

U. S. NUCLEAR REGULATORY COMMISSION**DOCKET NO. 72-22****PRIVATE FUEL STORAGE, L.L.C.****INDEPENDENT SPENT FUEL STORAGE INSTALLATION****SKULL VALLEY INDIAN RESERVATION****TOOELE COUNTY, UTAH****NOTICE OF INTENT TO COOPERATE IN THE PREPARATION OF AN****ENVIRONMENTAL IMPACT STATEMENT**

Private Fuel Storage, L.L.C. (PFS or the applicant) proposes to construct and operate an independent spent fuel storage installation (ISFSI) at the reservation of the Skull Valley Band of Goshute Indians, which is bordered on all sides by Tooele County, Utah. The proposed Private Fuel Storage Facility (PFSF) would be constructed on an 820-acre site that would store spent nuclear fuel (SNF) received from commercial U.S. nuclear power plants. The applicant proposes to transport SNF from the reactor sites to the PFSF via rail. Currently the rail line stops approximately 25 miles north of the proposed site. The applicant has proposed the following two methods to transport the SNF the last 25 miles:

- (1) construct an intermodal transfer facility on land managed by the U.S. Department of Interior's Bureau of Land Management (BLM). At the intermodal transfer facility, SNF would be transferred from rail to heavy/haul vehicles for transport to the site via Skull Valley Road, or

(2) construct a rail line on the western side of Skull Valley, along the base of the Cedar Mountains. The rail line would be constructed on land managed by BLM.

Of the two methods identified above, construction of the rail line is the applicant's preferred approach.

The project as proposed, requires approval from four Federal agencies, the U.S. Nuclear Regulatory Commission (NRC), the U.S. Department of Interior's Bureau of Indian Affairs (BIA) and BLM, and the Surface Transportation Board (STB). The applicant must obtain a license from NRC, a right-of-way (ROW) from BLM for either the proposed rail line or the proposed intermodal transfer facility, approval from BIA for a proposed lease agreement between the Skull Valley Band of Goshute Indians and PFS, and approval from the STB to construct the proposed rail line.

On June 20, 1997, pursuant to 10 CFR Part 72, PFS submitted an application to NRC for a license to receive, possess, store, and transfer SNF at an ISFSI to be constructed and operated on the Reservation of the Skull Valley Band of Goshute Indians. A notice of consideration of issuance of an NRC materials license for the proposed PFSF and notice of opportunity for hearing were published in the Federal Register on July 31, 1997 (62 FR 41099). By letter dated August 28, 1998, PFS submitted a revision to its application for an NRC license to reflect its proposal to construct and utilize a rail line over public lands managed by BLM for the transportation of SNF to its site.

The applicant executed a lease agreement with the Skull Valley Band of Goshute Indians to permit construction and operation of its proposed facility on the Skull Valley Band Reservation. On May 23, 1997, BIA conditionally approved the lease agreement, contingent upon the completion of an Environmental Impact Statement (EIS), the inclusion of mitigation measures identified in the Record of Decision, and the issuance of an NRC license to

construct, maintain, and operate the PFSF. The lease includes 820 acres of land where the PFSF is proposed to be located, a 202-acre utility and road ROW from the Skull Valley Road to the PFSF, and a buffer zone adjacent to the PFSF to the south and east, including five sections of land (one section of land consists of one square mile or 640 acres).

By letter dated August 28, 1998, PFS applied to BLM for a ROW to construct a rail line and related facilities for a distance of approximately 32 miles on the western side of Skull Valley, along the base of the Cedar Mountains from Skunk Ridge, Utah, to the PFSF. PFS also applied for a separate ROW to construct and operate an intermodal transfer facility 1.8 miles west of the intersection of Interstate 80 and Skull Valley Road. The rail line would traverse land that is included within the BLM Pony Express Resource Management Plan (RMP). The current Pony Express RMP does not allow for major ROWs such as a rail line in this area, and the PFS proposal would, therefore, require an amendment to the RMP prior to granting the requested ROW. BLM published a notice of intent to prepare a RMP amendment in the Federal Register on April 15, 1999 (64 FR 18633).

On January 5, 2000, PFS filed an application with STB to construct and operate the proposed rail line from Skunk Ridge, Utah, to the proposed storage facility. The application was filed in STB Finance Docket No. 33824, Great Salt Lake & Southern Railroad, L.L.C. -- Construction and Operations in Tooele County, Utah.

The National Environmental Policy Act of 1969 requires all Federal agencies to consider the environmental impacts of their actions. Because the NRC, BIA, BLM, and STB required actions for the construction and operation of the PFSF are related, the agencies have agreed to cooperate in the preparation of an EIS. In preparing the EIS, NRC will serve as the lead agency, and BLM, BIA, and STB will serve as cooperating agencies.

NRC published a notice of intent to prepare an EIS and conduct a scoping process in the Federal Register on May 1, 1998 (63 FR 24197). As a part of the scoping process, a public scoping meeting was conducted on June 2, 1998, in Salt Lake City, Utah. The scoping process also provided interested parties with an opportunity to provide written comments. At the conclusion of that initial scoping process, NRC issued a scoping report in September 1998.

NRC's initial scoping process was based on the description of the PFSF contained in the applicant's submittal of June 20, 1997, which did not include the proposed rail line on public land administered by BLM. This rail line proposal was submitted to NRC on August 28, 1998, as an amendment to the PFS application. Similarly, BIA's conditional approval of the proposed lease agreement was issued prior to the applicant's proposal of the rail line.

As a result of the applicant's August 28, 1998, revision of its transportation proposal, NRC, BIA, and BLM determined that additional scoping meetings should be conducted. Additional scoping meetings were held on April 29, 1999, in Salt Lake City, and Tooele City, Utah. The meetings were noticed in the Federal Register on April 14, 1999 (64 FR 18451). Primarily, the scoping meetings focused on environmental issues associated with the rail line proposed in the applicant's August 28, 1998, license application amendment, the request for issuance of a ROW over public lands managed by BLM, and environmental concerns associated with the proposed lease agreement that may not have been addressed in the NRC's initial scoping process. In addition, interested parties were also provided the opportunity to submit written comments. Following the additional scoping meetings and comment period, a supplemental scoping report was issued in November 1999.

Although STB was not identified as a cooperating agency during the scoping process, the environmental issues related to its federal action (i.e., approving the construction and

operation of the proposed rail line) were discussed during the scoping process. STB has determined that these scoping activities provided sufficient opportunity for the public to comment on the proposed action and the scope of the EIS. Interested parties will have an opportunity to provide comments on the draft EIS.

Dated at Rockville, Maryland, this 27th day of January 2000.

FOR THE NUCLEAR REGULATORY COMMISSION



E. William Brach, Director
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards