

**Ponca Industrial Corporation
P.O. Box 154082
Irving, TX 75015-4082
(214) 579-1144**

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July 17, 1996

Mr. William Knoll
NAVSEA Code O8U
2531 Jefferson Highway
Arlington, VA 22242-5160

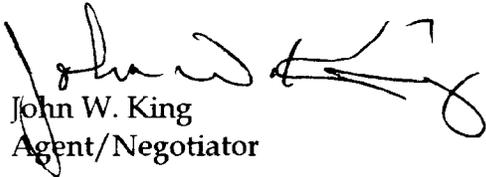
Re: Proposal for Nuclear Waste Containment Facility

Dear Mr. Knoll:

Thank you for the opportunity to present the above referenced proposal to the U.S. Department of the Navy. We hope that you will consider this as an alternative to previously proposed solutions. Our research indicates that ours is the more cost effective, and environmentally sound method of nuclear waste storage.

Should you have any questions, or require additional information, please contact us as the above address. We are looking forward to hearing from you with your response.

Sincerely,


John W. King
Agent/Negotiator

PROPOSAL for Nuclear Waste Containment Facility

**Prepared for:
U.S. Department of the Navy
William Knoll
NAVSEA Code O8U
2531 Jefferson Davis Highway
Arlington, VA 22242-5160**

**Submitted by:
John W. King, Agent/Negotiator
Ponca Industrial Corporation
P.O. Box 154082
Irving, TX 75015-4082**

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TABLE OF CONTENTS

CORPORATE PROFILE	1
BACKGROUND.....	2
OFFER.....	4
COMPENSATION	5
BENEFITS	6
CONCLUSION.....	7

CORPORATE PROFILE

Ponca Industrial Corporation was formed by members of the Ponca tribe of Native American Indians November 18, 1986, to stimulate economic growth for the Ponca and other Indian tribes. Ponca Industrial Corporation is doing business under the laws of the state of Oklahoma, is tax exempt, and is registered with the Bureau of Indian Affairs. Ponca Industrial Corporation qualifies as a Small Business Firm as defined in 10 CFR Part 33 (b) (1). Under Public Law 93-638, Indian tribes are privileged to self-determination; meaning that they have the right to independently determine, without government intervention, whatever actions are in the tribal members' best interest.

John W. King is the registered agent for Ponca Industrial Corporation. Over a span of several years, Mr. King has recruited a network of consultants with appropriate backgrounds to aid him in the stimulation of economic growth for the Indian Tribes. He has performed as entrepreneur, owning two businesses. He was Liaison for twelve (12) years with the Los Angeles District Attorney's office and was active with the Los Angeles Indian Center in Los Angeles for fourteen (14) years. He has spent the last several years in the Dallas area, where he has concentrated on the nuclear waste storage project. He is presently involved with the Dallas Indian Center. Mr. King will act as Agent/Negotiator for Ponca Industrial Corporation.

BACKGROUND

Ponca Industrial Corporation has been participating in ongoing feasibility studies concerning the storage of nuclear waste for several years. In 1993, we were the recipient of DOE grant #DE-PS01-92RW00231 to assess the feasibility of siting a Monitored Retrievable Storage (MRS) facility. Although the feasibility study was completed to all parties' satisfaction, the proposed process was not implemented. A copy of this study is included with this proposal.

In the interim, a study has been produced by the U. S. Department of Energy's Office of Civilian Radioactive Waste Management (OCRWM). In this study, the Site Characterization Progress Report: Yucca Mountain, Nevada, the Department of Energy attempts to analyze the site conditions and processes to determine the technical suitability of the Yucca Mountain site for the underground permanent disposal of spent nuclear fuel and high-level radioactive waste. The National Academy of Sciences has released its recommendations on Yucca Mountain public health and safety standards. Regardless of the site and method of storage, these standards will be utilized in any analysis of the safety of the resulting program.

In all scenarios being considered as to the method of storage, the current intent involves only burial of contaminated waste. Research by Ponca Industrial Corporation has determined that in an irretrievable facility, there exists a very real possibility of the contamination of groundwater resulting from a variety of events: decomposition/deterioration of containers, faulty storage methods, damage to a container by impact by dropping, crushing, or earthquake, etc. Any contamination, however small, is unacceptable to both Ponca Industrial Corporation and to the American public.

