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CONTROVERSY OVER ITALIAN WASTE BURIAL PLANS

In Italy, controversy arose over a plan to bury the country's nuclear waste in a former salt mine in Scanzano. The plans were announced by the Italian government and resulted in strong opposition from the concerned municipality. As a result, the government has shelved the proposal, for the moment, but still plans to continue with site feasibility studies. If the plan succeeds, Italy will be among the few countries in the world that realized underground disposal.

(599.5556) WISE Amsterdam – The official decision was passed on 13 November as an *emergency decree* declaring that a national repository for all waste categories will be built as a “national defense” facility in a salt deposit in Scanzano Jonico, a seaside location in the southern province of Basilicata.

According to the plan an underground repository will be built in a salt deposit to house some 80,000 cubic meters of radioactive waste from the country, including some 350 tons of spent fuel and 8,500 cubic meters of high-level waste. The plan proposes burial of the first low- and medium-level waste in the salt in 2009. In addition, an aboveground interim storage building is to be built for the storage of high-level waste and spent fuel. These highly dangerous wastes may also be buried in the salt once a 10-year period of research can prove the suitability of the formation for this waste.

The waste comes from four shut down nuclear power reactors (Trino Vercellese, Caorso, Latina and Garigliano), five other nuclear fuel processing facilities, a European research center at Ispra and an interim storage site near the Casaccia research center. (1)

History of site search

During the 1970-1980s, the State Agency for New Technologies, Energy and Environment (ENEA) performed studies on deep geological disposal. At that time, clay was the reference geological formation for a repository for high-level waste. A list of candidate locations was also formulated for low- and medium-level waste. Plans for a central interim storage facility for spent fuel and high-level waste started in 1995, when the National Electric Energy Agency (ENEL) initiated a feasibility study for such a facility. (2)

Until now, no centralization of waste storage was realized and all

radioactive waste is still stored at the production sites, more than 120 across the country. (3)

Sogin, the state-owned company for the repository planning, recently warned that ongoing decommissioning at closed reactors would be stopped because of a lack of storage capacity. One government minister proposed to realize regional repositories but the Berlusconi government favored one central facility.

Reasoning behind this central storage was the “9/11” argument, i.e. the risk of a terrorist attack on one of the waste storage sites in Italy. Early this year the Council of Ministers passed a “state of emergency” decree concerning waste around the country. Sogin's chairman General Carlo Jean was appointed as special commissioner for radwaste management and security and he was given the mandate to find a site. In June, Jean formulated a short list of potential sites. One of the sites on that list was the island of Sardinia. During this summer, the possibility of waste burial on Sardinia caused major uproar.

In the meantime, the secret services and ENEA warned that the Mafia or foreign terrorists could be a threat to the present waste sites. As a consequence, the government urged Jean to rapidly conclude his search for a site. A working group considered 17

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potential sites on the surface, subsurface (at low depth) or underground (deep disposal). That working group decided on an underground site. The salt layer at Scanzano is 150 meters thick and covered by 700 meters of a clay formation. (4)

Nuclear energy in Italy

Italy's nuclear energy program was launched in the 1960s. Between 1963 and 1978 four reactors started operation reactors (Trino Vercellese, Caorso, Latina and Garigliano). Construction of two more reactors at Montalto had begun in the early 1980s and a heavy water reactor and a prototype fast breeder were under development. Italy was also developing fuel cycle facilities such as fuel fabrication, reprocessing and plutonium fuel facilities. Everything changed after the 1986 Chernobyl disaster.

In November 1987 a referendum was held, formally limited to specific nuclear legislation. The results were negative for nuclear energy and subsequent legislation was adopted to close the country's NPPs and halt construction of the other reactors.

In addition, the above-mentioned legislation called for the decommissioning of the closed reactors. However this has been delayed due of the absence of a national storage site for low- and medium-level waste and a central facility for spent fuel (5).

Presently, the closed reactors still contain the spent fuel elements and as long these are stored inside, full dismantling cannot take place. (6)

Protest against Scanzano plans

The decree initially went unnoticed due to a terrorist attack on Italian forces in Iraq. Actually, the decree was announced some hours after the bombing. The timing of the announcement may or may not have been accidental but at least it was useful for the government. In fact, one of the most controversial decisions in the last years ended up buried deep inside the news bulletin and reduced to the status of a small issue. (7)

Officials in waste management programs outside Italy also criticized the top-down approach

Protests were subsequently organized in Scanzano and the Basilicata province. Protestors started a camp in an olive yard with banners such as "This is not the toilet of Italy" and special dinners like "atomic spaghetti" and "explosion pie with plutonium sauce".

The mayor of Scanzano apparently hasn't made up his mind as he spoke of a "death sentence" for his town on one hand, but also confides that the state would have provided an annual 25 million Euro rent provision.

Faced with the "9/11" argument (to have one central secured facility), the local people realized that the Scanzano site will become an ideal target, with so much waste being collected at one place. Other arguments heard against the present plan are that it is just 100 meters from the sea and located in a low-risk earthquake zone.

