

October 16, 2003

MEMORANDUM TO: Joseph G. Giitter, Chief
Special Projects and Inspection Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, 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: OCTOBER 1-3, 2003, MEETING SUMMARY: MEETINGS WITH
LOCAL OFFICIALS RELATED TO THE LOUISIANA ENERGY
SERVICES PROPOSED ENRICHMENT PLANT IN EUNICE, NEW
MEXICO

On October 1-3, 2003, U.S. Nuclear Regulatory Commission (NRC) staff met in a series of meetings with local elected officials from Lea County, New Mexico, and the mayors of Eunice, Hobbs, Jal, Lovington, and Tatum, New Mexico, and Andrews, Texas, to discuss the NRC licensing process applicable to the Louisiana Energy Services (LES) gas centrifuge enrichment plant proposed to be located in Eunice, New Mexico. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-3103

Attachment: Louisiana Energy Services
Meeting Summary

cc: William Szymanski/DOE	Claydean Claiborne/Jal
Rod Krich/Exelon	Bobby Walloch/Hobbs
James Curtiss/W&S	Troy Harris/Lovington
Mario Robles/USEC	Betty Richman/Tatum
James Ferland/LES	Glen Hackler/Andrews
Dennis Holmberg/Lea County	William Floyd/New Mexico
James Brown/Eunice	Richard Ratliff/Texas
Michael Marriotte/NIRS	Jerry Clift/Hartsville

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Summary of Meetings with Local Officials Pertaining to
Louisiana Energy Services Enrichment Plant

Dates: October 1-3, 2003

Place: Tatum, NM; Hobbs, NM; Eunice, NM; Jal, NM; Andrews, TX

Attendees: See Attachment 1

Purpose:

The purpose of these meetings was to discuss with local officials the U.S. Nuclear Regulatory Commission (NRC) licensing process applicable to the Louisiana Energy Services (LES) gas centrifuge enrichment plant proposed to be located in Eunice, New Mexico. In the discussions, NRC staff discussed uranium enrichment plant licensing issues, the process for preparing an Environmental Impact Statement (EIS), and public participation in the process.

Discussion:

In each of the meetings, NRC staff indicated that NRC is an independent Federal agency reporting to Congress and not the Executive Branch. It has no authority over Department of Energy (DOE) activities, except for a few cases specifically established by law. For example, NRC has no oversight jurisdiction over the Waste Isolation Pilot Project in Carlsbad, NM, or activities at Los Alamos, NM. LES must demonstrate it can meet the NRC safety requirements before it would be issued a license.

NRC staff explained the NRC licensing process would produce two key documents from its review -- a Safety Evaluation Report (SER) and an EIS. In the SER, NRC would evaluate worker and public safety under routine and accident conditions for the proposed LES operations. In the EIS, NRC would discuss radiological impacts from the proposed action as well as non-radiological impacts, such as socio-economic impacts, water resource impacts including water use, and cultural resource impacts. NRC staff explained that in preparation of the EIS, there would be two public meetings held near the proposed site where members of the public can provide input into the licensing process. The first meeting would be the EIS Scoping Meeting that is intended to solicit public input on areas that need to be considered in developing the EIS. The second meeting would take comments on the draft EIS that would be prepared based on the EIS scoping process. The EIS scoping meeting would take place two to three months after receipt of the LES license application, which is scheduled to be submitted to the NRC in December 2003. The draft EIS comment meeting would be held about one year after the license application is submitted.

NRC staff also explained that shortly after docketing the LES application, NRC will offer an opportunity for members of the public to petition for a hearing. This is a formal adjudicatory hearing before three administrative law judges. To be admitted to the hearing, petitioners would have to demonstrate standing, that is, they have a specific interest in the proposed activity, and present admissible contentions that are relevant to the proceeding. Rules for standing and admissible contentions are contained in NRC regulations in 10 CFR Part 2, Subpart G.

NRC staff stated that the licensing process is an open process with all documents and meetings, except for those involving classified and proprietary information, available to the public on NRC's document system and LES project web site.

NRC staff also explained that if a license is issued, NRC inspectors would verify that construction and operations are being performed in accordance with LES' commitments. At this time, a full-time resident inspector is not anticipated for this site.

NRC staff offered to have a public meeting to discuss the NRC licensing process. Local officials stated that this would be helpful to them to answer public questions and correct some misunderstandings about the project. A tentative date of November 4, 2003, at 7:00 PM was proposed. NRC staff also observed two potential locations for the meeting; the Hobbs County Events Center, which has a large banquet facility suitable for the meeting, and the Eunice Community Center, which can seat 250 to 400 people. It was decided that the Eunice Community Center would be the preferable location because of its proximity to the proposed site and that it can accommodate the 200 people expected to attend the meeting. Local officials stated that an evening meeting would be preferable so that local people could attend after work.

Local officials indicated strong support for the proposed project, stating that local people are more concerned with oil field hazards, such as H₂S gas and pressurized natural gas lines. Because the area is extensively used for oil and gas production, which is inherently cyclical in nature, local officials want more diversified industries, such as LES, to locate in Lea County. Several of the local officials visited the Urenco enrichment plant in Almelo, The Netherlands. They said they were impressed with the facility and the strong support from the Almelo citizens. Local officials also stressed their expectation that the plant would be appropriately regulated by NRC to protect the public and the environment.

Concerns raised by members of the public included water use for the proposed plant. Based on a county water use study, elected officials indicated that the water requirements would be 75 acre-ft per year, which is one-third of the water usage at the Eunice golf course and equivalent to that required for a 25-acre farm. A 25-acre farm is small by area standards. Local officials indicated that because water is saline in the immediate area of the proposed site, water would need to be piped from Eunice, which uses water from wells near Hobbs. A water line to the LES site would need to be extended and enlarged for plant operations. Local officials consider that the water requirements would be an insignificant impact on current water usage requirements.

