thus depriving the state of any revenue from the surcharge levy.

IN THE ROCKY MOUNTAIN WEST

The Rocky Mountain Board at their June 20 meeting approved an earlier proposed license and application fee for the importation of out-of-region waste not destined for the Beatty Regional Facility, but imported for the purpose of waste storage and-or processing.

The application fee, which is to be paid when a firm applies to import non-Beatty destined waste, was set at \$.01 per cubic foot, with a minimum fee of \$200.00. Once the application is approved a license will be awarded upon payment of a fee of \$.035 per cubic foot or a minimum of \$200.00.

The Board also directed the Executive Director, Len Slosky, to develop a proposed rule to change the current "allocation" of waste volume capacity at the Beatty disposal site for out-of-region generators. Under the current rules a generator is required to obtain an "allocation" permit for disposal of a set volume of waste. The reason for the change is to avoid the problem (already occurring) of generators obtaining a set allocation permit to the extent that the volume cap is all allocated, but then end up not using the allocation.

IN THE NRC

COMMISSIONER APPOINTMENT: President Reagan intends to nominate Kenneth M. Carr, a retired Admiral, to the Nuclear Regulatory Commission to succeed retiring Commissioner Nunzio Palladino. Admiral Carr retired from active Navy duty in May 1985, after serving as Deputy and Chief of Staff to the Commander-in-Chief of the Atlantic Fleet

BRC WASTE: The NRC waste management staff has completed work on a proposed Below Regulatory Concern NRC Policy Position (See EXCHANGE, Vol. 5, No. 8) and submitted the proposal to the Executive Directors Office (EDO). The EDO is still reviewing the "draft" position. It is NRC's intention to have the position approved by the full Commission by July 15, the deadline set in the Low-Level Radioactive Waste Policy Amendment Act of 1985. **

TOPICAL REPORT PROGRESS: NRC staff reports that several topical reports are winding their way through the approval process and three have recently been approved. Those approved are: GE's AZTECH Solidification Process (See EXCHANGE, Vol. 5, No. 4); the RADMAN Computer Code, which is a computerized waste classification system developed by Waste Management Group of White Plains, N.Y.; and, Pacific Nuclear's Nuclear Packaging NUPAC FL 150 High Integrity Container. A topical on Chichibu's poly-impregnated cement container currently marketed by Pacific Nuclear is also expected to be approved by the end of this month.

Topicals on **cement resin based hi-integrity containers** developed by Chem-Nuclear and Westinghouse Hittman are also under review. The containers are currently undergoing test and evaluation by Brookhaven National Laboratory. The laboratory has been requested by NRC staff to study the curing procedures utilized by the vendors. The staff is trying to ascertain possible causes for instability in the material that may result from varying curing processes. Work on these topicals is expected to be completed by the end of this fiscal year.

Work on a **bitumen** Topical (ATI and Waste Chem applications) continues. NRC staff will meet with vendors and state officials on June 24 to discuss a "Draft Staff Evaluation Report" (SER) that has just been completed. According to what the EXCHANGE has learned, the SER recommends approval of the topical and use of bitumen containerization under conditions that would require proper backfilling "with cohesiveless soil, either sand or gravel," in order to fill voids that might allow the bitumen material to compress under its own weight. NRC staff explained that the intent of the condition is to allow the use of the material by compensating for its weaknesses, while making use of its beneficial qualities.

If the topical is approved with this condition, bitumen containerized LLRW could be accepted for burial if the state institutes the necessary license amendments that would require the site operators to institute the recommended backfilling procedures. **

REQUEST FOR PROPOSAL

DOE Defense Programs is seeking to identify firms interested in submitting proposals for a contract award to provide general support services to the DOE Office of Defense Waste, & Transportation Defense Programs Division in the areas of radioactive waste technology, waste operations, hazardous waste management and defense waste. An advanced notice of a request for proposals (RFP) was published in the June 10 Commerce Business Daily. The RFP is expected to be issued about July 7. Proposals will be required to be submitted thirty days thereafter. For more information contact DOE Procurement (202) 252-1028 or refer to the July 10 Commerce Business Daily.

COMPACT GROUPINGS, LEGISLATIVE (CONGRESS AND STATE) AND COMPLIANCE STATUS AS OF JUNE 27, 1986

State Legislative Status: Introduced in House (IH), in Senate (IS), Passed in House (PH), in Senate (PS). Ratified, Signed by Governor (R). **Compact Congressional Status:** in bold, under (****), followed by bill or law number and sponsor. **LLRWPA Compliance:** Determined by sited states to not be in compliance with July 1, 1986 milestone stipulated in Low-Level Radioactive Waste Policy Amendments Act (#); Not sufficient information received to determine compliance (@). All others in compliance.

