

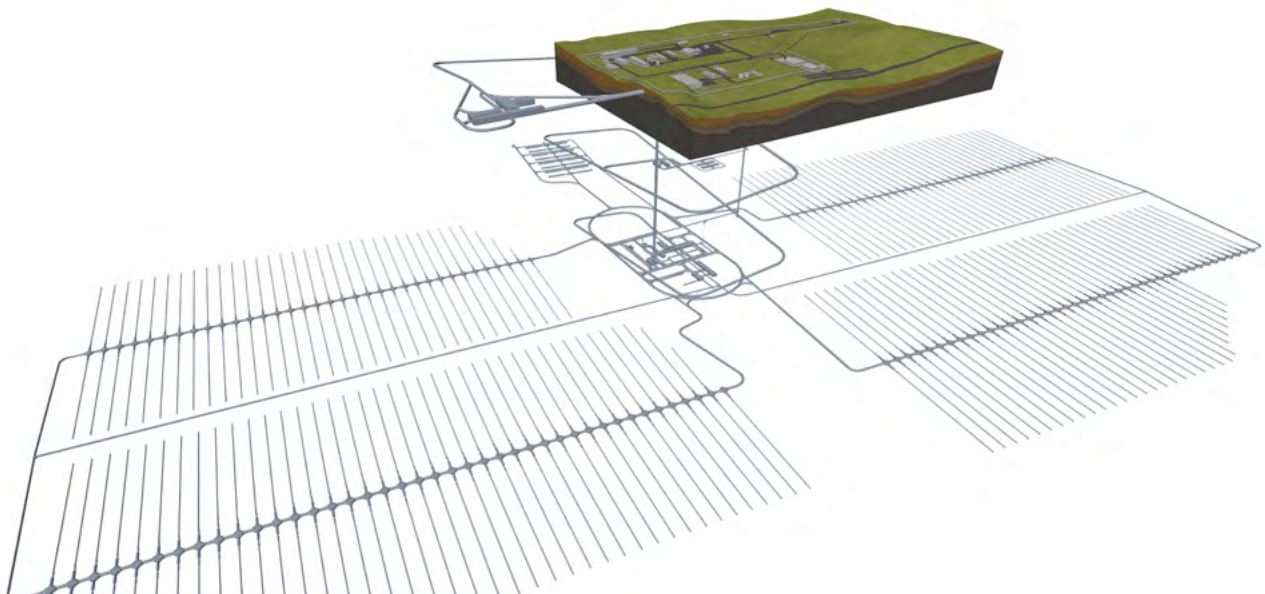


The deep geological repository and its benefits for the region

The deep geological repository represents a significant investment project which, over many years, will provide a number of mainly economic benefits for the municipalities and region involved.

The key benefits of the construction and future operation of the deep geological repository can be divided into the following areas:

- support for employment in the region;
- improvements concerning transport services and infrastructure;
- improvements in the quality of other services;
- contributions to municipal budgets.



Improvements in the quality of services

In parallel with the construction and operation of the deep geological repository, it will be necessary to provide services for the people who will work at the facility. This will serve to expand and improve the quality of existing services in the local area. Changes will concern, for example, education, healthcare, transport services, etc. There will also be an increase in safety and security in the micro-region via the strengthening of the police presence and the integra-

ted rescue system, including the establishment of a new fire and rescue service.

Employment

The preparation, construction and operation of the repository will create significant demand for labour in the region and thus contribute to reducing the rate unemployment for several decades. The need for workers will depend on the life cycle of the repository. We can expect a gradual increase in the number of employment positions from the exploration phase and

the construction of an underground laboratory at the final site through the construction of the repository and during the roughly 90 years of the expected full operation of the facility. In the initial stages, the use of local workers is anticipated at a level of around 20% of the total workforce; however, following the commencement of the operation of the repository, this number is expected to increase to 80%. This means that the repository will potentially provide employment for up to 200 local people during the construction phase and as many as

300 people from the surrounding area during the full operation period. In addition to direct employment in the repository (mining work, the operation and maintenance of equipment, technical and administrative services, security, etc.) the repository will lead to so-called secondary employment involving, for example, catering and accommodation services, education, construction and the administration of new housing facilities.

Infrastructure

The construction of the deep geological repository will lead to the upgrading of existing, and the construction of new, local access infrastructure (roads, pavements, public lighting) possibly including the construction of bypasses for local municipalities, all

of which will ensure the improvement of transport services (e.g. regular bus lines). Priority will also be given to the provision of a mobile telephone network of the highest quality. The construction of the surface facility will also lead to the expansion of the infrastructure capacity concerning e.g. the natural gas, sewerage and drinking water networks. Depending on the final site chosen, it might also be possible to introduce new passenger rail services in view of the fact that the repository will be connected to the railway network.

Development of property prices in the vicinity of the repository

Experience gained from the operation of other nuclear facilities in the Czech Republic (the Dukovany and Temelín

nuclear power plants) indicates that it cannot be assumed that in the future the construction and subsequent operation of the deep repository will have a negative impact on property prices and the depletion of the local population. On the contrary, due to the creation of new employment positions and the associated increase in supply services, as well as the expansion of the essential infrastructure, it can be assumed that the level of interest in the local housing capacity and building land in the area will, in fact, increase. Currently, for example, the situation is very similar in Finland, where the Olkiuloto nuclear power plant and the planned Onkalo deep geological repository are located near to the town of Eurajoki, which has a population of around 10,000.

Financial contributions to municipal budgets

According to legislation, financial contributions are available for those municipalities within whose borders so-called exploration or protected areas are defined in connection with the process of determining a suitable site for the deep geological repository. The amount of such contributions is precisely defined by legislation as follows:

Exploration areas

The contribution for each affected municipality has been set at CZK 600,000 per year with a further contribution of CZK 0.40 per year for each square metre of the cadastral area of the municipality for which the exploration area has been determined (this equates to several million Czech crowns per year for the municipalities concerned over the entire exploration period).

Protected areas

The establishment of a so-called protected area at the finally selected site will allow the municipalities to claim 2 types of financial contributions, i.e. a one-off contribution and subsequent regular contributions. Following the determination of the protected area, each of the affected municipalities will receive a one-off contribution of CZK 60 million. Subsequently, for every year following the designation of protected area status and up to the start of operation of the deep geological repository (a total of around 40 years), each affected municipality will receive a lump sum of CZK 600,000 and a further CZK 0.60 per square metre of the cadastral area of the municipality for which the protected area has been determined. According to current legislation, this will mean contributions in the order of hundreds of millions of crowns for each of the affected municipalities. Following the start of operation of the deep geological repository, a further contribution will be provided from the nuclear account to the municipality in whose cadastral area the repository is located.

Following the commencement of DGR operation

The calculation of financial contributions to municipalities during the operation of the deep geological repository will be based on the volume of spent nuclear fuel and high-level radioactive waste disposed of at the facility. The amount of the contribution from the nuclear account for the municipality in whose cadastral territory the repository is located will be CZK 4,000,000 per year according to current legislation. Furthermore, the municipality will receive a further contribution of CZK 10,000 for each cubic metre of radioactive waste disposed of in a given calendar year, which will be paid in the first half of the following year.



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