

January 7, 2003

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: Yawar H. Faraz **/RA/**  
Senior Project Manager  
Special Projects Section  
Special Projects and Inspection Branch, FCSS

SUBJECT: DECEMBER 3, 2002, MEETING SUMMARY: SMITH COUNTY  
PUBLIC INFORMATION FORUM

On December 3, 2002, U.S. Nuclear Regulatory Commission (NRC) staff participated in a Smith County public information forum held in Carthage, 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 Summary

cc: William Szymanski/DOE  
Randall DeVault/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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<b>OFC</b>	SPIB*	DWM*	SPIB*	SPIB*	2E	SPIB*	SPIB
<b>NAME</b>	YFaraz:dw	THarris	TJohnson	LGross	JGiitter	MLeach	
<b>DATE</b>	12/31/02	12/31/03	1/23/03	1/02/03	1/06/03	1/07/03	

**C = COVER**

**E = COVER & ENCLOSURE  
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## Louisiana Energy Services Public Meeting Summary

Date: December 3, 2002

Place: Smith County Public High School  
Carthage, TN

Attendees: Y. Faraz, T. Harris/U.S. Nuclear Regulatory Commission (NRC)  
N. Kilkeary/Louisiana Energy Services (LES)  
W. Callaway/Tennessee Environmental Council  
C. Heath  
County Executives  
County Commissioners  
Approximately 80 members of the public (mostly Smith County residents)

Purpose:

The purpose of the Smith County Public Information Forum was to make a presentation on the U.S. Nuclear Regulatory Commission (NRC) licensing process and answer questions from the public.

Introduction:

On December 3, 2002, from 7:00 PM to about 9:30 PM, Messrs. Yawar Faraz and Tim Harris from the NRC's Division of Fuel Cycle Safety and Safeguards and Division of Waste Management, respectively, participated on a 5-member panel at a public information forum in Carthage, Smith County, Tennessee, to describe NRC's licensing process and to respond to questions on the licensing of the gas centrifuge uranium enrichment facility which Louisiana Energy Services (LES) is proposing to construct in Hartsville in Trousdale County, which is adjacent to Smith County. The other members of the panel included Ms. Nan Kilkeary of LES, Mr. Will Callaway of the Tennessee Environmental Council, and Mr. Colin Heath, an independent consultant with over forty years of experience in the nuclear industry. The Smith County Executive, Mr. Michael Nesbitt, who had arranged the forum, acted as the moderator.

During the forum, the panel members made short presentations and answered questions on the project from the public who were present. About 80 persons, the majority of whom identified themselves as residents of Smith County, attended the forum. The primary item of discussion and questions concerned the disposition of depleted uranium tails. Other items of discussion and questions concerned the Tokai criticality accident, the degree of computerization of the LES facility, effluent releases, potential accidents, transportation of waste and increased traffic problems, LES' proposed pay scale, LES' financial viability, LES' white papers submitted to the NRC earlier in the year, property values, and County zoning requirements.

Discussion:

Mr. Nesbitt began the public forum by showing a 10-minute video tape on the physical and chemical characteristics of  $UF_6$ . Following the video, Mr. Will Callaway made a 10-minute presentation. He stated that although over the years, safety had improved in the American nuclear industry, things do break down and accidents occur. He questioned the need for the

facility and suggested a local referendum on the facility. Most members of the audience voiced their approval for this suggestion. Mr. Callaway also said that the waste problem in the United States had not been solved and that the consequences of exposing LES-generated waste (depleted UF<sub>6</sub>) to the atmosphere is not known.

Following Mr. Callaway's presentation, Ms. Nan Kilkeary presented a 10-minute discussion. She agreed with Mr. Callaway that things do break down. However, she indicated that Urenco's 80 years of operating experience in Europe had not resulted in any significant releases. She indicated that the depleted UF<sub>6</sub> will be disposed outside of Tennessee. Ms. Kilkeary also presented the potential benefits of the facility to the regional population including the hiring of 80 percent of the workforce from the immediate 5-county area and \$3-4 million per year in taxes. She indicated that water will neither be directly taken from nor returned to the Cumberland River.

Following the LES presentation, Mr. Richard Walker, the Executive Director of the Four Lakes Development Council, provided a status of the activities related to the zoning of the land on which LES wants to build its facility. Mr. Faraz then provided a 10-minute summary of the NRC's safety and safeguards review process and Mr. Harris provided a 5-minute summary of the NRC environmental review process. Mr. Faraz indicated that NRC is an independent regulatory agency responsible for ensuring public and worker health and safety. He said that the NRC is not a promoter of the proposed project. This statement led to widespread applause. Mr. Faraz also said that the NRC will not issue a license unless LES can demonstrate it can meet NRC's safety requirements. In his presentation, Mr. Harris stated that, with its application, LES is required to submit a decommissioning plan and a decommissioning funding plan for approval by the NRC. As part of the decommissioning funding plan, LES will be required to set aside money in a trust every year to ensure that at the time of decommissioning, sufficient funds are available to allow LES to decommission its facility and adequately disposition its wastes and other radioactive materials in accordance with NRC regulations. The NRC would be the beneficiary of the funds that LES sets aside so that if, perchance, LES becomes bankrupt, the NRC could use the funds to have the facility decommissioned. Both Messrs. Faraz and Harris also discussed opportunities for the public to provide input in the licensing and environmental review process.