The "nuclearization" of the region around Scanzano appears to have begun when foreign customers started to cancel orders for the famous Fantanarosa wines (8) and hotel operators were reporting cancellations, solely because of the news reports. (9)

The Basilicata regional council voted on 19 November to declare the Scanzano region a denuclearized zone and authorized legal action against the decree. (10)

The angry citizens of Scanzano are not the only people to have reacted. Officials in waste management programs outside Italy also criticized the top-down approach, predicting it would fail without public support. According to *Nucleonics Week*, the Italian government's intention to push through the siting conflicts with the ideal that preaches stakeholder dialogue and consultation with the public. The Italian approach amounts to the "Decide, Announce, Defend" method followed by many countries before the 1990s and which basically did not lead to any repositories being built, except the Waste Isolation Pilot Plant (WIPP) in the U.S., which as a federal site wasn't subject to a broad licensing process. (11)

Environmental NGOs

A somewhat different position was taken by Friends of the Earth Italy (*Amici della Terra*). According to FOE Italy the decision (on site selection) was pending for many years and all nuclear reactors were closed in the past. The present situation of many waste sites poses a risk in terms of safety and environment protection. The lack of a central storage facility also means that Italian waste at the Sellafield reprocessing plant cannot be sent back to Italy.

FOE Italy has called the government decree a "proper decision to try and put a definitive end to the short-lived Italian nuclear phase". FOE Italy fears that without a national repository, the waste could be exported to the Ukraine. FOE Italy said that a "permanent disposal site for nuclear waste is necessary and urgent, and the decision on Scanzano is technically appropriate, as there are not many other options available, particularly in a densely populated and morphologically fragile country like Italy". It proposes to compensate the local population for hosting the site. (12)

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The next issue (600) will be mailed out 19 December 2003.

This issue does not include "25 years ago". Hopefully next time it will be back in the Monitor.

Many other NGOs, including WISE Amsterdam have criticized the statement from FOE ITALY. To support a waste disposal site in a situation that the concerned government is still supporting nuclear energy is considered dangerous. As a matter of fact, many governments have presented plans for disposal sites as “solution” of the problem, creating the basis for a further expansion of nuclear energy.

Although Italy has closed its nuclear power reactors, there is still involvement of Italian firms and government in nuclear energy. Since the 28 September electricity blackout, which struck Italy heavily, a kind of nuclear renaissance has taken place in Italy. For the first time in years, politicians are talking openly about new nuclear building (although capacity shortage was not the cause of the blackout). The idea is mentioned to reopen two of the reactors within 1.5 years. State utility ENEL is presently working on a deal to buy into French Electricity of France (EdF) nuclear generating capacity. The last national energy plan of 1988, envisaged design of an inherently safe reactor and Italy cooperated in research international programs on new reactor designs. (13)

Giancarlo Bolognini, CEO of Sogin, the state owned company for repository planning, said in September that he welcomed the new, more positive attitude in Italy toward nuclear power.

He said the “emotive post-Chernobyl wave” of antinuclear sentiment was disappearing and that “makes it possible to start again with a new generation” of NPPs. (14) Guess what his position will be once the Scanzano repository is built...

WISE Amsterdam considers the selection process used for Scanzano as the old-fashioned style of decide, announce, and defend. It goes beyond the discussion regarding whether this particular site is technically the best or the just the lesser of two evils.

Withdrawal?

On 20 November, the government announced it would modify the decree so that no nuclear waste would be moved to Scanzano until it was confirmed to be the best suitable site. It has said that the decision would go on ice pending a commission to consult with scientists and regional authorities on the choice and on alternative sites. In a statement, the government stated that after these talks “either the choice of the site will be confirmed or a new site will be chosen”. The government also announced to be ready to build interim storage at existing waste sites to solve the most urgent problems. (15) (16)

However, one week later, things have changed. Just before this *Nuclear Monitor* went to press on 27 November, it became clear that Scanzano has now been completely

struck off the list due to the strong protests. The Council of Ministers decided to cancel the Scanzano site. A new commission will come up with a new proposal within 18 months. One location now being mentioned is central Sicily. (17)

Sicily? Home of the Italian Mafia? Wasn't it the secret services that warned that the Mafia could be a threat to waste sites? And it was the government who speeded up the process to find quickly a 'safe' site, resulting in Scanzano. And now they would consider Sicily?

Sources:

- (1) *Nucleonics Week*, 20 November 2003
- (2) *Radioactive waste management programs in OECD/NEA member countries*, OECD/NEA, 1998
- (3) *NuclearFuel*, 24 November 2003
- (4) *Nucleonics Week*, 20 November 2003
- (5) *Radioactive waste management programs in OECD/NEA member countries*, OECD/NEA, 1998
- (6) FOE Italy, October 1999
- (7) *Italy Independent*, 17 November 2003
- (8) *The Guardian*, 22 November 2003
- (9) UPI, 17 November 2003
- (10) *NuclearFuel*, 24 November 2003
- (11) *Nucleonics Week*, 20 November 2003
- (12) *A big nuclear hoax from Italy*, FIOE Italy, 21 November 2003
- (13) *Nucleonics Week*, 2 October 2003
- (14) *Nucleonics Week*, 6 November 2003
- (15) AFP, 21 November 2003
- (16) *NuclearFuel*, 24 November 2003
- (17) Emails from FOE Italy and Linda Gunter, 27 November 2003

Contact: WISE Amsterdam

ENERGY BILL STALLS IN U.S. SENATE

A broad energy bill that would have provided numerous benefits for the nuclear power industry, including billions of dollars of tax incentives for private utilities to build new atomic reactors, was defeated—at least temporarily—in a close Senate vote on 20 November.

(599.5557) NIRS - The key vote was on an attempt by backers of the legislation to stop a filibuster, which is a tactic used to prevent a vote on the substance of a bill by holding an endless debate, mounted against the bill by its opponents. 60 votes are needed to stop a filibuster, or cut off debate; the bill's supporters could only attain 58 votes. The final count was 57-39, as Senate Majority Leader Bill Frist (R-Tenn.) changed his vote so

he could bring up the issue again.