Midwest	Northwest	Central States	Rocky Mountain	Southeast	Northeast	Appalachian (4)
Wisconsin (@) Indiana Iowa (@) Ohio Michigan(@) Minnesota Missouri (@) **** Ratified (PL 99-240)	Idaho Washington Oregon Utah Alaska Hawaii Montana **** Ratified (PL 99-240)	Kansas Oklahoma Nebraska Arkansas Louisiana **** Ratified (PL 99-240)	Colorado Nevada New Mexico Wyoming **** Ratified (PL 99-240)	Georgia Florida Tennessee Alabama N. Carolina S. Carolina Mississippi Virginia **** Ratified (PL 99-240)	Connecticut New Jersey (@) **** Ratified (PL 99-240)	Pennsylvania (@) West Virginia (@) Maryland Delaware Unaligned States Vermont (#) (3) New Hampshire (3) Maine (3) Rhode Island (@)(3) New York (@)(2) Texas (@) Massachusetts (3) North Dakota (#) Dist. of Columbia (@) Puerto Rico (@)
Central Midwest		Western II (1)	Western I	Ratified (PL 99-240)	Western III	
Illinois Kentucky **** Ratified (PL 99-240)		S. Dakota (R)(1) California (IH) Arizona (@)(R)(5)	Calif. (PS/PH) Arizona (@)(R)(5)		S. Dakota (R) Arizona (R)	

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D.C., Puerto Rico and the U.S. Virgin Islands are not listed as eligible states in the remaining viable compacts. Texas continues to pursue an independent course of action.

- (1) South Dakota has ratified two regional compacts: one with California and another with Arizona. California has yet to act on its compact; Arizona has ratified the SD agreement.
- (2) The New York Legislature is moving toward consensus on a state LLRW disposal facility siting bill.
- (3) ME, VT, MA and NH are discussing a possible New England Compact.
- (4) The Appalachian Compact is expected to be submitted to Congress this summer.
- (5) The California Legislature is considering a new compact with South Dakota and is seeking eligibility status in the Rocky Mountain Compact. The CA/AR Western version languishes in an inactive conference committee.

NB: DOE has determined that all the states in compacts ratified by Congress (PL-99-240) are in compliance with the LLRWPA.

(GAO from pg. 1)
both NUS and Weston. GAO therefore recommends that "DOE reopen discussions with both firms to obtain best and final offers on the basis of the definitized contract documents."

Too Close To Call

In the documents supporting the recommendation for renegotiation, GAO points out that in the final ranking of proposals of the three firms, NUS' final technical score was six percent less than Weston's, but NUS' cost was six percent lower. It quotes a section of the Source Evaluation Board (SEB) Handbook that provides for the selection of more than a single offeror for contract negotiations when "the evaluation is so close as not to provide meaningful discrimination among the offerors."

In reviewing the basis of the final selection made by the Source Selection Officer (who in this case was OCRWM Director Rusche), the GAO faults the SSO for not adequately justifying his selection decision. GAO points out that the SSO's final selection was based on three factors:

- (1) Weston met the evaluation criteria better than NUS;
- (2) Weston's performance will be timely and of high quality;
- (3) Weston's demonstrated "technical competence" outweighs its higher cost.

However, according to the supporting documentation, GAO "fail[ed] to find that the SSO's use of the adjective 'better' constitut[ed] an independent determination that the higher scoring reflected a

meaningful distinction between proposals in terms of actual technical merit." The GAO further explains that:

"Our examination of the record reveals that Weston's score increased during the final evaluation largely because of the "verification" process conducted by the SEB. Although we need not expressly decide whether this process was equitably conducted, it is nonetheless apparent that Weston's scores, notably in the areas of Personnel Experience and Corporate Technical Experience, increased because the current OCRWM managers interviewed by the SEB reported favorably in most instances on Weston's performance as the incumbent."

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APPROPRIATIONS BECOMES BATTLEGROUND FOR MRS, 2ND ROUND REPOSITORY

This past week the House Appropriations Committee reported out the Energy and Water Development Appropriation Bill for 1987, deleting DOE's request for funds for the Monitored Retrievable Storage Facility (MRS) and site specific funds for the second repository. Both actions followed the recommendations of the Appropriations Subcommittee on Energy and Water Development chaired by Representative Tom Bevill of Alabama.

