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GOVERNMENT REPORT FINDS U.S. NUCLEAR POWER STATION  
DECOMMISSIONING FUNDS CONTINUE TO FALL BEHIND PROJECTED NEED

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In 1999, the U.S. General Accounting Office (GAO) reported to Congress that the combined nuclear industry value of decommissioning funds was “insufficient to ensure enough funds would be available for decommissioning” the nation’s nuclear power program. In its recent follow-up report issued in 2003 to Massachusetts Democrat Congressman Edward Markey, the government oversight agency concluded not only did 33 nuclear power station owners for 44 of the nation’s 104 nuclear power stations continue to fall behind projected funding requirements but that the U.S. Nuclear Regulatory Commission’s (NRC) “evaluation of the adequacy of funding arrangements was not rigorous enough to ensure that decommissioning funds would be adequate.”

According to the report, the federal agency mandated to protect the public health and the environment from the radiological consequences of nuclear power “has not explained to owners and the public what it intends to do if and when it determines an owner is not accumulating sufficient [decommissioning] trust funds.” Absent any established criteria, NRC will not have a logical, coherent, predictable and enforceable plan to address reactor owners with inadequate decommissioning funds. While NRC had reported in 2001 that all its licensees were on track to fully fund projected decommissioning costs, GAO found that the agency overly relied on the owners’ future funding plans without verification and NRC did not separately assess the funding status of co-owned facilities. Such disturbing government findings further cloud the future for responsibly decommissioning the nuclear power industry and overseeing its radioactive waste management in the United States. The report illuminates a regulatory policy that continues to prioritize an industry production agenda to the detriment of public health and environmental quality.

The financial assurance for sufficient funds to clean up abandoned nuclear power sites is historically controversial. Originally ignored during initial federal licensing hearings for the construction and operation of nuclear power stations, early decommissioning cost estimates were revealed to be but a fraction of the current ongoing decommissioning operations. Clean up standards for residual radioactivity determining “how clean is clean enough” for a termination of the license continue to affect ultimate decommissioning costs as do current regulatory limitations on radiation cleanup to solely within site boundaries disregarding industry liability for the migration of offsite radioactive contamination of water and soil.

The October 2003 GAO Report entitled “Nuclear Regulation: NRC Needs More Effective Analysis to Ensure Accumulation of Funds to Decommission Nuclear Power Plants” further concluded that of those 33 nuclear corporations, 20 owners with ownership in 31 nuclear power stations contributed less to their decommissioning trust funds than GAO estimated was “needed to put them on track to meet their decommissioning obligations.” Although the collective status of industry decommissioning funds had improved since the 1999 report due to the streamlining of 20-year license extensions and reactor sales with prepaid decommissioning costs, GAO reported that “Overall industry results can be misleading.” While the combined value of the U.S. nuclear power industry’s decommissioning trust funds was found to be 47% greater than needed to ensure that sufficient funds be available at the projected time of decommissioning, federal regulation disallows owners from transferring funds from external decommissioning accounts deemed sufficiently on track to ones without sufficient reserves.

The GAO recommended that NRC needs to develop an effective method for determining whether licensees are accumulating sufficient decommissioning funds and establish criteria for taking action when it is determined that an owner is not accumulating sufficient funds. But NRC comments in response to the report the agency disagreed with the GAO findings. NRC refused to establish criteria for responding to decommissioning shortfalls stating that they review owners’ plans on a “case-by-case basis.” GAO

concluded that “Since NRC has never identified an owner with unacceptable levels of financial assurance, it has never implemented this practice.”