Immediately after the vote Frist said he would call for another vote within days, but that threat dissipated as the Senate became bogged down in debate over a Medicare bill and as it became clear that without being able to change the bill (it already had been passed by the House and no changes were permissible) there was no incentive for any Senator to change his/her vote. It

now appears that there will be substantial arm-twisting and perhaps some efforts to change the bill either by sending it back to a House-Senate conference committee or by amending other bills to include some energy legislation. At this point, a new vote early in the new year seems likely, but by no means assured.

The bill (HR 6) was the culmination of a three-year Bush administration effort

that began with Vice-President Cheney's energy task force, which met largely in secret, and almost exclusively with energy industry interests, to craft a new energy policy for the U.S. that would primarily benefit energy producers (see *WISE News Communique* 549.5275: "The Bush energy plan"). A policy document produced by the task force then became fodder for legislation proposed by Senate Energy Committee Chairman Pete Domenici (R-N.M.), who became chairman of the committee following the 2002 elections.

But Domenici's bill ran into resistance in the Senate, and it was scrapped last summer and replaced by Senate passage of an energy bill crafted by Democrats and passed in the previous Congress. Undeterred, Domenici and House Commerce and Energy Committee Chairman Billy Tauzin (R-La.) used the bill merely as a foundation, and in an unprecedented closed conference committee rewrote substantial portions of the bill without letting even other conference committee members see their work.

When the bill finally was released on Saturday 15 November—just 48 hours before debate was to begin—it quickly became clear that the legislation was even more unbalanced and sided with energy producers more than many had already feared. As Republican Senator

John McCain (R-Ariz.) said, it was the "leave no lobbyist behind" Act.

For example, Domenici's original bill had called for US\$7 billion or so in loan guarantees to spark the construction of new commercial reactors. The new version was more insidious: it placed nuclear power on the same level as wind and solar, and offered a 1.8 cents per kilowatt/hour tax break for construction of new reactors, which analysts valued at about US\$6-7.5 billion.

But tax incentives have a tendency to be renewed, whereas loan guarantees don't—some analysts projected the actual cost at about US\$15 billion. And it perhaps goes without saying that loan guarantees may someday be repaid, whereas tax incentives are permanent losses to the federal treasury.

The bill also contained surprising new provisions to benefit a single company, Louisiana Energy Services, which having been kicked out of Louisiana and Tennessee, is now seeking to build a new private uranium enrichment plant in Domenici's home state of New Mexico (see *WISE/NIRS Nuclear Monitor* 591.5534: "LES switching to New Mexico?"). Domenici's legislation would have required the NRC to complete its hearing process on LES'

plant within two years, even though hearings on a similar plant in Louisiana lasted nearly seven years, often because of LES foot-dragging on providing documents. It would have required the DOE to issue a finding of need for the facility, even though in the first set of hearings it was determined that there is no need for a new uranium enrichment plan—a requirement under the National Environmental Policy Act (NEPA).

The bill also would have effectively ended consideration of environmental justice issues for LES—another stumbling block in Louisiana, and would have required the DOE to declare the depleted uranium waste from LES as "low-level" waste, even though "low-level" waste dumps have an institutional control period of 500 years, and depleted uranium is both hazardous and radioactive for millions of years.

The bill also would have authorized US\$1.1 billion as a down payment on building a new "advanced" reactor in Idaho to produce hydrogen, and offered a variety of other goodies for various nuclear interests.

For more information on the bill, a Senate vote list, and how you can help stop it when it returns to the Senate floor, go to www.nirs.org.

Source and contact: NIRS

U.S. NRC ISSUES PROPOSED, AND WEAKENED, ENVIRONMENTAL JUSTICE POLICY

The U.S. Nuclear Regulatory Commission (NRC) issued on 5 November a draft policy statement that substantially weakens its position on environmental justice issues and backtracks on a commitment made by the NRC in 1994 to abide by the terms of President Clinton's executive order on environmental justice.

(599.5558) NIRS - That order required federal agencies to consider environmental justice issues as part of their general responsibilities and to take steps to ensure that federal actions do not disproportionately affect minority and low-income communities. The order was issued following years of activism and

research which revealed that toxic and environmentally hazardous facilities were disproportionately sited in minority and low-income communities. Under the order, federal agencies were required to examine whether their policies—such as approving the siting of hazardous facilities—led to a disproportionate impact in such

communities and if so, to take corrective actions. Although the NRC is an independent agency and not subject to Executive Orders, NRC Chairman Ivan Selin committed the NRC to complying with the Executive Order.

The current draft statement represents NRC's effort to step backwards and

accommodate the nuclear power industry a position that some characterize as itself racist, but that at the least reveals the industry's inability to even understand issues of racism, much less deal with them on its own. In December 2002 the industry's Nuclear Energy Institute (NEI) had written to the commission asking that the agency implement new rules forbidding anyone from raising environmental justice issues for any reason in the licensing process for nuclear facilities. In other words, the nuclear industry sought complete immunity from any charges of racism whatsoever.

The approach the NRC came up with is not nearly so blatantly racist, but certainly should meet most of the NEI's goals. The NRC has not forbidden environmental justice issues, it's just made raising them nearly impossible. And it hasn't completely denied the president's executive order, it has just said that it will deal with environmental justice issues only during the normal range of business—relegating them to consideration of National Environmental Policy Act (NEPA) issues, which, of course, is exactly where they were before President Clinton issued the order. In other words, the NRC seems to be saying, yes, we know the executive order exists and has never been rescinded, but we're going to comply with it by doing what we were doing before it was issued...which in the NRC's case was nothing.