Though the monies for these activities come out of the Nuclear Waste Trust Fund, which is supported by a 1 mil per kilowatt fee paid by utilities and not general Treasury funds, the Committee did consider the "deletion" as a "reduction" of the general budget for the purposes of the Gramm-Hollings Budget

Reduction Act. This, of course, allowed the members to kill two birds (possibly three) with one stone: (1) allow possible funding of other "pet" projects out of general funds that might have been cut to meet the Budget Reduction Act levels; (2) delay the controversial nuclear waste program and, possibly, (3) look like they are cutting governmental expenditures.

Udall Opposes 2nd Round Deletion

The day prior to full Committee action on the Energy and Water Appropriations bill (June 18), House Interior Chairman Morris Udall and Interior Ranking Minority Member Don Young wrote Mr. Bevell, Chairman of the Appropriations Energy and Water Subcommittee, recommending the restoration of funds for the second round repository program. The letter emphasized the importance of providing continued funding for site specific work, explaining that the Secretary of Energy's decision to delay "violated the clear statutory mandate" of the Nuclear Waste Policy Act. It pointed out that if the Subcommittee appropriation recommendation was followed the Secretary's decision would be ratified and "any steps the oversight committees might take to compel the Secretary to comply with the express requirement of the [NWPA]" would be undermined. The Interior Committee leaders also explained that the restoration of funds for the second repository would not add to the federal deficit or the burden on the taxpayers.

Senate Should Oppose Cuts

The next step in the appropriations process for the Energy and Water bill is over in the Senate where both cuts are expected to be opposed. Key Senate leaders have already written the Secretary of Energy voicing their opposition to the decision on the second round repository program. Senator Domenici has also made it clear that he intends to work to ensure that the recommended appropriations for the second round program are in the final bill and DOE uses the funds to carry out the program (See Related Story below). **

SENATORS EXCLAIM THAT DOE CANNOT CANCEL 2ND ROUND HLW SITE

Sen. Pete Domenici (R-NM) told Department of Energy Secretary John Herrington at a June 16 hearing that the Department decision to indefinitely postpone work on development of a second high-level waste repository "is a nullity." Domenici said only Congress has authority to determine whether the Department will carry out the statutory requirement that sites be studied for a second repository, and that Congress will make that decision in the appropriations process.

Domenici chaired the hearing of the Senate Energy Committee, where the Department's second repository postponement decision came under the sharpest attack it has received in Congress since it was announced. Attendance of representatives of states benefitting by the decision was missing with the exception of Virginia Sen. John Warner and Gordon Dickie, Chairman of the Menominee Tribal Legislature located in Wisconsin. Instead, first repository states and their governors dominated proceedings. Domenici left little question that the Senate will not accept DOE's decision but will make the decision itself. Senator Wendell Ford of Kentucky warned that anyone who thinks gaps in the program will be filled by expanding a monitored retrievable storage (MRS) facility had better "think again."

A Delay Not A Stoppage?

Secretary Herrington and DOE counsel argued the propriety of the second repository decision by comparing the second repository delay to delays in the first repository process. Herrington said, DOE has been "one and one half years late without any objection or so much as a letter from Congress" in meeting first repository deadlines.

Senator Dan Evans (R-WA) responded to this argument by stating that OCRWM Director Ben Rusche resisted the first repository delays and that the Department has no statutory authority to postpone compliance indefinitely. Governor Richard Bryan of

Nevada said that "postpone indefinitely is simply a euphemism for 'kill it'." Senator Evans in a press statement further accused the DOE of "brutally mangl[ing] the Nuclear Waste Policy Act [NWPA] it is obliged to follow." He emphasized that the DOE action "...does not simply impact the second repository program but threatens the integrity of the whole nuclear waste disposal program."

DOE Will Heed Appropriations

Domenici led Herrington through a series of acknowledgments regarding the power of Congress to appropriate money and the responsibility of the executive branch to carry out Congressional appropriations. He said there are line-item appropriations for the first and second round sites, and that "there is no difference in authority on your part with respect to the money appropriated to you.... Your decision to indefinitely postpone is a nullity." Domenici asked non-rhetorically, "What difference does it make what you say in your letter (informing Congress of the second repository decision) if Congress in its wisdom says "Mr. Secretary, here is \$850 million to continue under this law...and to continue with the second repository'?" We'll do what the legislation says," Herrington replied, "and if the legislation says that, we'll move forward."

Stop Entire Program

First-round repository states asked for a halt to the entire program while major adjustments are made. Bryan, Gov. Booth Gardner of Washington and Steve Frishman, Director of the Texas Nuclear Waste Programs Office, agreed the program's credibility has been seriously undermined by the deferral of the second repository, and that the first round program should be restructured to include investigation of sites considered under the second-round program for the first repository.