Local officials indicated that there are no local Native American tribal groups in Lea and Andrews Counties. The nearest reservation is in Ruidoso, New Mexico. Historically, Native Americans tended to settle where surface water is available. Because of the lack of surface water in Lea and Andrews Counties, there are no reservations and only a few historical campsites. The campsites are not near the proposed LES site. NRC staff was provided a list of tribal contacts to obtain further information for EIS preparation. The nearest historical cattle trail is 70 miles away.

Local officials stated that the only endangered species applicable to Lea County is the prairie chicken, a type of grouse. However, prairie chickens have not been recently sighted in the area.

near the proposed site. Local officials also indicated that the Bureau of Land Management is preparing a study on these animals.

Local officials discussed existing activities that take place in the vicinity of the proposed LES site. These include the Lea County landfill, located about 0.75 miles from the proposed site, a gravel pit located about 1 mile from the site, and the Waste Control Specialists site, located about 1 mile from the site across the border in Texas. Waste Control Specialists operates a disposal facility for hazardous chemical waste and wastes with very low concentrations of uranium and thorium. These facilities will need to be considered as cumulative impacts in the EIS. The nearest residence is about 4 miles away in Eunice.

NRC staff requested information on local newspapers and media contacts in which to advertise meetings. Newspapers read by Lea and Andrews County residents include the Hobbs News-Sun, Lovington Leader, Eunice Star, Jal Record, Albuquerque Journal and Tribune, and Lubbock Avalanche Journal. KBIN in Roswell is the nearest television station.

Elected officials asked if a proposed LES site had been rejected in Kentucky and Ohio. NRC staff explained that the gaseous diffusion plant sites in Paducah, Kentucky, and Portsmouth, Ohio, were considered by LES and both States encouraged LES to site the proposed facility there. LES gave significant consideration to the Portsmouth, Ohio, gaseous diffusion plant site, but the U.S. Enrichment Corporation (USEC) has the right of first refusal under its lease agreement with DOE for use of facilities at that site and USEC decided to site its Lead Cascade gas centrifuge project at Portsmouth. The Paducah site was given little consideration due to potential for significant seismic activity there. LES had indicated to NRC that the reason the Eunice site had been selected was the availability of site characterization data from previous USEC efforts to site an enrichment plant using the Atomic Vapor Laser Isotope-Enrichment System. Senator Domenici also encouraged LES to consider siting the plant in the Hobbs area.

Elected officials asked about the environmental justice impacts from the previous LES licensing activity for the Homer, Louisiana, site. In the 1990s, LES submitted a license application for a similar enrichment plant as proposed for Eunice. LES' proposed site was located between two small poor black communities. The proposed site would have required a road connecting the two communities to be moved. In the consideration of these issues in the hearing, it was determined that additional information on the disparate impacts to these communities needed to be discussed in more detail. LES, however, decided to terminate the proceeding prior to final resolution of this issue. Contrary to some statements that had been made in the past, the hearing board did not make a determination that discrimination had occurred in selecting the Homer site.

Local officials asked about the facility's hazards. NRC staff explained that the primary hazard is the chemical hazard with uranium hexafluoride, the chemical form of uranium used in the process. Uranium hexafluoride reacts with water and water vapor to produce hydrogen fluoride, which is a strongly acidic chemical that is hazardous if ingested or inhaled. Its hazard is similar to other acidic and corrosive chemicals commonly used in the chemical industry. Like the chemical industry, the plant's systems will need to be designed to protect against releases. Uranium hexafluoride has been used in the nuclear industry since the 1940s and there are more than 1000 shipments made each year. While there have been a few accidents, none have resulted in ruptured cylinders.

In Lovington, local officials indicated that there is a housing shortage in the city. This will need to be considered in the EIS.

Action Items:

Confirm NRC public meeting date.

Attachments: Attendee List

Louisiana Energy Services Meeting Attendee Lists

Tatum, NM; October 1, 2003; 3 PM

B. Rickman/Mayor of Tatum
D. Gruben/Town Clerk
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Hobbs, NM; October 2, 2003; 8:30 AM

D. Holmberg/County Manager
R. Black/County Commissioner
H. Teague/County Commissioner
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Hobbs, NM; October 2, 2003; 10:00 AM

R.P. Walloch/Mayor of Hobbs
C. Leavell/State Senator
H. Ramirez/City Commissioner
J. Boyd/City Commissioner
D. Dible/City Manager
K. Bearden/Hobbs Economic Development
R. R. Walloch/Hobbs Economic Development
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Eunice, NM; October 2, 2003; 1:30 PM

J. Brown/Mayor of Eunice
R. Abousleman/City Manager
R. Battaglini/Hobbs Chamber of Commerce
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Jal, NM; October 2, 2003; 3:30 PM

C. Claiborne/Mayor of Jal
D. Stephenson/County Commissioner
R. Ferguson/Superintendent of Schools
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Lovington, NM; October 3, 2003; 8:00 AM

T. Harris/Mayor of Lovington
P. Wise/City Manager
C. Kelley/Asst. City Manager
G. Schubert/County Commissioner
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC

Andrews, Texas; October 3; 2:30 PM

R. Zap/Mayor of Andrews
G. Hackler/City Manager
R. Dolgener/County Judge
D. Ingram/Andrews County News
L. Eisenrich/Andrews Industrial Foundation
R. Shannon/Andrews Industrial Foundation
W. Burnett/Waste Control Specialists
T. Jones/Waste Control Specialists
B. Smith/NRC
M. Wong/NRC
T.C. Johnson/NRC