

HOLTEC HIGHLIGHTS

A Summary Report to Our Clients, Suppliers, and Company Personnel

DOE'S Muddled Mission On The TAD Program

Holtec International's Nuclear Power Division wishes to inform its stakeholders that the company was not selected by DOE for designing, licensing, and prototypical manufacturing/loading demonstration of the TAD-21 PWR and TAD-44 BWR canisters for aging in the HI-STORM 170 aboveground vertical ventilated system and storage in the existing HI-STORM 100 System. To our knowledge, DOE is in the process of placing two contracts with AREVA Federal Services and with NAC International for a total value of up to \$13.8 million if all options are exercised by DOE and are each for a term of up to five years. Having established that four companies met the minimum technological acceptance threshold, DOE elected to base its awards purely on the lowest price. According to DOE's letter to us, Holtec's offer at over \$12 million exceeded DOE's budget and hence failed to merit an award. Holtec has decided to not lodge an official protest with GAO or the Department of Energy on this matter.

Our reason for reticence in this matter is the materiality of the project which, as configured, is a mission impossible. Consider DOE's mandate that the aging module at the Geological Repository Operations Area must be able to remain kinematically stable under the Yucca site's Design Basis Earthquake. At three times the acceleration due-to-gravity, the Yucca quake will turn an array of freestanding casks into a chaotic mêlée of bouncing and rolling juggernauts. (A computer simulation of a freestanding HI-STORM 170 under a 3g earthquake, available from us upon request, will convince the reader of this publication that pigs will fly before the cask will stay put!)

Other near impossible requirements such as post-airplane crash cask performance make the design objective of an aboveground freestanding ventilated cask for Yucca a fool's errand. Our price to DOE reflected the challenge inherent in the mission and was based on our corporate decision to include the underground storage solution (known as HI-STORM 100U) in our work effort to salvage an otherwise doomed undertaking. We continue to believe that, ultimately, the underground storage technology is the only feasible solution for Yucca's Aging Facility. We plan to continue to work with the DOE to explain our solution approach and dissuade the Department from relying on a commoditized procurement in such a pivotally important project. We trust that DOE's management has an open mind. Holtec's executive in charge of the DOE programs sums up the company's position as follows:

“Holtec, for its part, will develop the underground TAD storage technology for the Aging Facility to protect the public health and safety and be fully compatible with our existing HI-STORM and HI-STAR technology deployed at over 15 sites in the United States, if Yucca remains viable. Ultimately, we remain convinced that DOE's executives will see the merit of supporting a technology that is incomparably safer than that being sought by its TAD specification, and the only viable solution licensable for the design criteria applicable to the Yucca Aging Facility.”



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