The Nuclear Waste Policy Act, as amended, designates Yucca Mountain at the Department of Energy's (DOE's) Nevada test site as the only site currently authorized by legislation to be characterized as a geologic repository. It's suitability has not yet been determined.

The Yucca Mountain study has concentrated on the environmental impact of the repository based on certain waste package design concepts. Presently being considered are four basic types of disposal containers: those for multi-purpose canisters, those for uncanistered fuel, and those for defense high level water glass canisters. A revision of the Controlled Design Assumptions Document (CRWMS M&O, 1995a), specifies that a high thermal load is now the reference case. Accordingly, disposal containers for high thermal loads are being emphasized in this study.

Concurrently, a study has been released by the U.S. Department of the Navy's Environmental Impact Statement (EIS) for a Container System for the Management of Naval Spent Nuclear Fuel. Under this study, six container types have been identified as appropriate for the storage and management of nuclear waste: multi-purpose canisters, no-action alternative (current technology) involving M-140 transportation casks, current technology/rail alternative, transportable storage casks, dual- purpose canisters, and small multi-purpose canisters.

A Public opinion does not support any of these container choices. Ponca Industrial Corporation's research indicates that the viability of any of these designs used in a facility as being considered at the Yucca Mountain site is predicated upon inherently risky safety projections. We understand and accept that any potential impacts of using containers proposed by Ponca Industrial Corporation or any other licensed vendors are expected to be bounded by the alternatives evaluated in the EIS.

OFFER

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- B** Ponca Industrial Corporation offers to provide to the United States government a subterranean monitored retrievable storage facility. This type of edifice is repairable in the event of natural disaster (earthquake) or explosion, with a negligible chance of releasing any toxins from the containers themselves. Should a facility become contaminated, the containers can be physically moved to another location.
- C** The proposed containers would be steel, lead lined units covered with a stucco-like material which diffuses heat. These containers are much less expensive than any of the canisters now being evaluated (as referenced above). The containers specified by Ponca Industrial Corporation have a life expectancy of 500 years.
- D** Ponca Industrial Corporation recommends and proposes the storage facility be located on Indian land by virtue of the 1934 Indian Reorganization Act. Under this Act, the government has the right to cede land to an Indian individual to be held in trust. We offer the possibility of appropriating land parcels that are presently contaminated, and ceding them to the Ponca Industrial Corporation. Under Indian ownership, Indian laws are in effect and govern land use. Taxes are eliminated.
- E** Ponca Industrial Corporation proposes that transportation to the facility be accomplished by Indian trucking company. The 1858 treaty with the Ponca Indians, Article 5, supports this proposal stating that in accordance with tribal law, customs and bylaws, Poncas have the legal right to move material via the then current mode of transportation of travois. This presents the legal introduction to transporting materials by trucking, which is the accepted method of present day ground transportation. Transportation will be approved by the federal government, thereby avoiding state laws.

COMPENSATION

Ponca Industrial Corporation would expect appropriate compensation to include the following as outlined in the document "An Invitation for Dialogue and Participation" issued by the United States Nuclear Waste Negotiator:

- (a) Infrastructure improvements, including highways, railroads, waterways, airports, or other public projects;
- (b) Environmental improvements including the cleanup of existing air, water or waste problems,
- (c) Public school assistance programs;
- (d) Higher education programs;
- (e) Health care programs;
- (f) Proposed co-locations of other federal projects or existing federal program expansions;
- (g) General economic development programs;
- (h) The transfer of ownership of federal properties, as discussed in the 1934 Indian Reorganization Act;
- (i) Tax subsidy or property value protection programs;
- (j) Public recreation improvement programs;
- (k) Direct financial assistance;
- (l) Local employment or product purchasing agreements;
- (m) Any other type of assurance, equity, or assistance desired by the State or Indian Tribe.

BENEFITS

Indian Tribes enjoy several federal considerations which contribute to the viability of this project.