Typically, the NRC mishandled the issue from the beginning. A press release was published by the NRC on 31 October announcing the new draft policy, but the policy itself wasn't released until 5 November. Then the policy, as printed in the Federal Register, offered only a 60-day public comment period—over the winter holiday season. And then, as NIRS pointed out to the NRC on 14 November, none of the materials related to the policy—nor the draft policy itself—were available for public perusal on the NRC's website, making a mockery of the public comment period.

NIRS asked for a 180-day extension of the public comment period, and as other groups began supporting that request via the NRC's preferred method of public comment: e-mail, it was learned that the NRC had printed the wrong e-mail address in the Federal Register, so the agency never received many of the extension requests.

As the *Nuclear Monitor* goes to press, the NRC says that it has fixed the e-mail address problem, and the address that was published can be used. But the NRC has not yet said whether or how long it will extend the comment period, nor whether it will—as it should—start over again and republish the draft statement. NIRS and many other groups also asked for public meetings across the country so that the NRC may explain the draft policy and accept comments in person.

...the changes are fundamental and a near-complete rejection of the agency's commitment to environmental justice

And explaining the policy may be very necessary—it seems to be written in deliberately obfuscatory language; lawyers obviously went over the language many times. Rather than clarify the environmental justice issue and explain why the NRC believes changes to its existing policy are necessary, the policy appears designed to confuse the issue and make it appear that virtually no changes are being made when, in fact, the changes are fundamental and a near-complete rejection of the agency's commitment to environmental justice.

The draft policy makes clear that the NRC believes environmental justice issues are not per se litigable in licensing proceedings. The policy goes on to state that environmental justice issues won't be considered in generic rulemakings or proceedings, and that, in fact, they will only be considered under limited NEPA-related actions. Instead of welcoming the Executive Order, the NRC now is parsing the Order to determine how little it can do

to meet its intent rather than how much it can do to address environmental racism issues—for which the nuclear power industry has a miserable track record.

Indeed, the Nuclear Energy Institute's December 2002 letter was spawned by its recognition that environmental justice issues were getting in the way of licensing of major projects. Most famously, these included Louisiana Energy Services (LES) which was denied a license in 1997 by the Atomic Safety and Licensing Board on environmental justice grounds (see *WISE News Communiqué* 474.4694: "Environmental racism: LES license denied"). The NRC Commissioners later partially overturned that ruling, but it was too late for LES, which gave up its quest to build a uranium enrichment plant in northern Louisiana (the company is now trying to build a similar plant in eastern New Mexico, in an area with a large Hispanic population).

More recently, environmental justice issues have surfaced in the licensing case of the proposed Private Fuel Storage high-level nuclear waste dump on Native American land in Utah (see also *WISE News Communiqué* 559.5349: "Environmentally racist nuke waste dump tears Goshutes apart").

And environmental justice issues are expected to arise at early site permit hearings for a new NPP at the Grand Gulf site in Mississippi. Although an existing reactor already is there, it is unlikely that reactor could have been built in the largely poor, largely African-American community in which it is located had the NRC's existing policy been in effect. And opposition to a new reactor at that site already is building among the local population.

The NRC's draft policy statement and some related documents are now available on the NRC's website, www.nrc.gov (in the proposed rulemakings section). The statement and related documents also are available on NIRS' website, www.nirs.org. Currently, the comment period is slated to end 5 January 2004, but as

noted, NIRS and many other groups are seeking a 180-day extension of the period, until 4 July 2004. Comments are being accepted at hearingsdocket@nrc.gov or by fax at 301-415-1101 (non-US residents at + 1-301-415-1101). The NRC will accept, but discourages comments by regular mail because delivery of mail to government offices remains disrupted because of the anthrax alert.

Comments by international groups is encouraged by NIRS. Positions taken

by the U.S. NRC often are used as justification by regulatory agencies in other countries (and vice versa), and a large international outpouring of protest over the NRC's treatment of environmental justice and fundamental human rights issues would be both appropriate and helpful.

NIRS is mounting a major campaign to protect the environmental justice concept and to maintain the rights of people to bring up the issue in hearings and other litigation. We will

be posting our own comments to the NIRS website as soon as they are completed. We also will be making pre-printed comment postcards available for widespread distribution. Let us know how many such postcards your group would like so we can determine the appropriate print run by contacting us at nirsnet@nirs.org or 202-328-0002 (+ 1-202-328-0002 for non-US residents).

Source and contact: NIRS

PACKAGE DEAL ON GOLD MINE AND CERNAVODA-2?

The proposal by Montana Gold Corporation (80% owned by Canadian company, Gabriel Resources) to dig Europe's largest open-cast gold mine, in the town of Rosia Montana is causing outrage amongst the local communities and NGOs in the region. The corporation has been employing its best lobbying tactics in an attempt to have the mining license granted with subsidies for Cernavoda-2 reportedly being offered as a sweetener. What began as protest against social, cultural and environmental destruction has broadened to include serious concerns over alleged inappropriate political and criminal involvement.

(599.5559) WISE Amsterdam – On 5 June, Romanian Prime Minister, Adrian Nastase declared himself “very reluctant” to sanction the gold mining project proposed by Gabriel Resources. PM Nastase said, “the mining project was not a priority for Romania...” while in previous statements, Nastase had declared that the progress of Cernavoda was a priority for Romania. Just days before Nastase's comments of 5 June, Gabriel Resources released a statement claiming to enjoy “the continued support of the Romanian government”.

The cause of such mixed messaging could only be guessed at until an unnamed source reported a conversation between the Prime Ministers of Canada and Romania at a Ministerial meeting in London where funding for further construction at Cernavoda was discussed. It is alleged that the Canadian government ‘suggested’ that financial support could be guaranteed for the construction of Cernavoda-2 were approval granted for Rosia Montana. In July, an additional statement by PM Nastase stated that his position on the Rosia Montana project had not changed.

On 10 November, several NGOs sent a letter to Canadian embassies protesting against the country's alleged role and requesting that the Canadian government refrain from any involvement in the matter. Protests were held at embassies in Austria, Hungary and Romania on the same day resulting in a statement from the embassy in Bucharest that made no mention of one of the main questions posed – whether or not the Canadian government were applying undue pressure using the Cernavoda carrot. (1)

Tender SA

One of the forces behind Cernavoda is Romanian businessman, Ovidiu Tender, owner of SC Tender SA and major shareholder of the Nuclear-montaj Group, which holds the very lucrative contract to build the nuclear plant – he also sits on the board of Gabriel Resources. With his brother Tiberiu, Tender began empire building in 1991 and now successfully controls a large portion of the Romanian economy while enjoying strong ties with political leaders of all parties. He is included in most political delegations with President Ilescu or PM Nastase – however, it should be noted

that these connections are not proven to have contributed to his success...

Tender SA has interests in oil, agriculture, construction, nuclear power, security and protection, IT, finance and more. Ovidiu Tender is majority shareholder with 90%, while brother Tiberiu has to settle for a measly 2.5%. (2)

Gabriel Resources is under extreme pressure to obtain approval for Rosia Montana. Thus far there has been a 70% increase in costs for the project, a 50% drop in share value, reported shortage of funds and several high profile resignations by members of the senior management team. The most noted departure being that of Vasile Frank Timis, founder and former chairman of Gabriel Resources (twice convicted for trading in heroin). (1)

Frank Timis shares various business interests with Ovidiu Tender – both were on the board of Gabriel Resources (founded by Timis), until an internal investigation into his background cost Timis his seat. The investigation was probably instigated by the withdrawal of World Bank support, in

the form of a loan for 200 million Euro (approx. US\$ 239 million) for the Rosia Montana project. (3)

Timis also owns Regal Petroleum PLC (RPP), which was mentioned in a 1999 letter to then Romanian PM, Mugur Isarescu, from Russian company, GAZPROM. The letter, claimed that RPP worked with organized crime groups in the Ukraine and was involved in a plot to steal gas, from GAZPROM pipelines, that was then be sold on in Romania. RPP is still active in the Ukraine and in Romania where it's partner is Prospectiuni SA (owned by Tender). (4)

The criminal undertones of this case are ranging. Another of the principals in this tangled story is Jan Willem Matser (Lieutenant Colonel in Staff to NATO Secretary General George Robertson), arrested on 2 February on charges of suspected money laundering.

In October 2002, a suspicious package was intercepted at Schiphol Airport in the Netherlands and was found to contain a cash deposit slip from Colombian bank, Santander, for US\$ 200 million made out to Tender SA. The Dutch fiscal police (FIOD-ECD) bugged the package and allowed it to be delivered. It was tracked to Matser, however, it is not known exactly to whom the package was addressed. Three men, thought to be possible addressees, were also arrested within days of Matser: Willem van Voorthuizen, Pedro Fedino and Mohammed Kadem. (See box) (5)

Matser Investigated

The Dutch Ministry of Justice believes that Master is the mastermind behind an international money laundering operation with connections to the drug trade. Matser refutes these claims and those suggesting a connection with his work for NATO. However, he does concede that, on occasion, his NATO office was used to make telephone calls and send faxes for financial transactions and also that he forged documents. He claims to have started a legitimate 'money trading' business, acting as mediator to provide

companies with short term loans. In addition, he carried out 16 other transfers to various Eastern European destinations but vehemently denies money laundering or knowledge of drug trafficking. Matser told police that the convicted cocaine dealer, Fedino was responsible for the Colombian connection – no doubt... Fedino had convinced him that large US\$ reserves of legal origin were available in Colombia. (6)

Ovidiu Tender denies knowledge of the US\$ 200 million and claims that his links with Matser are isolated to legitimate business. Matser had been seeking to purchase shares in the Tender groups (45%). However, Matser admitted that one of Tender's construction companies had been made beneficiary of the US\$200 million (from the Colombian bank slip) to avoid tax charges of 70%. The company would supposedly benefit, to the tune of several millions, at a later stage through government schemes. Matser went so far as to suggest that Romanian Ministers were in fact willing to break the law to use his money trading business, which had been set up to help Romanian companies rather than from the desire to make obscene amounts of money for himself...

Shortly before his arrest, he had signed an agreement to buy Libra Bank, Romania. It is uncertain where Matser's funds originate, he claims to be financially comfortable, maintaining that NATO paid enough so he didn't need to involve himself in criminal activities (enough to buy a bank?!).

When arrested, Matser claimed to have been "executing border crossing and politically sensitive work with NATO, representing the organizations continuity in Eastern Europe..." Matser was involved with various transatlantic think-tanks, lectured and organized conferences in Eastern Europe – the recurring theme was the future of the secret services in Europe. (7)

Tender-Matser-Timis connections

Within most Tender companies (especially concerning exploration, oil

or the construction of nuclear power plants), there are ties to individuals linked to or part of the structure of the secret services.

Although Tender has sought to distance himself from Matser since the latter's arrest, they can again be linked through the September 2002 NATO conference in Snagov, organized by Matser and on the role of secret services in the 21st century. Price Waterhouse Coopers, Ovidiu Tender and Vasile Frank Timis sponsored the conference. The NATO press office reports that the Romanian government was the organizer and responsible for its sponsors and that its role was simply a supportive one.

