

December 16, 2002

MEMORANDUM TO: Melvyn N. Leach, Chief
Special Projects and Inspection Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Joseph G. Giitter, Chief **/RA/**
Special Projects Section
Special Projects and Inspection Branch, FCSS

FROM: Timothy C. Johnson **/RA/**
Senior Mechanical Systems Engineer
Special Projects Section
Special Projects and Inspection Branch, FCSS

SUBJECT: NOVEMBER 18 AND 20, 2002, MEETING SUMMARIES: SMITH
COUNTY COMMISSION MEETING AND MACON COUNTY PUBLIC
INFORMATION FORUM

On November 18, 2002, U.S. Nuclear Regulatory Commission (NRC) staff participated in a Smith County Commission meeting held in Carthage, Tennessee, to answer questions on the proposed Louisiana Energy Services (LES) gas centrifuge enrichment plant project planned for Hartsville, Trousdale County, Tennessee. On November 20, 2002, NRC staff participated in a Macon County Public Information Forum held in Lafayette, Tennessee, to make a presentation on the NRC's licensing process and to answer questions from the public. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Attachment: LES Public Meeting Summaries

cc: William Szymanski/DOE
Rod Krich/Exelon
James Curtiss/W&S
Mario Robles/USEC
Jerry Clift/Trousdale
Michael Marriotte/NIRS
Ed Nanney/Tenn
George Dials/LES

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| OFC | SPIB* | | SPIB* | 2E | SPIB* | | SPIB* | |
| NAME | TCJohnson:dw | LGross | | | JGiitter | | MLeach | |
| DATE | 12/ 11 /02 | 12/ 11 /02 | | | 12/ 13 /02 | | 12/ 16 /02 | |

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Louisiana Energy Services Public Meeting Summaries

Dates: November 18 and 20, 2002

Place: Smith County Courthouse
Carthage, TN

Macon County Middle School
Lafayette, TN

Attendees: T.C. Johnson/U.S. Nuclear Regulatory Commission (NRC)
County Executives
County Commissioners
Approximately 80 members of the public at the Smith County Commission meeting and 100 members of the public at the Macon County meeting.

Purpose:

The purpose of the Smith County Commission meeting was to answer questions from Smith County Commissioners and the public on the proposed Louisiana Energy Services (LES) gas centrifuge enrichment plant proposed to be located in Hartsville, Trousdale County, Tennessee. The purpose of the Macon County Public Information Forum was to make a presentation on the NRC licensing process and answer questions from the public. On November 19 and 20, 2002, T.C. Johnson met with the Sumner and Macon County Executives to discuss NRC's role in the LES licensing.

Discussion:

A. Smith County Commission Meeting

At the November 18, 2002, Smith County Commission meeting, after discussing Smith County business, T.C. Johnson provided a brief summary of the NRC licensing process and the environmental review process. He indicated that NRC is an independent regulatory agency responsible for ensuring public and worker health and safety and is not a promoter of the proposed project. NRC will not issue a license unless LES can demonstrate it can meet NRC's safety requirements. T.C. Johnson also discussed opportunities for the public to provide input in the licensing and environmental review process. He also stated that the public comment period on the LES "white papers" was extended to November 13, 2002, in response to public comments and comments from LES.

The County Commissioners then asked questions. Questions dealt with waste management issues, radiological and chemical safety, and effluent releases. Regarding the disposition of the depleted uranium tails, T.C. Johnson stated that, by law, the U.S. Department of Energy (DOE) is responsible for the disposal of depleted uranium from the LES enrichment facility, and LES will need to negotiate an agreement with DOE for transfer of the material. T.C. Johnson also said that there are some commercial uses for depleted uranium, but the demand is less than the current supply.

Questions involving radiological and chemical safety concerned uranium hexafluoride operations. T.C. Johnson explained the types of operations at the facility and the hazards pertaining to these operations. T.C. Johnson indicated that LES will need to propose adequate designs and programs to ensure that operations will meet NRC safety requirements.

Questions were asked about groundwater contamination at the Paducah gaseous diffusion plant site. T.C. Johnson stated that there is groundwater contamination at the Paducah site that is being addressed by DOE and the State of Kentucky. This contamination resulted from plant operations and not from storage of depleted uranium. Regarding effluent releases, T.C. Johnson stated LES indicated it would propose a closed-loop system so that there would be no liquid releases from the facility.

