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On the Government's White Paper for the creation of the Liability Management Authority (LMA)

Today (4th July) the Government will announce plans for managing our worsening radioactive waste crisis that has accumulated over 50 years is to be managed. The proposals centre on the creation of a Liabilities Management Authority (LMA) which will assume responsibility on behalf of the taxpayer for the estimated £40 billion bill for cleaning up the radioactive waste mountain. This move effectively bails out the technically insolvent BNFL, freeing it to expand its nuclear waste-creating businesses.

The proposals fail to address the root cause of the problems of radioactive waste; namely its generation from nuclear power station operation, fuel fabrication and the reprocessing of spent fuel.

Worse, the LMA removes over £40 billion of debt from the accounts of nuclear companies (such as BNFL) that created the problem, freeing them to pursue an aggressive nuclear expansion programme.... This will create an even greater radioactive waste problem for this and future generations to deal with.

A Greenpeace spokesperson commented:

"This is a piece of creative accountancy the likes of Enron, WorldCom and Andersen can only look upon with awe. It proves that BNFL's activities are inherently uneconomic. Rather than controlling the radioactive waste problem, the LMA has been set up so that BNFL can make it worse."

The LMA proposal encourages the creation of radioactive waste, not clean-up. BNFL will be in a stronger financial position to tout for more foreign spent fuel contracts, sell its Westinghouse reactors and supply the MOX fuel to run them. If the LMA was about radioactive waste clean-up it would be instrumental in ceasing reprocessing, MOX fuel fabrication & the building of more nuclear power stations not encouraging it.

The LMA effectively subsidises the expansion plans of BNFL

Contrary to the intention of the LMA, BNFL does not have much competition in winning UK Government contracts to deal with the mess that it has created. BNFL has restructured to exploit the LMA and the taxpayer to the full. Revenue from the Government contracts will go into that half of the company that is engaged in further radioactive waste creation (reprocessing, selling nuclear power stations and nuclear fuel fabrication).

The LMA relies on BNFL, which has proven itself to be negligent and incompetent when dealing with the nuclear waste legacy it has largely created. Far from focusing its attention on cleaning up the nuclear waste legacy, BNFL only acts when forced to as evidenced by the NII resorting to issuing "*legal instruments to BNFL to target areas on the Sellafield site where waste management practice or progress has not been acceptable*"¹.

Assertions that BNFL has reformed since its days of falsifying safety data and wanton acts of pollution are clearly false. Its working practices are still putting its workers, the public and the environment at risk. Recent examples include Sellafield leaking Technetium-99 into groundwater boreholes.

The LMA arrangements will increase the burden on the taxpayer

The worsening state of the existing nuclear waste legacy, coupled with tightening international regulation (such as the UK's commitment for substantial and progressive reductions in radionuclide discharges to sea²) can only mean that the £40 billion pound bill for the current radioactive waste legacy will rise.

BNFL has recognised this by lobbying strenuously for the UK to renege on its commitment and allow it to increase "discharges for specific purposes."³

Freed by the LMA, BNFL is walking away from a waste problem that it has largely created and the extent of which is only now beginning to emerge.

Rather than contribute to the costs of cleaning up its own mess, BNFL will actually charge the taxpayer to do this and any revenue earned will be spent on expanding its nuclear waste-creating businesses and preparing itself for eventual privatisation.

Notes:

- By 2100 there will be half a million tonnes of radioactive waste in the UK. Some of it will be potentially dangerous for hundreds of thousands of years.
- The Government is considering the proposal to build 10 nuclear power stations in the UK as part of the UK's review of energy policy.
- The favoured nuclear reactor to be built is the Westinghouse AP 1000 (similar in basic design and size to Sizewell B, Suffolk). Westinghouse is a subsidiary company of BNFL.
- Over their lifetime, ten AP 1000 nuclear power stations will produce approximately 20,000 tonnes of highly radioactive spent fuel, effectively doubling one of the most dangerous types of nuclear waste in the UK.

¹ Report of a joint study by the Radioactive Waste Management Advisory Committee and the Nuclear Safety Advisory Committee "Current arrangements and requirements for the conditioning, packaging and storage of intermediate level radioactive waste", June 2002, para.7.10

² July 1998 Ministerial meeting of the OSPAR Commission

³ Op.cit 1, para 7.12