

## U.S. Cleanup Giant WGI To Bid on U.K.'s BNG; Fierce Competition for N-Companies Seen

By Judith Perera, European Correspondent

America's biggest nuclear clean-up company, Washington Group International (WGI), has declared itself a bidder for the U.K.'s British Nuclear Group (BNG). WGI, which controls about a third of the U.S. nuclear clean-up market, said May 11 it would put its name forward when BNG's advisers start compiling a shortlist of potential buyers later this year.

State-owned BNG is the largest remaining subsidiary of British Nuclear Fuels (BNFL) following the sale of nuclear reactor design-and-build business Westinghouse for \$5.4 billion to Toshiba. BNG is to be sold within a year as part of a £30 billion clear-out of government-owned nuclear assets. It is valued at up to £1 billion.

BNG is expected to take much of the £70 billion of decommissioning work to be put out to tender over the next 30 years. WGI says it could cut the cost of decommissioning Britain's civil nuclear sites by as much as a quarter. The U.K. clean-up program will involve 20 nuclear sites, of which Sellafield is by far the biggest, and is expected to generate revenues of £2 billion a year. By 2008, 13 of the 20 sites are due to be opened up to competitive tender.

### U.S. Spent Fuel to Sellafield?

WGI has also expressed interest in construction of new nuclear power stations should the government give it the green light as part of its energy review expected to report later in the summer. It would consider bringing American spent fuel to the U.K. for reprocessing if it succeeds in buying BNG, which manages the reprocessing plant at Sellafield.

The U.K. government aims to privatize BNG by the end of next year. Bidders will be selected towards the end of this year and will be invited to submit tenders next spring.

WGI is expected to face competition from other potential

buyers including Bechtel, Fluor, Halliburton and CH2M Hill of the U.S. and U.K. engineering group AMEC. Preston Rahe, president of WGI's energy and environment division, said it made sense to find a U.K. partner. "It would be wise for us and help us ensure the kind of change management we would like would be executable. Every country has its cultural uniqueness," he said.

BNG, which has been working as a clean-up contractor for BNFL and others since 1999, already has started talks [See WGI Bid on page 18](#)

### House Appropriations Panel Yucca Funded; GNEP Reduced; SRS MOX Plant Zeroed Out

The House energy appropriations subcommittee May 11 recommended full funding for the Yucca Mountain project, but slashed 40 percent of the administration's \$250 million request for its global nuclear energy partnership (GNEP) in fiscal year 2007.

The subcommittee bill also terminates construction of the mixed oxide fuel fabrication plant and pit disassembly and conversion plant at the U.S. Department of Energy's Savannah River Site in South Carolina.

The energy appropriations bill proposed to give the Energy department a total of \$24.37 billion, up \$327 million compared to 2006 and \$299 million above the president's request (*FCW*, Feb. 7).

The bill provides the full DOE Yucca Mountain request of \$544.5 million, including \$156.4 from the civilian Nuclear Waste Fund and \$388 million from the Defense Nuclear Waste Disposal fund. In addition, the committee provided an un-requested \$30 million for interim spent fuel storage, subject to authorization.

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### Interim Storage Back in Play

The interim storage amendment caused some consternation in Utah, which hosts a potential interim storage site already licensed by the Nuclear Regulatory Commission—Private Fuel Storage’s site on Indian land leased from the Skull Valley Band of Goshutes.

The *Salt Lake Tribune* May 12 quoted Hobson as saying that he was “not forcing this on anyone,” and would not put an interim storage facility “into a community that isn’t willing to accept it.”

Hobson said he was trying to move the country forward on nuclear energy, and he didn’t think that was possible without interim storage. If a permanent waste site at Yucca Mountain, Nev., is going to be delayed, other options need to be considered.

In December, PFS sent a letter to Hobson and other congressional leaders asking them to consider directing DOE to contract with the company to store 40,000 tons of spent fuel at Skull Valley at an annual cost of \$60 million.

Hobson said the committee asked the department for comments on the proposal, but has not yet received a response.

### MOX Plant Nixed

The subcommittee zeroed out \$368 million for construction of the MOX fuel plant, believing that Russia will abandon a parallel program.

In April 6 testimony to the Senate energy appropriations subcommittee, National Nuclear Security Administration administrator Linton Brooks said that Russia has made it clear that it only will dispose of plutonium as MOX fuel for light-water reactors if the international community bears the entire cost. Russia’s preference is to use the plutonium in a new generation of fast reactors (see related story in *FCW*, [May 9](#)).

Brooks said NNSA is working with the Russians on using a BN-600 fast reactor for disposing of a small portion of the Russian plutonium, but added that the BN-600 cannot eliminate any sizeable portion of the 34 metric tons of plutonium covered by the 1998 U.S.-Russia agreement. “It would simply prove the technology and allow a Russian-planned reactor called the BN-800, not yet built, to be a path for disposition.”

The full appropriations committee is scheduled to take up the bill May 16, and is tentatively scheduled to send the bill to the House floor the week of May 22. The Senate likely will take up its bill after Memorial Day. ●