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Joan Claybrook, President

Critical Mass Energy and Environment Program

To: MICHAL LESAR

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Date: 11/07/02

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Comments:

OUR COMMENTS ON THE "WHITE PAPERS." YOU SHOULD RECEIVE A HARD COPY TOMORROW.

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**ALLIANCE FOR NUCLEAR ACCOUNTABILITY
NATURAL RESOURCES DEFENSE COUNCIL
NUCLEAR INFORMATION AND RESOURCE SERVICE
PHYSICIANS FOR SOCIAL RESPONSIBILITY
PUBLIC CITIZEN
SIERRA CLUB
U.S. PUBLIC INTEREST RESEARCH GROUP**

November 7, 2002

Mr. Michael Lesar
Chief, Rules Review and Directives Branch, Division of Administration Services
Office of Administration
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Re: Comments on "white papers" submitted by Louisiana Energy Services to the NRC

Dear Mr. Lesar:

In response to the comment period announced in the Federal Register on October 2, 2002, we are writing to object to the consideration by the NRC of the unsolicited "white papers" submitted by Louisiana Energy Services (LES) in connection with the company's proposed uranium enrichment facility in Hartsville, Tennessee. It is unacceptable for the NRC to even consider this inappropriate effort by an impending license applicant to attempt to circumvent the established licensing process.

The content of the white papers reveals that LES is seeking prejudgment on issue areas that have caused it trouble in the past, or on issues which are potentially problematic. The submission of these memoranda is an overt attempt on the part of LES to evade thorough public and government investigation in areas where the company knows itself to be vulnerable.

Furthermore, the specific issues raised by LES in the white papers are themselves problematic. To restrict or exempt full consideration of such weighty matters as the comparative environmental impact of a "no action" alternative, environmental justice, the consortium's financial qualifications, anti-trust concerns, foreign control and ownership issues, and the disposition of tailings, would reduce NRC's licensing procedure to a flimsy rubber-stamp and further erode public confidence in the agency as an effective regulator.

In addition to the specific impacts of this decision for the proposed project in Hartsville, we are also concerned about the dangerous precedent that would be set if the NRC allows LES to manipulate the licensing procedure in this way. It is highly improper for the NRC to allow a potential license applicant to define the parameters of licensing considerations, in effect, calling for prejudgment in their favor. This violates NRC's own licensing regulations, undermines even

the pretense of objectivity in the agency's licensing activities, and calls into question the ability of the NRC Commissioners to be a dispassionate appeals body for Atomic Safety and Licensing Board actions.

We also request that the comment period on these white papers be extended to at least 90 days. The allotted 42 days (originally 30) is insufficient, if meaningful public participation is the goal, especially given the breadth of issues dealt with in the white papers, difficulties in accessing these documents, and the level of controversy surrounding the LES proposal.

As national environmental, public interest, and consumer advocacy organizations we strenuously urge the NRC to reject any consideration of the LES white papers and the company's attempt to undermine the licensing requirements.

Sincerely,

Susan R. Gordon
Director,
Alliance for Nuclear Accountability

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Attorney,
Natural Resources Defense Council

Michael Mariotte
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