Matser and Tender are further connected by their failed attempt to gain control of PETROM National Society (SNP), a soon-to-be privatized

Arrests linked with the Matser case

Piedro (or Pietro) Fedino is, reportedly, a wealthy Sicilian criminal residing in the Netherlands. Defendant in an ongoing cocaine case in Haarlem, the Netherlands and has a five-year German conviction for trading in cocaine.

Mohammed Amal Kadem is described as an incredibly wealthy criminal and also resides in the Netherlands. Suspect in four ongoing criminal investigations related to drug trafficking and on Interpol's wanted list since 1996. FIOD-ECD claims that Kadem holds 16 bank accounts worldwide with homes in both Spain and Morocco. In the Netherlands, he allegedly claims unemployment benefit...

Little is known of the third, Willem vanVoorthuizen, he is believed to be a real estate trader and has addresses in Nijmegen and Voorthuizen.

Otila Ciocirlan is a translator, who often accompanied Matser on trips to Romania and is also a small shareholder in one of his companies, Delta Holding. Ciocirlan visited the Netherlands between 30 January and 2 February at Matser's invitation.

Fringe Intelligence Newsletter;
24 June 2003

Romanian oil-company, which produces 10% of the Romanian GDP. Tender, Matser and Halliburton formed a consortium in an effort to gain controlling stakes – 51% estimated to be worth approx. US\$ 1 billion. A few days following the announcement of this trio's interest, Matser was arrested. Subsequently, Romania's Economy Ministry has made it known that the consortium had not met its criteria and was no longer being considered. (4)

The question remains as to whether the destinies of Romania's two undesirable proposals, Cernavoda-2 and Rosia Montana will in fact be joined.

The power and influence wielded by the businessmen involved with both projects, Tender and Timis, appears to be such that the approval of one may inevitably result in a green light for the other. The Romanian government requires substantial financial aid to continue with Cernavoda-2 and the Canadian government is reportedly willing to arrange this in exchange for approval of the gold mining project.

No judgements can as yet be made with regard to a connection between these projects and the Matser arrest or with regard to the possible role of any other organizations seeking to further their interests in Romania and Eastern

Europe as a whole.

Sources:

- (1) Alburnus Maior; press releases from 5 June, 10 July and 11 November 2003 (www.rosiamontana.org)
- (2) Love me...Tender; email from Stephanie Roth of Alburnus Maior, 5 October 2003
- (3) *Volkskrant*, 14 October 2002
- (4) The Battle for PETROM by Paul Cristian Radu (www.crji.org)
- (5) *Fringe Intelligence Newsletter*, 24 June 2003
- (6) *NRC Handelsblad*, 18 October 2003
- (7) *Volkskrant*, 18 September 2003

Contact: WISE Amsterdam

GRIDLOCK OVER NEW EU NUKE LAWS

The European Union has again failed to agree draft nuclear legislation, after four states - all with a sizeable atomic industry – said they could not accept proposals tabled by the European Commission last year.

(599.5560) FOE Europe - At an EU ambassadors meeting on Wednesday 27 November, Finland, Germany, Sweden and the UK said new laws on plant safety and radioactive waste would be vetoed. Between them the four states hold enough votes to do so, and have instead called for the proposals to be recast as non-binding recommendations.

The Italian government, which currently holds the EU presidency, had pushed over recent months to close the negotiations, but will now hand over the issues to the Irish, which takes over the presidency in January.

The measures are in fact two separate directives (meaning framework laws that must be enacted in every EU state) but are generally referred to together as 'the nuclear package'. There is, apart from the timing, no formal link. The Commission proposed the two directives under powers contained in the 1957 Euratom treaty, arguing that a better safety regime was needed ahead of EU enlargement next year.

However, Euratom's definition of safety has been widely interpreted by the Commission, and the question of to what extent the EU (as opposed to individual states) has powers over

safety is heavily contested. In simple terms, most of the nuclear states do not want to transfer any power to the European level.

This inter-section of competing interests has produced gridlock, and it is difficult to see how the Irish will proceed. Normally, the EU presidency takes a neutral position in debates but, in this case, Ireland is amongst the strong advocates of the proposals. It is rumoured to be planning to raise the issue at the highest political level in the spring.

Anti-nuclear groups have found it tricky to engage with 'the package' because, of the two proposals, one (more safety controls) could be supported (at least in principle), whilst the other (disposal) is strongly opposed.

However, the latest drafts of the laws have become so watered down as to have no useful effect. This risks having laws in name only, so the EU can pretend something is being done, when in fact nothing is.

One important issue in the original package, the proper establishment and control over decommissioning funds, was the first aspect to be deleted.

Nuclear states could face having to confront the huge financial liabilities their respective nuclear sectors have run up.

But without such laws, there can be no prospect of having a single EU energy market "free from distortion", which is a cornerstone of wider economic policy and of the EU treaties generally.

In a related move, the European Parliament's Industry Committee voted to back the Commissions plans but, under Euratom rules, only acts in a consultative and not a legislative capacity.

[On 14 November, WISE/NIRS published a special edition of the *Nuclear Monitor* on European issues: *European Nuclear Threats: Old and New*. The "nuclear package" is one of the contents. It can be downloaded from the WISE webpage at www.antenna.nl/wise]

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IN BRIEF

Union of Concerned Scientists: disaster at Davis-Besse was possible.