Following the NRC presentations, Ms. Kilkeary, Mr. Colin Heath, who was invited to the forum by Mr. Nesbitt, and Messrs. Callaway, Faraz and Harris took questions from the audience. In response to a question about the impacts of a bomb being dropped on the depleted UF<sub>6</sub> cylinders, Mr. Heath stated that the consequences would likely be bad just as the consequences of dropping a bomb on any other chemical facility would likely be bad. Mr. Faraz stated that since the September 11 attacks, the NRC has been and expects to continue spending a large portion of its effort towards addressing the threat of terrorism at NRC-licensed nuclear facilities and has required many of its licensees to take significant protective measures to reduce that threat. LES will not be treated any differently.

Concerning a question on the disposition of tails, Mr. Faraz indicated that, by law, the Department of Energy (DOE) is required to accept the tails from a private producer with an appropriate disposition fee. Mr. Callaway indicated that LES would like to declare the tails as waste as soon as possible to require DOE to accept it. Mr. Callaway added that even though nuclear power in the U.S. is safer, the country has still not solved its nuclear waste problem.

One individual asked for clarification of a rumor that LES had offered each of the county executives one million dollars to cast a favorable vote. LES and each of the county executives present categorically denied this.

Responding to a question concerning the risk of the proposed facility, Mr. Callaway indicated that only a few years ago, human error resulted in a very serious accident at a Japanese gas centrifuge facility causing worker deaths. Messrs. Heath and Faraz immediately corrected Mr. Callaway, indicating that the accident he was referring to was a nuclear criticality accident that had occurred at a nuclear fuel fabrication facility in Tokai-Mura in Japan and not at a uranium enrichment facility, and that the processes at these two types of nuclear fuel cycle facilities are entirely different. Mr. Faraz indicated that NRC regulations require the existing nuclear fuel fabrication facilities in the United States and LES to identify all credible accident sequences that could result in significant impacts to workers, the public, or the environment, and establish reliable safety controls to prevent and/or mitigate the consequences of those accident sequences. Mr. Callaway also indicated that the NFS facility in Erwin, Tennessee had contaminated the groundwater and that the NRC had issued violations to NFS for losing nuclear material. As rhetorical questions, Mr. Callaway asked why the cheese factory behind Urenco's Almelo facility only exported its cheese and why the residents of Homer, Louisiana fought successfully for eight years to stop LES from building its facility.

Concerning a question regarding potential employment at the LES facility, Ms. Kilkeary indicated that about 400 non-union workers will be involved with construction of the facility over a period of about five years and 210 or more will be involved in its operation. The training program for the operating workers will last about 12 to 18 months and their salaries will be competitive with other local salaries. One member of the audience raised a concern that LES will not be able to operate safely with non-union workers. One member of the audience asked how the NRC would ensure that LES reports all events. Mr. Faraz responded that the NRC establishes reporting requirements for various types of licensees and inspects the implementation of these requirements. He said that the NRC's licensees generally tend to conservatively comply with such requirements and sometimes go to the extent of reporting even very minor events. Mr. Heath added that compliance with NRC requirements is taken extremely seriously by all licensees and that every NRC-licensee clearly understands that it is very important and in its interest to identify and report events and violations before the NRC identifies them.

One member of the audience indicated that, although at the Hartsville public forum LES had indicated that no process liquids will be discharged to the Cumberland River, no mention was made of potential discharges of Hydrogen Fluoride (HF). Ms. Kilkeary responded that the facility will have a closed loop cooling system and that any small cooling water losses due to evaporation will be made up by adding water. The  $UF_6$  would remain contained in the process and that there would be no pathway for any significant discharges of HF. Another member of the audience suggested that Urenco should enlarge its facility in the Netherlands in lieu of building a new facility in Hartsville. Mr. Callaway then indicated that when LES had previously applied for a license to build and operate its facility in Homer, several suits were filed against Duke, an American partner of LES. As such, Duke had indicated that it would withdraw from the partnership after the NRC issues a license. He added that, for the same reason, all American companies including Exelon, Entergy and Duke that are currently within the LES partnership, will withdraw from the partnership. He also noted that LES had done something that was unheard of in that it had asked the NRC in its white papers for an exemption from having to evaluate the No Action Alternative.

He reiterated the need for conducting a local referendum on whether LES should be allowed to build its facility in Hartsville.

Concerns were also raised about the problems that increased traffic may create for the local community and whether LES would take care of such problems. One individual regretted that the majority of Smith county was not present at the forum and indicated that the forum was not well publicized.

Action Items:

None.