

trict of Utah said the complaint was “not yet ripe” for judicial review.

The state and the small group of tribal members had sought to intervene in a lease approval review conducted by the Department of Interior’s Bureau of Indian Affairs. Their original lawsuit was dismissed in January, when a federal district court found that the parties lacked standing to participate in the process. They appealed, but the appeals court concluded that the state’s case was premature, since Utah “will not suffer hardship if we withhold court consideration of its claims.”

A month later, in late May, PFS and Tooele County reached an agreement that ensures economic benefits for the county if the proposed facility is licensed by the U.S. Nuclear Regulatory Commission. The agreement provides annual payments of \$500,000 in lieu of taxes; an annual payment of up to \$3250 for each spent-fuel canister that is stored at the site; and a preoperation payment of \$5000 per month that the county can use for community education activities or for planning for infrastructure improvements needed to support the facility when it begins operation, scheduled for 2003.

Because the PFS facility would be located on an Indian Reservation, the company noted, it is not required to pay taxes to the county. However, PFS stated, “the company is determined to be a good corporate citizen and ensure that the neighboring community benefits economically from the project.”

Federal Court Bars State Radiological Review of Maine Yankee Spent-Fuel Facility

In early May, Maine Yankee Atomic Power Co. won a victory against state regulators, when U.S. District Court Judge Steven McAuliffe ruled that Maine did not have the right to rule on the radiological safety of the shutdown plant’s proposed independent spent-fuel storage installation (ISFSI). That authority, the court ruled, lies solely with the U.S. Nuclear Regulatory Commission.

The lawsuit arose from Maine Yankee’s plan to construct an ISFSI so that it could close its spent-fuel pool as part of its decommissioning operations. Maine state law requires approval from Maine’s Department of Environmental Protection for “any development of state or regional significance that may substantially affect the environment.” But the decision on the application was forwarded to the state’s Board of Environmental Protection, a ten-member panel of citizens appointed by the governor. The board voted to examine the radiological safety of the facility, a move that goes beyond its typical site review. Fearing duplicative state and NRC regula-

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tion of the facility, Maine Yankee filed suit, questioning the state’s role in radiological regulation.

The judge ruled that Maine law is preempted by federal laws governing NRC regulation of radiation at nuclear power plants. The state also has no say in the selection of the storage containers for the site or storage pads for the project, and cannot prevent the onsite transfer of fuel, McAuliffe said, and he also rejected the state’s claims that it has the authority to consider the company’s financial ability to maintain the storage casks. The board may, however, issue and enforce permits related to the facility that are within the authority of the state, the judge concluded.

Stone & Webster Bankruptcy, Sale Leaves Maine Yankee DOC Contract Hanging

In late April, Stone & Webster Inc. (S&W), a major power plant constructor and now nuclear decommissioning contractor, revealed severe financial problems stemming from an unanticipated \$27.5-million cost overrun on a key (non-nuclear) project. In early May, Jacobs Engineering Group Inc. announced that it

would buy “substantially all” of S&W’s assets and contracts for \$150 million in cash and stock, assuming all of S&W’s liabilities and providing \$50 million in bridge financing to the company as well. S&W filed for bankruptcy on June 2 and is seeking court approval of the asset sale and credit agreement as part of a voluntary reorganization. The \$50-million bridge financing from Jacobs will allow S&W to continue normal operations while in bankruptcy.

In the wake of S&W’s financial woes, Maine Yankee Atomic Power Co., in the process of decommissioning its Maine Yankee nuclear power plant, canceled S&W’s \$250-million decommissioning operations contract, citing the financial responsibility clause in the contract. But then Maine Yankee immediately rehired the company for six weeks to continue as the site DOC, to give Maine Yankee a chance to review the situation. During this period, which was to end June 30, Maine Yankee planned to:

- Define how to complete the project, whether by negotiating a new contract, serving as its own DOC, or using a hybrid of the two.
- Prepare a transition plan to help ensure that work will continue in a safe, orderly fashion with minimum effect on project costs and schedule.
- Identify projects critical to the schedule, such as reactor vessel segmentation, steam generator shipments, and spent-fuel storage facility construction.

GAO: DOE Can Reduce LLW Disposal Costs

The U.S. Department of Energy’s traditionally limited options for disposal of low-level wastes have given the