Senator Ford objected: "If you're going to delay topside and you're expecting a temporary MRS to carry the whole load, you'd better think again.... Don't expect the good state of Tennessee to roll over and

play dead." DOE has proposed construction of a monitored retrievable storage facility (MRS) in Tennessee, and has agreed to limit the MRS capacity to 15,000 tons.

First Round States Criticized

The governors from the first round states were somewhat surprised when they were admonished for their reluctance to enter into consultation and concurrence agreements called for in the Nuclear Waste Policy Act. Domenici said the agreements would provide step-by-step independent technical review of repository investigations, and suggested that a state that refused to enter into an agreement would be considered uninterested in entering into a cooperative relationship.

Frishman said Texas officials have not believed they should "need a separate contract with the federal government to assure that they will comply with the law."
**

TENNESSEE COUNTY SEEKS TO BE SELECTED AS MRS SITE

The County Executive of Morgan County, Tennessee, and a group of concerned citizens have taken Governor Lamar Alexander's remark that DOE should have considered sites within its boundaries for the Monitored Retrievable Storage Facility (MRS) rather than Oak Ridge, very seriously. Within the past few months the group headed by the elected County Executive, Tony Duncan, has compiled a report that identifies five possible sites for the MRS in Morgan County and provides specific details on one that is their primary choice. A great deal of the information in the county document is based on the earlier released Clinch River Task Force Report. The group presented the report and discussed their desire to have the MRS with OCRWM Director Ben Rusche on June 24. They also met with the staff of utility associations and utility executives to explain their intent and support for the MRS facility.

A Rural Economically Depressed Area

As noted by Governor Lamar Alexander when

he made his remark in February, Morgan County is a remote rural area in dire economic straits due to the failing coal and lumber industry. A major portion of its land is owned by the state. According to the "Morgan County Report", the County has a population of 16,000 with only two incorporated towns. Unemployment is at or above 14 percent and the mean income is low. The County encompasses a land area assessed at \$54 million and has a bonded indebtedness of \$13 million. The once booming coal and lumber industry is now non-existent and only a few textile manufacturing factories are providing employment in the area.

MRS Safe, We Want It

The Morgan County Report begins by recognizing that the MRS can be operated safely, an assertion also made by Governor Alexander and the Clinch River Task Force Report (See EXCHANGE, Vol. 5, No. 1), which was put together to provide a local assessment of DOE's initial MRS site selection of Oak Ridge. With the safety of the facility duly recognized, the report explains that the two other criteria used to decide whether the County should seek the MRS were: whether the construction and operation of the facility would be of any long term economic value to the County, and would it positively impact the support of tax funded facilities (schools, etc.). The finding was "yes" on both counts, therefore the decision was made to aggressively pursue the siting of the spent fuel storage and processing facility within the county boundaries.

Unofficial State Reaction

Governor Alexander has not yet offered any comment on Morgan County's initiative and there is apparently no organized opposition.

Wayne K. Scharber, Director of Environment within the Tennessee Department of Health and Environment and one who has reviewed the Morgan County document, stated in a brief telephone interview that his comments on the report were neutral. He informed the EXCHANGE that after reading the report he wrote a letter to the County Executive commenting on how the organization and presentation of the report could be improved, and recommending that more information be provided on all five of the recommended sites, not just details on one. **

DEFENSE HLW FEE RECOMMENDATION GOING THROUGH FINAL CONCURRENCE

After months of delay the EXCHANGE has learned that the Office of Management and Budget, DOE Office of Civilian Radioactive Waste Management (OCRWM) and DOE Defense Programs have agreed on a recommendation for Defense's contribution to the Nuclear Trust Fund to cover the cost of the disposal of defense HLW at the proposed commercial repository. The final draft recommendation proposal, which is expected to be issued in the Federal Register by the end of the month, is now in "final concurrence" within the DOE and OMB.

The initially recommended contribution is expected to be somewhat higher than the \$3.4 billion estimate included in the Fee Adequacy Report published in April (EXCHANGE, Vol. 5, No. 6), probably between \$3.5 and \$4 billion (1985\$). The fee contribution includes a portion calculated to cover overall repository costs, plus the incremental costs incurred due to the adding of defense waste to the repository. It is to be reassessed on a periodic basis. **

REPORTS OF NOTE (HLW & LLRW)

DIRECTORY OF FEDERAL LABORATORY & TECHNOLOGY RESOURCES; A Guide to Services, Facilities, and Expertise (PB86-100013/KCS); A comprehensive directory of federal laboratories including those involved in LLRW and HLW research, demonstration, etc. Includes a short description of activities and an individual contact. For copies contact: Center for the Utilization of Federal Technology, National Technical Information Service, U. S. Department of Commerce, Springfield, VA 22161; Price \$29.00 + \$3.00 shipping and handling.