

**Congress of the United States**  
**Washington, DC 20515**

October 1, 2018

The Honorable Kristine L. Svinicki  
Chairman  
Nuclear Regulatory Commission  
Mail Stop O-16G4  
Washington, DC 20555-0001

Dear Chairman Svinicki,

We write in advance of the submission by Entergy Nuclear Generation Company (Entergy) to the Nuclear Regulatory Commission (NRC) of a Planned License Transfer Application. That license transfer application would transfer the ownership of Pilgrim Nuclear Power Station (Pilgrim) to Holtec International, Holtec Pilgrim LLC and Holtec Decommissioning International LLC (collectively “Holtec”) as the licensed operator. Regardless of whether the NRC approves or denies this license transfer application, the Pilgrim decommissioning must prioritize safety, security, and the concerns of local stakeholders, and consider the potential costs to ratepayers.

The NRC has the responsibility to closely examine this application and hold it to a very high standard. First and foremost, the NRC must ensure that the public interest is protected. On the specific details of this application, which we understand Entergy will soon submit, we request that you closely examine the following issues.

First, plans for the ownership and decommissioning of Pilgrim must prioritize safety and security. The NRC must evaluate the forthcoming application to ensure that it details how Holtec will assume responsibility for safe operations and will improve upon the abysmal Pilgrim safety record. Additionally, any Pilgrim licensee should provide to the NRC thorough plans for communicating regularly with the public and local stakeholders. This communication is essential to ensure that that all members of the community understand how Pilgrim will be operated safely and can be confident that security measures satisfy federal requirements and community expectations.

Second, the NRC should review Holtec’s plan to assume rights to funding provided by the Pilgrim Nuclear Decommissioning Trust. According to published reports, the current level of the decommissioning trust fund at \$1.08 billion may be insufficient to complete safe storage

decommissioning (SAFSTOR) over the coming decades.<sup>1</sup> This is troubling. Holtec has proposed to conduct immediate dismantling decommissioning (DECON) in eight years, by 2027. Given the amount of funds currently available in the trust fund, the NRC must carefully assess whether that timeline is achievable in a safe and secure manner. It would be unacceptable for the NRC to demand additional money from Massachusetts ratepayers, or the American taxpayer, to complete the decommissioning process at Pilgrim, should the trust fund prove insufficient.

The NRC should request from Holtec, and make public, written information about possible contingencies, including (a) how the company would handle cost overruns in the next decade and beyond; (b) how a contingency fund of at least \$50 million currently managed by Entergy will figure into the proposed license transfer; and (c) how possible financial difficulties at any Holtec subsidiary might affect the decommissioning process. Finally, the NRC needs to determine through this process, with public input, whether Holtec or any of its subsidiaries plans to use the Nuclear Decommissioning Trust for any activities beyond management of spent fuel.

Third, to properly evaluate Holtec's future management of the Nuclear Decommissioning Trust, the NRC should closely examine proposed changes to the company's financial and corporate structure. To accomplish a safe, secure, and cost-effective decommissioning, all Holtec entities — including any newly created entities — ultimately must be accountable for the work that will be ongoing at Pilgrim for many years. To that end, the NRC needs to carefully review Holtec's proposed insurance policies to cover liability at the Pilgrim site.

Additionally, it could be inappropriate for Holtec to buy from or sell to a Holtec-owned subsidiary any assets associated with the decommissioning process — including the sale of spent fuel. We are concerned that such transactions could involve conflicts of interest that could create perverse transactional incentives and lead to misspent funds, including misuse of the Nuclear Decommissioning Trust or other taxpayer funds. The NRC must closely scrutinize any agreement involving Holtec and its subsidiaries to ensure that any transfer, sale, or shipment of materials from the Pilgrim site to another Holtec-owned facility would be conducted safely and securely, serve the public interest, and not incur unreasonable costs.

Fourth, the NRC should closely examine aspects of the license transfer application that propose changes to the workforce at the Pilgrim plant. There have been conflicting statements made at public meetings and to local stakeholders on whether a qualified workforce will be maintained at the Pilgrim site, including questions about the number of workers remaining on site and for how long. For years, Pilgrim workers and Entergy have planned for workforce needs as decommissioning moves forward. The forthcoming license transfer application must include plans for union involvement in the decommissioning process and for maintaining the requisite level of worker expertise at the Pilgrim site. The license transfer application should also address the provision of additional resources for worker retraining.

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<sup>1</sup> In 2008, Entergy estimated that the cost of SAFSTOR decommissioning at Pilgrim would be \$914 million. In 2018, that amount is equivalent to \$1.11 billion.

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Fifth, the NRC should closely examine the compressed timeline associated with transferring the Pilgrim operating license, considering that decommissioning is set to begin within several months. The NRC must maintain constant communication with the involved parties, the community, the state and local first responders, our offices, and other relevant stakeholders. This level of communication is necessary to ensure that the decommissioning process is open, transparent, safe, and secure, all while meeting the goal of beginning the Pilgrim decommissioning by June 1, 2019. Additionally, the NRC must ensure that Pilgrim's owner follows standard, transparent procedures for the permanent cessation of operations, including by providing written notification and submitting a Post-Shutdown Decommissioning Activities Report (PSDAR).

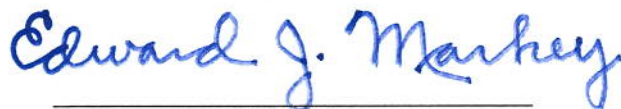
Given the transfer of ownership, the NRC must also require as part of the application process that Holtec and Entergy describe in detail the planned PSDAR for the site, and as the process moves forward, that each company submit a PSDAR for Pilgrim in the first quarter of 2019. Without exceptions, the NRC must receive the PSDAR at least 90 days before the start of any major decommissioning activities at Pilgrim. Given the stark differences between Holtec's intended decommissioning plan under DECON, and Entergy's existing decommissioning plan using SAFSTOR, it is imperative that both companies demonstrate a commitment to the safe and secure decommissioning of this site.

Sixth, NRC staff is already engaged in oversight of the Pilgrim decommissioning and is devoting time and effort to a decommissioning rulemaking for all plants around the country. The proposed license transfer will further strain the NRC's resources. It is therefore imperative that the NRC assign additional staff to work on these issues.

Finally, the NRC should hold hearings in Massachusetts at every stage of this license transfer. The voices of those most affected by the Pilgrim decommissioning must be heard. Only with their continued input can we be assured that the Pilgrim decommissioning will proceed with the highest level of safety and security, and stewardship of taxpayer funds.

Thank you for your immediate attention to these matters. Please contact Lindsey Griffith (Senator Markey) at (202) 224 2742 and Michael Jackman (Congressman Keating) at (508) 746 9000 if you have questions and to follow up on these requests.

Sincerely,



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Edward J. Markey  
United States Senator



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William R. Keating  
Member of Congress