- 1) Under the Treaty Law of 1858, business transacted by an Indian group is tax exempt,
- 2) under the same Treaty, Indians have the legal right to move material without interference from any government agency;
- 3) under Public Law 93-638 of January 4, 1975, Indian Tribes are privileged to self-determination; meaning that they have the right to independently determine, without government intervention, whatever actions are in the tribal members' best interest. Also under this law, Indian Tribes enjoy sovereign immunity from suit;
- 3) under the 1934 Reorganization Act, the government has the right to cede land to Indian tribes and hold it in trust;
- 4) after the project is strategically defined, thousands of jobs will be created in the area of the facility.

CONCLUSION

Ponca Industrial Corporation presents this proposal as an alternative to those currently being considered. We feel as though the merits of our plan far outweigh those as otherwise proposed. By utilizing the many benefits afforded Indian tribes, costs of any proposed method of storage is greatly reduced. Further, by using the containers as described in this proposal, and by creating a retrievable storage facility, both the costs and the possible environmental, health and safety risks decrease.

Commenter: John W. King - Ponca Industrial Corp., Texas

Response to Comment:

- A. In Chapter 3, Section 3.8, Comparison of Alternatives, the EIS states that the impacts for most categories are small or nonexistent for all alternatives. Since 1957, the Navy has shipped over 660 containers of spent nuclear fuel from the shipyards and prototype sites to the Naval Reactors Facility. All of the shipments were made safely by rail and without release of radioactivity. Since any container alternative selected for use must meet the requirements of 10 CFR Part 71, Packaging and Transportation of Radioactive Material, and 10 CFR Part 72, Licensing Requirements for the Independent Storage of Spent Nuclear Fuel and High-Level Waste, the other containers can also be used safely and reliably.
- B.&D. The location and design of a centralized interim storage facility or geologic repository is outside the scope of this EIS. As stated in Chapter 2, Section 2.8.1 of the EIS, the Department of Energy has published a notice of its intention to prepare an EIS for a geologic repository at Yucca Mountain.
- C. It is premature to provide comments on the specific design proposed. Once the Final EIS and the Record of Decision have been issued, the performance specifications will be developed for the naval spent nuclear fuel container system and a competitive bidding process will be started in accordance with federal acquisition regulations. As stated in the EIS, the container system selected must meet the requirements of 10 CFR Parts 71 and 72.
- D. See the response to Comment B above.
- E. Containers used for legal-weight truck transfer would also be designed to produce a maximum exposure rate of 10 millirem per hour at 2 meters in accordance with the Department of Transportation regulations and their use would present the same opportunity for the elevated vehicles to be in traffic with them as would occur for heavy-haul transport. Further, many more legal-weight truck shipments would be required to move all spent nuclear fuel.

All of the alternative container systems would be suitable for heavy-haul transportation, as illustrated by prior use of the M-140 containers in heavy-haul transport. However, it is accurate to state that the M-140 based alternatives would be less suitable due to size, height, and weight. This statement has been added to Chapter 3, Sections 3.2, 3.8.4 and Chapter 7, Section 7.3.3 of the EIS.

Therefore, the key difference among the alternatives for the purposes of comparing the impacts associated with heavy-haul transport for naval spent nuclear fuel using the alternative container systems is the number of shipments. Text which explains this matter has been added to Appendix B, Section B.4.

The radiological risks of shipping naval spent nuclear fuel have been conservatively analyzed in this EIS and are described in Section B.5.1. The analyses use a train speed of 15 miles per hour. This is slower than the actual expected transport speed. Using slower train speeds is more conservative because that results in a higher calculated radiation exposure to the public (trains are more proximate to the public). This conservatively slow train speed means that the exposure associated with the transport speeds for possible heavy-haul transport would be similar to the results for rail shipments of the same length over similar routes.

It is too early to select companies to ship spent nuclear fuel to a repository or centralized interim storage site because the location, routes and the responsible federal agency have not yet been decided. There is, however, a Notice of Waste Acceptance, Storage and Transportation Services for the Office of Civilian Radioactive Waste Management in the May 28, 1996 Federal

Commenter: John W. King - Ponca Industrial Corp., Texas

Register. The notice requests comment or expression of interest in transporting spent nuclear fuel from commercial reactor sites.