



"I believe there will be a renaissance of nuclear power."
John Taylor, BNFL chairman until 2000.

"The best news for us at BNFL is that the lights went out in California. Once the quality of life gets interrupted, people consider more nuclear."

Hugh Collum, BNFL chairman



COMPANY HISTORY AND PRODUCTS

In 1971, BNFL was formed as a spin off of the British government's Atomic Energy Authority. But the UK government remains a 100% shareholder of BNFL. The company is active in every aspect of the nuclear industry, and controls 12% of the world's nuclear activity.

BNFL operates in 15 countries and employs more than 23,000 people. The company's revenue totaled about \$2.5 billion in 2001. In 1998 BNFL merged with Magnox Electric Company and in 1999 purchased the nuclear business of Westinghouse Electric Company. Nearly 50% of the nuclear power plants in operation worldwide and nearly 60% in the United States are based on Westinghouse technology, owned by BNFL.



THE DIRT THEY MAKE

The company:

- ◆ Buys, manufactures and manages the processing of uranium into fuel, known as Mixed Oxide (MOX) fuel.
- ◆ Operates the largest international transport network of nuclear materials including MOX on ships, trains and motorized vehicles.
- ◆ Provides reprocessing of nuclear fuel and manages spent fuel and waste.
- ◆ Builds and services nuclear reactors, both pressurized water reactors and boiling water reactors.
- ◆ Decommissions nuclear power plants, approximately 50 since 1988.



BNFL BUSINESS:

- ◆ **Sellafield (UK):** Sellafield's chief activity is reprocessing spent nuclear fuel for use in domestic nuclear power plants and to overseas customers like Japan and Germany. While the BNFL web-site boasts that radioactive discharge from Sellafield is now less than 1% of peak levels in the 1970s, the location is still known as the "nuclear dustbin" of Europe.
- ◆ **BNFL Inc.:** Established in 1990, BNFL Inc. is a full service nuclear waste management company, decommissioning, engineering, and handling nuclear materials. It handles the U.S. Department of Energy's Hanford, Idaho, Oak Ridge, Rocky Flats, and Savannah River Sites. BNFL Inc. has its headquarters in Fairfax, Virginia.
- ◆ **Westinghouse Electric Company:** In 1999 BNFL acquired the commercial nuclear power businesses of CBS, now known as the Westinghouse Electric Company.

Westinghouse Electric Company is one of the four major business groups of British Nuclear Fuels (BNFL). Nearly 50% percent of the nuclear power plants in operation worldwide, and nearly 60% in the United States, are based on Westinghouse technology. It provides fuel, services, technology, plant design and equipment to utility and industrial customers in the worldwide commercial nuclear electric power industry.



2000 WAS A VERY DIRTY YEAR FOR BNFL:

On January 19, 2000, Kansai Electric Power, Japan's second-largest power company, banned BNFL from bidding for contracts to supply plutonium-uranium mixed oxide (MOX) fuel because of falsified quality control records. Three days later, BNFL's nuclear fuel manufacturing plant at Sellafield, in west Cumbria, was closed for weeks while managers fought to avoid the loss of vital quality assurance accreditation.

On February 18, 2000, the UK Nuclear Installations Inspectorate, the industry safety watchdog, accused BNFL of "systematic management failures" and of lacking an adequate safety management system. The government gave BNFL two months to suggest improvements to management and safety processes at its Sellafield site or face the possibility of some operations being shut down. Later that month, senior and middle managers departed.

On March 3, 2000, Denmark threatened political action to force Britain to halt radioactive discharges into the North Sea from the Sellafield plant. The Danish Environment Ministry said it might put forward a legally-binding commitment to end radioactive discharges at a meeting of north-east Atlantic countries in Copenhagen in June 2000. Later that month, Germany joined Japan in banning shipments of MOX fuel from the company and Bill Richardson, the U.S. Energy Secretary ordered immediate top to bottom review of work being performed by BNFL for the U.S. government, saying "business as usual is over for BNFL."

But it looks like BNFL might bounce back from hardships of the past. The Cheney Bush energy plan puts nuclear energy squarely in the forefront and BNFL is well positioned to take advantage of the White House's pro-nuclear stance. Also playing in BNFL's favor are its political connections. James Schlesinger, who was the United States' first Energy Secretary, director of the Central Intelligence Agency under Nixon and Defense Secretary under President Ford, sits on BNFL's Board of Directors.



SOURCES:

- ◆ BNFL Website: www.bnfl.com
- ◆ Greenpeace London: Peter Roche: www.greenpeace.org
- ◆ Environmental Data Services: www.ends.co.uk/
- ◆ Citizens' Nuclear Information Centre (CNIC) Transport Watch: www.cnlic.or.jp/english/transport/news/21jun2001.html