



Department of Energy
Washington, DC 20585

QA: NA

March 8, 2007

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

The Office of Civilian Radioactive Waste Management's (OCRWM) *2006 Annual Report to Congress* is herein submitted in accordance with Section 304(c) of the Nuclear Waste Policy Act of 1982 (NWPA), Public Law 97-425. This letter report highlights the key Program accomplishments in Fiscal Year (FY) 2006 and discusses important ongoing issues affecting the Program. The Program's Financial Statements and Independent Auditors' Report, as required by section 302(e)(1) of the Act, will be submitted under separate cover when they become available over the next 60 days.

In FY 2005, Secretary of Energy Samuel Bodman directed a review of OCRWM's overall approach to designing, licensing, and operating the Yucca Mountain repository. The review focused primarily on streamlining and simplifying the technical approach to make effective use of available funding and ensure that a realistic schedule could be put in place for achieving repository operations as soon as possible. As a result of that review, in July 2006, OCRWM adopted a new approach to repository design, development, and operation. Central to this approach is a concept under which a single canister would be used to transport, age, and dispose of nuclear waste without the canister ever being reopened. This approach minimizes handling of individual spent fuel assemblies and limits the need for multiple complex surface facilities. This single canister approach offers the advantage of using practices familiar to the nuclear industry and the Nuclear Regulatory Commission (NRC), thereby making the repository easier to design, license, build, and operate.

Supporting the new approach, OCRWM is developing a modular repository design and phased repository development that minimizes the time to initial repository operation and reduces annual funding requirements by spreading capital construction costs over an extended period of time. This will allow the Program to take advantage of lessons learned and offers the flexibility to adapt to changing information and circumstances and to incorporate any technology improvements that may occur.

In parallel with the improvements to the technical approach, OCRWM is developing the organizational structure, practices, and culture needed to be a successful NRC licensee. In 2006, the Program appointed a Project Manager for the License Application and has projectized other key elements of license development including preparation of related documentation under the National Environmental Policy Act, and the certification for the Licensing Support Network. The organizational changes are designed to improve and



streamline the structure and processes to more effectively manage the Program. In addition, in January 2006, OCRWM designated Sandia National Laboratories in Albuquerque, New Mexico, as the lead laboratory to coordinate and organize all scientific work on the Yucca Mountain Project. Designating Sandia as the lead laboratory will provide OCRWM with strong, centralized leadership for its science program and will increase technical credibility with the scientific community, as well as the Program's regulators and stakeholders. During 2006, OCRWM also acquired the services of experienced nuclear operations, safety, and security professionals to augment the skill sets of the current organization and to assure Program activities meet the highest nuclear industry standards. The Department has also selected a university-based consortium, the Oak Ridge Institute for Science and Education, to independently review key aspects of the Program to ensure it remains objective and without bias. The Program is also obtaining independent assessments of its draft license application material, quality assurance program, and engineering processes and procedures.

The Program is also developing the detailed project plans required for a transportation system that will safely, securely, and efficiently transport spent nuclear fuel and high-level radioactive waste to the Yucca Mountain repository. OCRWM's National Transportation Project is focused on procuring the required casks, rail cars, and maintenance assets required for these shipments. Since the existing national rail network does not connect directly to Yucca Mountain, OCRWM is preparing a rail alignment environmental impact statement to evaluate rail development alternatives. The rail alignment environmental impact statement will be completed in 2008.

Based on the planning that has been done to implement the canister based system, the Department has established a "best achievable" new schedule that includes submission of the Department's license application to NRC no later than June 30, 2008, and for the start of waste acceptance at the repository as early as March 31, 2017. This schedule is based on factors within the control of the Department, appropriations consistent with optimum project execution, issuance of an NRC construction authorization consistent with the three-year period specified in the Nuclear Waste Policy Act, and the timely issuance by the NRC of a receive and possess license. The schedule is also dependent on the timely issuance of all necessary other authorizations and permits, the absence of litigation-related delays, and the enactment of the legislation proposed by the Administration.

The Department is confident that, with the new schedule and supporting improvements, the OCRWM Program is prepared to move forward expeditiously to build and operate a disposal system for the Nation's spent nuclear fuel and high-level radioactive waste. Achievement of the Program goal of initial repository operation in 2017 assumes that succeeding Administrations and Congresses remain committed to timely implementation of the NWPA requirements and that the Program receives adequate and stable funding through the appropriations process.

Sincerely,



Edward F. Sproat, III, Director
Office of Civilian Radioactive
Waste Management