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Texas Company, Alone in U.S., Cashes In on Nuclear Waste

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ANDREWS, Tex. — Standing at the lip of what might be America’s most valuable hole in the ground, Rodney A. Baltzer cataloged the features that he said would isolate the radioactive waste to be buried here for thousands of years.

First, Mr. Baltzer said, there is a base layer of nearly waterproof clay, then a layer of concrete reinforced with steel and then three layers of plastic. When the waste, loaded into concrete containers, fills the pit, he said, it will be topped by a 40-foot-thick covering cap that includes more concrete, then more clay and finally a “bio-intrusion cap” to keep out burrowing prairie dogs.

All of which helps to make the hole, and others to be built adjacent to it over the next few years, a “money pit” in a very different sense of the term.

Space inside goes for \$10,000 a cubic foot in some cases. Three-quarters of the money goes to Mr. Baltzer’s company, [Waste Control Specialists](#), and the rest to the surrounding Andrews County and the state of Texas. WCS, as the company is known, has a monopoly: As aging nuclear reactors retire, their most radioactive steel, concrete and other components must be shipped for burial somewhere.

For 95 reactors in 29 states, Mr. Baltzer’s company is the only place that will take some categories of low-level waste. “We definitely haven’t won a lottery,” insisted Mr. Baltzer, the president of WCS. But, he acknowledged, “there’s obviously a large payback for what we’ve got invested.” The company in fact looks likely to collect a substantial part of the disposal fees paid for nuclear waste nationally, which the industry puts overall at \$30 billion. Mr. Baltzer says that number is high, and that the total is probably more modest — say \$15 billion.

WCS began disposing of nuclear waste in April 2012. “It’s come at a very opportune time,” said Lisa M. Edwards, the senior program

manager for low-level waste at the Electric Power Research Institute, a nonprofit utility consortium based in Palo Alto, Calif.

Last year alone, utilities announced that they would retire five reactors. Low prices for electricity that have persisted since 2008 make more retirements likely, industry specialists said.

Disposing of low-level nuclear waste is not quite as hard as storing used nuclear fuel, which for some years looked likely to go to [Yucca Mountain, Nev.](#), but is now in a state of uncertainty, with no program to find a repository and no decision by Congress on who should even attempt that task.

But the tale of low-level waste — items as diverse as contaminated tools, protective clothing, used-up filters for radioactive water, plus a smattering of hospital and laboratory wastes, and, soon, a flood of demolition debris — is a government misadventure similar to the high-level waste problem. In the early 1980s, Congress told the states that the federal government would find a place for the fuel, and that the states should unite in [multistate compacts](#) to establish shared waste dumps.

Many organizations have tried for years under the compact system to establish low-level waste disposal sites, but the Texas site is the first and only one to open.

Mr. Baltzer said 10 attempts had been made, with a total expenditure of \$1 billion. “There’s an incredibly high barrier to entry,” he said.

His company succeeded in part by making a virtue of the region’s salient characteristic, drought. Intrusion by water, which would spread the waste, will be minimal, he said.

It also has strong local business support. Wesley R. Burnett, Andrews’s director of economic development, said the struggle to open the burial site began around 1992, when he was with the local Chamber of Commerce and oil, the mainstay of the local economy, fell to \$8 a barrel. Today the region is so thick with fracking crews, coaxing new oil from old wells, that jobs are easy to find and hotel rooms are scarce, but that will not last forever, Mr. Burnett said.

Other local sentiment is not so positive. Rose Gardner, who was born in nearby Eunice, N.M., and runs Desert Rose, a flower and gift shop there, said it was impossible to keep burying radioactive materials and not expect trouble.

The problem, she said, was that “the Texas state Legislature has been so beholden to the big boss,” Harold C. Simmons. WCS is owned by

Valhi Inc., which was controlled by Mr. Simmons, a billionaire investor who was an ally of Gov. Rick Perry of Texas. Mr. Simmons, who helped finance the [Swift Boat Veterans for Truth](#) attack ads against Senator John Kerry in the 2004 presidential election, [died last year](#).

Environmentalists are divided over WCS.

“I was impressed with their low-level waste cell,” said Scott A. Kovac, operations and research director of Nuclear Watch New Mexico, which has criticized the Energy Department’s operations at the Los Alamos National Laboratory. WCS was “a generation above anything at Los Alamos,” Mr. Kovac said. (WCS takes wastes from Los Alamos and other government plants, as well as hazardous nonradioactive wastes.)

But Tom Smith, an energy and environment specialist at Public Citizen in Austin, Tex., said he was concerned that maps previously showed an aquifer under the site. The maps were more recently redrawn after testing to show the aquifer ending northeast of the site, but the testing, said Mr. Smith, was done at the Texas Tech University System, where the chancellor, Kent Hance, was once a lobbyist for WCS.

WCS is more sophisticated than other waste sites for spent nuclear fuel used by the multistate compacts. The [Atlantic Compact](#), comprising South Carolina, New Jersey and Connecticut, uses a long-established dump near Aiken, S.C., called Barnwell, [while the Northwest Interstate Compact](#) covers a region with just one operating commercial reactor, in Washington State.

Utah licensed a site near Clive, about 70 miles west of Salt Lake City, operated by [EnergySolutions](#), and it is open to all, but it takes only the least-contaminated material.

Texas set up a compact with Vermont and Maine, but Maine closed its only reactor and later dropped out. The owner of Vermont Yankee, a 41-year-old reactor that is scheduled to close soon, will probably ship thousands of tons to Texas.

In any other industry, a \$30 billion market would have attracted competitors, said Ralph Andersen, a radiation specialist at the Nuclear Energy Institute, the reactor industry’s trade association. Each reactor will generate waste that could cost \$300 million and “multiply the millions of dollars involved, and you create a marketplace,” Mr. Andersen said. He expressed hope that other options would emerge.

But so far WCS is the lone winner. As a result, the company charges waste generators from within its compact — that is, Texas and Vermont — a base price of \$1,000 a cubic foot, plus surcharges depending on radioactivity. Out-of-compact waste generators pay far more, to compensate Texas, which hosts the site, and Vermont, which helped pay for it.