The Union of Concerned Scientists (UCS) has released a study with the latest facts and developments on the shutdown Davis-Besse reactor. In 2002, a large hole was detected in the reactor vessel head of this reactor, caused by corrosion from boric acid that leaked from the control rod drive mechanism (see *WISE/NIRS Nuclear Monitor* 565.5385: "Millimeters from disaster"). The boric acid had eaten through the metal lid and only a thin stainless steel liner inside the lid had prevented cooling water to escape from the reactor. Testing with two mock-ups of the lid at the Oak Ridge National Laboratory recently showed that the rupture of the remaining structure was likely. The mock-up lids burst at a lower pressure than predicted by computer studies. In fact, one lid burst at a pressure substantially lower than Davis-Besse's normal operating pressure.

Another problem discovered was a failing 'containment sump' system, a vital system for emergency cooling. Insufficient cooling water can cause a meltdown if too much water escapes from a reactor. In the case of Davis-Besse the loss of coolant would have occurred if the lid had burst. Water escaping from a reactor vessel would end up at the bottom of the containment structure. The containment sump system should pump the water back into the reactor. It has now been discovered that the containment sump in a number of reactors would probably be blocked with debris if an accident occurred and that the capacity of the system is too small to guarantee sufficient cooling of the reactor.

Both problems together pose a high risk to Davis-Besse. If the lid had burst, which was already possible under normal operation as shown by the Oak Ridge experiments, and the containment sump did not function, the reactor could have melted. The hole in Davis-Besse was only found because of similar problems at the Oconee plant (South Carolina). The UCS reconstructed the scenario in which the hole had not been detected and the reactor

was online during the 14 August electricity blackout. Such a blackout could have caused an increase in the coolant pressure due to an automatic shutdown of the secondary coolant circuit. The reactor lid would have burst due to this sudden pressure rise inside the reactor vessel and the core melted. UCS has recommended that the U.S. Nuclear Regulatory Commission order all reactor owners to repair their impaired containment sump systems. Otherwise, a broken component and subsequent coolant leakage may result in a tragic disaster.

Disaster at Davis-Besse: What Might Have Been, Union of Concerned Scientists, 18 November 2003

France: draft Energy Law. On 7 November, the French industry minister Fontaine introduced a draft energy law. The draft law (or White Paper) is a next step in the development of France's energy and electricity supply policy, following the Energy Debate earlier this year. The draft law does not include real short-term decisions on replacement of its nuclear capacity. Although it states that the nuclear option must be kept open, a decision to replace the current reactors is not necessary before 2012-2015. By that time, France could have decided to replace all or parts of its nuclear fleet. The decision will be influenced by the economics of nuclear and other options, for instance by the price of natural gas, carbon dioxide policies and cost uncertainties associated with nuclear waste management and decommissioning.

To keep the nuclear technology available (until 2012-2015) the draft law "envisages [...] soon building a new generation demonstrator". These kinds of investments in technology programs cannot be expected before appendices to the law have been made, and so not before voting in parliament in the second part of 2004. Such a "new generation demonstrator" could be the European Pressurized water Reactor (EPR), although this is never mentioned by name in the draft law. Confusion arose in the media about press statements from Fontaine in which she

said she would like to launch an EPR demo unit. However such a strong conclusion was not included in the draft law and can be seen as a political move. Presently, there is no official decision on building an EPR and one cannot be expected before the second part of 2004. Greenpeace France also noted: "Keep in mind that in France nuclear decisions are most of the time totally irrational".

The Draft can be commented on at the end of the year. Afterwards (beginning of 2004 at latest) it will be sent to the council of ministers and eventually introduced and voted by parliament. That should happen by, or after, the summer.

Press release Minister of Industry, 7 November 2003; Nucleonics Week, 13 November 2003; Email from Greenpeace France, 17 November 2003

Fortum presses ahead with controversial stake in new Finnish reactor.

Fortum, Finland's state-controlled energy group, went ahead with a controversial decision to take a 25% stake in Finland's fifth reactor. The Fortum decision has provoked resistance from anti-nuclear groups, and Greenpeace last week called for a demonstration in an effort to stop the move. The Finnish national energy group is a member of TVO, the consortium that won parliamentary approval last year to build the reactor. TVO said that interest in the project had been strong but gave no further details. Finnish forestry and paper giants UPM-Kymmene and Stora-Enso, who both hold indirect stakes in TVO, are believed to be among them, while the City of Helsinki has already said that it will participate in the construction. After the decision Greenpeace said it would start a campaign targeting Fortum's customers in Scandinavia, where resistance against nuclear power remains strong and the firm has marketed its energy as a "green alternative".

AFP, 18 November 2003

Hunt for nuke waste in Australia.

Nearly 18 kg of uranium, including 9.7kg of enriched uranium, stored at

the Lucas Heights nuclear reactor cannot be accounted for. The whereabouts of 61.2 kg of radioactive thorium also remains a mystery after audits at the Australian Nuclear Science and Technology Organization (ANSTO) failed to pinpoint the material. Australia's nuclear watchdog, the Australian Safeguards and Non-proliferation Office (ASNO) reported that batches of nuclear material could not be accounted for on seven occasions during inspections at the reactor since 2000. ASNO believes most of the material is could not be found because of faulty records or failures in accounting for substances that were transferred from waste stocks to inventory storage.

Herald Sun, 24 November 2003

30 years is enough; close Borssele. A coalition of NGOs, political parties and local grassroots protested at the Borssele NPP on 30 October, the day the station celebrated its 30th anniversary. In 1994 it was decided that Borssele would close before 2004 but the government that took power in May has decided to keep it open until at least 2013. The demonstration made clear that 30 years of nuclear power is more than enough – and that we have to take care of the nuclear heritage for the coming 240.000 years. More than 100 people joined in the action, putting together an impressive tableau vivant of 600 yellow radwaste barrels.

