



Russian group aims to sue Urenco, claims tails exports illegal

Russian environmental group Eco-Defense informed prosecutors in Muenster, Germany last week that it plans to sue Urenco Deutschland for what it alleges are illegal transports of nuclear waste material to Russia. At issue are shipments of uranium tails carried out since 1996 from Urenco's Gronau enrichment plant to Tenex in St. Petersburg. Tenex then transferred the tails to enrichment plants at Novo-Uralsk, Seversk, and Angarsk for re-enrichment under an agreement with Urenco.

The secondary tails generated by the re-enrichment are being stored at the Russian enrichment sites, Urenco officials told Platts earlier this year. According to researchers, some of the secondary tails have been re-enriched in Russia and are used to blend down high-enriched uranium to make commercial-grade power reactor fuel.

Separately, one well-placed Russian industry official told Platts earlier this year that the enrichment facilities no longer have room to store the tails and that it would be too expensive to build new storage capacity (NF, 31 July, 1). Last week the official confirmed that Tenex will stop taking Western tails for re-enrichment in 2008, when its existing contracts with Urenco and Areva/Eurodif expire, but said no formal announcement would be made this fall as had been planned. A spokesman for Urenco in Gronau told Platts that the action by Eco-Defense has had no impact on the company's business with Tenex and that neither prosecutors nor other German justice officials have contacted Urenco about the allegation by Eco-Defense.

A spokeswoman for Urenco in Marlow said that the company views the charges as baseless because Urenco is shipping a "byproduct, not waste" to Russia under a valid commercial contract. She said Eco-Defense had "filed an allegation" with the court in Germany, but, so far, no charges have been filed by prosecutors against the company.

Recently, Eco-Defense members went to Gronau and met with the city's mayor. They also held a small demonstration in front of the Urenco enrichment plant, which ended peacefully after police intervened, sources close to the company said. While both Urenco and Tenex have maintained that the export of the tails to Russia is for re-enrichment and resale to power reactor owners, German press reports this week said Eco-Defense is alleging the main reason Urenco ships its tails to Russia is to dispose of them. The reports said Eco-Defense is supported by Greens and by a German political party consisting of disgruntled left Social Democrats and former Communists.

In 2004, Eco-Defense published a report in which it estimated that between 2000 and 2003, Urenco had annually generated tails amounting to roughly 7,000 to 9,500 metric tons U as UF₆. According to World Nuclear Association figures, as of

2003, more than 545,000 mtU of tails had accumulated at the Russian enrichment plants. At least some of the secondary tails after re-enrichment were again re-enriched and the product was used for blending down surplus HEU to make commercial reactor fuel, Eco-Defense said.



"Considering that the re-enrichment process [in Russia] results in only a minor reduction of the amount of tails to be disposed of, the tails transfer to Russia [may] constitute an illegal transfer of radioactive waste for final disposal," the Eco-Defense report concluded. It suggested Tenex had been charging Urenco 18% of the market price for enrichment services, a fee representing the operating costs of the Russian SWU plants. The deal with Tenex allows European enrichers to avoid the cost of storing depleted uranium, or tails, and of transforming part of their tails into natural uranium or lowenriched uranium. German consultant Peter Diehl estimated in an Eco-Defense study that Eurodif and Urenco had gained \$200 million or more in 2004 alone from the tails re-enrichment business with Tenex, assuming that the Russians charged only \$20 per SWU for the re-enrichment. He estimated Rosatom's gain at \$52 million to \$150 million, provided the residual tails were used as blendstock for HEU downblending and assuming there was no cost for the disposal of "ultimate" tails (NF, 5 Dec. '05, 5). However, rising SWU prices and the prospects of a nuclear revival with increasing demand for enrichment have made the deal less attractive to the Russian industry, industry analysts say.

Eco-Defense's 2004 report asserted that "if the residual uranium contained in the tails were so valuable, then Urenco and Eurodif would be eager to keep the tails rather than to give them away." It added, "For Urenco and Eurodif, the main purpose of the deal is to solve their waste management problem by transferring the depleted uranium to Russia." The report estimated that the volume of ultimate tails in Russia arising from imports of foreign tails is about 10,000 mtU of UF₆."

In 1997, the Federal Economic and Export Control Agency, BAFA, responsible for licensing the tails shipments, told the Bundestag, the lower house of parliament, that before initial shipments were authorized in 1996, "Urenco's intent to re-enrich tails in Russia was examined by [the German government] together with the governments of the Netherlands and the UK. The examination concluded that re-enrichment in Russia is not associated with any illegal disposal of residual [nuclear] materials, does not violate any international regulations, and that the storage of the re-enriched tails at the Russian enrichment plant sites conforms with international practice ... and meets international standards."

-Mark Hibbs, Bonn; Ann MacLachlan, Paris