Following the NRC discussion, W. Callaway, from the Tennessee Environmental Council, gave a presentation. He said that there is no need for the facility, and the United States should downblend more high enriched uranium (HEU) to meet its enrichment needs. He said that downblending HEU would have the advantages of no environmental impacts and non-proliferation benefits. He also stated that the U.S. Department of Energy Secretary said that the United States' needs could be met by downblending. W. Callaway also said he is concerned about financial arrangements and the possibility of a radioactive legacy being left behind if LES goes bankrupt.

During the questioning of W. Callaway by the Smith County Commissioners, T.C. Johnson answered a question about whether LES could abandon the plant and leave a contaminated site. He explained that NRC requires an applicant for an enrichment facility to provide a decommissioning cost estimate and a funding mechanism to pay for cleanup in the event the licensee is unable to decommission the site. The cost estimate is periodically updated to reflect changes in plant contamination levels and facility operations. The funding assurance mechanism is maintained outside the control of the company, with NRC being the beneficiary.

T.C. Johnson also corrected some information provided by W. Callaway on the Russian HEU agreement relating to the processing operations and the chemical forms of material produced by the Russians.

Following the Callaway discussion, N. Kilkenny, from LES, discussed the tour of Urenco's Almelo enrichment plant given to 20 County Executives and elected officials in the Hartsville area. She showed photos of the plant and nearby agricultural and residential areas. She indicated that the local officials discussed the operation of the Almelo plant with local residents and people living adjacent to the site. These discussions showed local support for the facility.

B. County Executive Meetings

On November 19, 2002, T.C. Johnson met with H. Thompson, the Sumner County Executive. T.C. Johnson discussed the NRC licensing process and opportunities for public participation. He also stated that the NRC would be available to help him respond to questions from county residents. On November 20, 2002, T.C. Johnson met with G. Donoho, the Macon County Executive, and discussed the same subjects discussed with H. Thompson.

C. Macon County Public Information Forum

On the evening of November 20, 2002, T.C. Johnson participated in a public information forum in Lafayette, Macon County, Tennessee.

W. Callaway, from the Tennessee Environmental Council, began the discussion with a presentation indicating that he is against more nuclear power. He questioned the need for the facility and said he will ask for a local referendum on the facility. He said that earnings from the facility will go back to Europe and leave behind the impacts of the wastes. He also suggested that requirements from the Resource Conservation and Recovery Act require a hazardous waste storage permit for the tails. He stated that Tennessee Gov. Sundquist had bought into the project prior to contact with local officials.

Following the Callaway presentation, T.C. Johnson provided a brief summary of the NRC licensing process and the environmental review process. He indicated that NRC is an independent regulatory agency responsible for ensuring public and worker health and safety and is not a promoter of the proposed project. NRC will not issue a license unless LES can demonstrate it can meet NRC's safety requirements. T.C. Johnson also discussed opportunities for the public to provide input in the licensing and environmental review process. He also stated that the public comment period on the LES "white papers" was extended to November 13, 2002, in response to public comments and comments from LES.

Following the NRC discussion, G. Byers, from LES, presented a brief discussion of the LES partnership, the need for the facility, the site selection process, and discussions being held with the Tennessee emergency management groups. He also stated that contacts had been made with the Tennessee Governor's office during the site selection effort were made as a matter of courtesy.

The NRC, W. Callaway, and G. Byers then took questions from the public. In response to a question about terrorist impacts, G. Byers stated that at the Almelo site, the Almelo mayor was more concerned about a propane storage facility in the city than the Urenco enrichment plant. G. Byers also answered questions about employment benefits to the local communities, differences between the proposed plant and the gaseous diffusion plant in Paducah, Kentucky, risk of contamination of the Cumberland River, Cumberland River dam failure accidents, depleted uranium tails disposition, the Russian HEU downblending agreement, the site selection process, Urenco operating experience, transportation risks, and LES partnership assets.

W. Callaway responded to questions about buffer zones around the plant, saying that there is no need for acres of land used as a "dead zone." He also discussed his groups funding, stating that it is funded through a variety of sources and welcomed funding from the U.S. Enrichment Corporation. He also stated that there are dangers of accidents that could result in contamination and cited uranium hexafluoride hazard data from materials data sheets.

T.C. Johnson responded to questions on the number of nuclear power plants operating in the United States, and waste management requirements for depleted uranium and low-level wastes.

After the public questions, a small panel of County Executives and Commissioners who visited the Almelo site provided summaries of their visit. These individuals considered that the trip was beneficial to provide information for their decisions on the sale of the proposed site to LES. Several indicated a desire to put limits on the total amount of depleted uranium that could be stored at the site, and stated that a closed-loop liquid system minimized their concerns over releases to the Cumberland River.

Action Items:

None.