As the nuclear circles are very much into 'open communication' representatives of WISE and other NGOs were invited to take part in the official program inside the NPP. There we learned that – according to almost all nuclear industry people having their drinks – it is just a matter of time before they can openly start talking about new-build, even in the Netherlands.

WISE Amsterdam

Germany: Stade NPP permanently shut down. On 14 November, the 640 MW Stade reactor was closed. The Pressurized Water Reactor had been in commercial operation since May 1972. In 2000, Stade operator E.ON announced that the reactor would close by 2003 for economic reasons.

Nevertheless, media reports stated that the closure would be the consequence of the agreement between industry and government regarding the lifetimes of German reactors (see *WISE News Communique* 532.5186: "Germany: government and utilities reach agreement on phaseout"). Although this "consensus agreement" has set electricity amounts to be produced for each reactor, Stade had not yet reached that limit and could have operated until mid-2004. Under the consensus agreement, the remaining amount of Stade (about 5 GigaWatthours) will now be transferred to the Burnsbüttel and Brokdorf NPPs.

Although the minister of environment Jürgen Trittin (Green Party) claimed the closure as a victory, anti nuclear organizations were less optimistic. The Bund for Environment and Nature Protection criticized the transfer of the residual electricity amounts to other NPPs. The Citizens' Initiative (BI) Lüchow-Dannenberg said, "no gram of nuclear waste to be less produced now, but only at another place". The BI was in the recent weeks actively involved against the transport of 12 casks of high level waste from France to Gorleben. In reaction to an invitation by Trittin to join him in a special dinner, many NGOs refused to do so. As Greenpeace Germany said "we will only celebrate a big party when the last reactor is disconnected from the grid".

The next closure should be the Obrigheim reactor, which has been in operation since 1968. This reactor will reach its lifetime by November 2005 and was initially planned to be closed in 2003, but it gained electricity 'credits' from the Philippsburg-I reactor and was allowed to operate for two more years (see *WISE/NIRS Nuclear Monitor* 575.5450: "Germany: closure of Obrigheim delayed by two years"). Critics fear that no other reactor will be closed before the next parliamentary elections. After the 2006 elections, a change of government could occur that would end the phase out politics.

Press release BUND and BI Environment protection, 14 November 2003; Tageszeitung, 14 November 2003; WNA News Briefing, 12-18 November 2003

Germany: radiation victim Michael Weber died. On 17 September, the founder of the German Association for Radiation Victims has died after a long period of illness. His disease was a consequence of an accident at the uranium fuel fabrication plant at Hanau in 1971. In the accident, he was covered with uranium powder and inhaled it because he was not given respiratory protection. Ten years later he developed serious lung problems. In 2000, he sued Siemens AG for DM3 million (at that time US\$1.4 million) compensation (see *WISE News Communique* 531: "In brief:"). He was never able to finish the legal procedure due to the high costs. Siemens always denied liability in the case.
Strahlentelex, November 2003

Australian spent fuel to France. 344 spent fuel elements from the Lucas Heights research reactor in Sydney was sent to the La Hague reprocessing plant on 27 October. The shipment is to arrive at La Hague early December and the amount of fuel is equal to nine years of operation. It is the sixth transport of spent fuel to a destination outside Australia since 1963.

Reuters, 27 October 2003; BBC news, 28 October 2003

French secret defense regulation adapted. Following numerous protests by NGOs and journalist federations, the French government has announced that it will revise proposed regulation on the release of information concerning nuclear transports. The decree was published in August and sought to forbid the release of any information on transports of nuclear materials for reasons of national defense (see *WISE/NIRS Nuclear Monitor* 595.5551: "New French regulation makes nuclear industry as secret as military activities"). Even parts of the nuclear establishment itself are worried about the consequences in relation to their strategy of communicating with the public.

The government is now planning to specify the decree to "information whose divulcation is such that it could negatively affect nuclear materials physical protection". But anti nuclear

organizations still consider a revised decree as in conflict with the right of public access to information.

NuclearFuel, 10 November 2003

Russian spent fuel import panel meets. A special commission of the Russian government to examine contracts for the import of foreign spent fuel held its first meeting on 16 October. The commission was established after the Russian parliament, the Duma, passed laws on the import of foreign spent fuel for long term storage (see *WISE News Communiqué* 550.5287-b: "Russia wants foreign nuclear waste; lack of exporters").

In its first meeting no specific proposals were discussed because no concrete projects have been realized. According to the ministry of atomic energy (Minatom) the preparation of technical, economic and legal aspects

had been an extremely long and painstaking process. Minatom conceded that the delays were caused by protests of anti nuclear organizations that fear that Russia might become the world's nuclear waste dump. Russian origin spent fuel is imported from countries such as Bulgaria, but is covered by older agreements.

NuclearFuel, 10 November 2003

Russian activists protest nuclear waste imports

On 25 & 26 November, some 2, 000 activists in 30 cities across Russia protested to raise public awareness on the issue of nuclear waste imports on the eve of the country's parliamentary elections. Anti-nuclear group Ecodefense organized the action days with groups from all around Russia to ensure that voters were informed about parliamentarian's position on the issue. Opinion poll results showed

that up to 82% of respondents are opposed to nuclear waste imports and nearly 63% would vote against Duma (parliament) members who supported waste imports. The State Duma had ignored mass public opinion against nuclear waste imports in 2001 when the legislation was approved. These action days should serve as a warning to Duma members to listen to the voters and act responsibly. Ecodefense said, "Through effective public pressure we need to force the new parliament to disapprove the nuclear waste legislation as amoral and anti-democratic"

Ecodefense press release, 26 November 2003

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WISE/NIRS NUCLEAR MONITOR

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