

## BNFL Under Pressure on Reprocessing at Next Week's Ospar Meeting

Copenhagen, June 22 (Bloomberg) - British Nuclear Fuels Plc, the U.K. state-owned nuclear fuel processor, is facing pressure from the Danish and Irish governments to halt nuclear fuel reprocessing at its Sellafield plant in northwest England.

The two governments said they will make proposals to immediately suspend reprocessing at Sellafield and France's La Hague plant at next week's Ospar Conference in Copenhagen where 14 European states will discuss the progress of a convention for the protection of the marine environment agreed in 1998.

State-owned BNFL makes a quarter of its 1.5 billion-pound (\$2.25 billion) annual revenue from reprocessing spent fuel from nuclear generators at its Thorp station in Sellafield. The Sellafield and La Hague plants are the only nuclear reprocessing facilities in the world. Liquid waste from Sellafield, mostly pure water according to BNFL, used in the day to day running of the plant is discharged directly into the Irish Sea.

"Sellafield is one of those things that on the East Coast (of Ireland) is a running sore for constituents and we can't ignore that," said Liam Daly of the Nuclear Safety division of Ireland's Energy Ministry, "within Ireland there is a strong consensus that this place should be closed down."

"Our proposal in essence is that if you want to see (a decline to zero emissions by 2020) you must act now," said Kjeld Jorgensen, Senior Biologist at Denmark's Environment and Energy Ministry.

In March the Irish government called for the immediate closure of the Sellafield station, located on the northeast shore of the Irish Sea, following the discovery that safety records at BNFL's plant had been falsified.

Under a plan drawn up at the Ospar ministerial meeting in 1998 the U.K. government is committed to reducing man-made radioactive emissions into the sea to "near to zero," levels by 2020. It plans to do so partly by phasing out the reprocessing of so-called Magnox fuel by 2012. BNFL will continue to reprocess other types of fuel at Thorp for as long as it has customers, the company said.

A U.K. select committee report of April 5 on the government's plan to privatize 49 percent of BNFL found that, "the reduction (of radioactive discharge into the sea) can only be met by a total halt to reprocessing now."

The U.K. government put off privatization until at least 2002 following cancellations of Japanese and U.S. orders after the falsified quality-check data was discovered.

On March 31 a leaked Nuclear Energy Agency report into the benefits of storage above reprocessing showed storing used nuclear fuel could be safer than recycling it.

Safety issues are not the only problem facing BNFL's reprocessing operations. Storing spent fuel is increasingly seen as preferable to reprocessing for cost reasons and BNFL's customers are looking to renegotiate their reprocessing contracts.

"It's cheaper to store than to reprocess. We pay BNFL around 300 million pounds a year in fuel management and storing it would cut our bill by around two thirds," said British Energy spokesman Bob Fenton, who noted that the company is talking to BNFL about renegotiating its contract to a storage contract.

"We are talking to British Energy about their current difficulties but we are not renegotiating their contract," said BNFL spokesman Bill Anderton.

Germany's recent announcement that it will close its 20 nuclear reactors by 2035

and stop transporting nuclear fuel to be reprocessed by 2005 could add to BNFL's reprocessing woes although the company has said it expects Germany's contracts to be paid.

BNFL began reprocessing uranium in the 1950s, amid expectations uranium prices would become too high and that the fuel was a finite resource. Reprocessed fuel can be used to generate electricity.

"There is not that much to be gained from using reprocessed fuel when fresh fuel is so cheap and readily available," British Energy's Fenton said.

Uranium prices peaked in 1978 when the metal traded at \$43.4 a pound. Uranium prices yesterday ranged between \$7 and \$9 dollars a pound.

Consequently what was initially planned as a recycling project has left BNFL with stock piles of reprocessed fuel, one of the by-products of which is weapons-grade plutonium which has to be heavily guarded to prevent it being stolen, as customers are not taking back the material they send to be recycled.

--Catarina Aleixo in the London newsroom