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From: LES_EIS
To: Doris Mendiola
Date: 3/15/04 8:12AM
Subject: Comment32: LES enrichment plant andNational Security ((OBJECTION TO LES License app.))

>>> "PHILLIP BARR" <pharb2@msn.com> 03/11/04 04:21PM >>>

I did find a paper article from the NEW Mexican I would like to submit. There is reference to Dr. Khan and to Urenco. There are also some statements from local citizens in Eunice at the bottom. As I understand it from the NRC there will be no NRC officials at this plant on a permanent basis. Considering what happened at Almelo, I believe their license application should be revoked.

Phillip Barr
Lea County

Sunday, February 29, 2004

'Islamic Bomb' Chief Linked to Eunice

By BEN NEARY | The New Mexican

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The recent confession by Pakistan's foremost scientist that he covertly sold nuclear-weapons materials and technology to rogue nations North Korea, Iran and Libya has sent hockwaves through U.S. and foreign intelligence agencies. The repercussions can be felt all the way to Lea County, N.M.

In Pakistan, scientist A.Q. Khan is widely regarded as a national hero for developing and testing that country's first atomic bomb in 1998.

Pakistanis proudly believe Khan's claims that he invented the bomb technology on his own. But Western intelligence agencies have long suspected Khan stole the critical uranium-enrichment technology from a European company called Urenco when he worked there in the 1970s.

Urenco is the majority owner of Louisiana Energy Services, the company now pushing to open a uranium-enrichment plant near the little town of Eunice, N.M. The billion-dollar plant would produce fuel for commercial nuclear reactors.

This month, following a long-running intelligence probe by the CIA and other agencies, Khan admitted he had provided nuclear-weapons expertise and materials to Libya, North Korea and other nations for his own profit.

In a televised address this month, Khan offered his "deepest regrets and unqualified apologies," the BBC reported. "I take full responsibility for my actions and seek your pardon," he said.

Pakistani President Pervez Musharraf instantly pardoned Khan and announced that his nation will not allow Western intelligence agencies to inspect records at Pakistani labs to try to gauge the extent of Khan's activities.

Even though Khan said he ran his own nuclear black market without Pakistani government sanction, apparently few in the international intelligence community believe him. Intelligence officials tell the world press it's impossible that Khan moved uranium-enrichment machines to other countries without the Musharraf regime having full knowledge.

In any case, the Pakistani proliferation case has dire implications given the interest among terrorist groups in obtaining nuclear weapons.

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add = T. Johnson (TCS)
M. Wong (MCW)

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In a speech on Feb. 11, President Bush lauded the American and British intelligence officers who pieced together information about Khan.

"Breaking this network is one major success in a broad-based effort to stop the spread of terrible weapons," Bush said of Khan's operation. The president stopped short of criticizing the Pakistani government, presumably in recognition of its importance in ongoing U.S. military operations in the region.

Nonetheless, U.S. and other Western intelligence agencies are scrambling to determine the extent of the nuclear proliferation Khan caused.

"We don't still know the full scale of the activity," British Foreign Minister Jack Straw told the Reuters news agency this month. "(But) what we had here was somebody who had made a bomb, an operational bomb, who knew all the technology and who was selling this on the black market basically to anybody who could pay his price, and we know he had sold technology to Libya and other countries."

Meanwhile, Urenco is the biggest player in a consortium of mostly European companies that owns Louisiana Energy Services. That company recently applied to the Nuclear Regulatory Commission for a permit to open the uranium-enrichment plant in New Mexico.

The Louisiana Energy Services project calls for using basically the same sort of Urenco uranium centrifuge technology in the Lea County plant as Khan sold on the nuclear black market.

Late last year, Urenco issued a statement denying a link between the company and uranium-enrichment technology that United Nations inspectors had found in Iran.

But this month Louisiana Energy Services issued a statement reading in part, "It is likely, however, that Dr. Khan did, in fact, steal what is now obsolete but still workable uranium-enrichment technology from Urenco in the 1970s and took it to Pakistan. ... Some reports have suggested that Iran obtained information from Pakistan."

Marshall Cohen, vice president of Louisiana Energy Services, said Friday that Khan's presumed theft at Urenco occurred nearly 25 years ago and only after Dutch security officials cleared Khan to work at the uranium facility.

"So he was fully cleared ... and was doing some work involving centrifuge technology," Cohen said of Khan. "And he went on a holiday to Pakistan and never came back. And the next thing you know, it comes out that he's putting together a Pakistani (nuclear-weapons) program. Since that time in the 1970s, there's never been another incident where anyone has been able to do that. Urenco has changed its policies since that."

The U.S. Nuclear Regulatory Commission, as part of its review of the Louisiana Energy Services application, will look carefully at security measures proposed for the New Mexico plant, Cohen said. The company is confident no one will walk out of the Eunice plant with information that could be used to develop weapons, he said.

"Obviously, it's a most unfortunate thing," Cohen said. "We're as distressed by the proliferation business that Mr. Khan went into as anybody."

The Nuclear Regulatory Commission plans to meet in Eunice this week to get public comment about what the agency should consider in its environmental impact statement for the proposed uranium plant.

Tim Johnson, project manager for the NRC in Maryland, said last week that his agency's review will focus on the Urenco technology and the reliability of the equipment -- but not on the company's central role in nuclear proliferation.

"The problems with Pakistan and other countries, I'm not sure they're directly applicable," Johnson

said of his agency's review. "LES has to meet our requirements for securing classified information, the same way any Department of Defense or Department of Energy or NRC entity that deals with classified information has to protect it."

Don Hancock, with the Southwest Center for Research and Information, has monitored Louisiana Energy Services' plans in the state. New Mexicans should be concerned about Urenco's international security record, he said.

"Just like Urenco didn't do a good job of holding onto some of its secrets with Khan some years ago, it raises the question of who's going to be looking at this plant (in New Mexico)," Hancock said.

Meanwhile, Hancock said, if the Louisiana Energy Services plant is licensed here, it will be impossible for the public to track how well the security procedures are followed because that portion of the company's application is classified.

Although the NRC hasn't begun its environmental and permitting reviews of Louisiana Energy Services' application, New Mexico's congressional delegation and Gov. Bill Richardson have already expressed their approval of the project. The Lea County Commission last year approved an industrial-bond issue of more than \$1 billion to help with plant construction.

Richardson this month said he was considering withdrawing his support for the project because of his concern that waste from the plant might remain in New Mexico. But a spokesman now says the governor is happier with the project.

The uranium-enrichment process produces a radioactive waste called "tails." No plant operating in the United States can "deconvert" such tails into a stable form that can be disposed of safely.

Although Louisiana Energy Services officials have promised Richardson that no waste will remain in the state, a provision in the pending Senate energy bill written by Sen. Pete Domenici, R-N.M., would allow private uranium-enrichment plants to turn their waste over to the U.S. Department of Energy.

Domenici, chairman of the Senate Energy Committee and a longtime proponent of nuclear energy, has backed the Louisiana Energy Services project. He invited company officials to move their operations to New Mexico after public opposition blocked the company's earlier plans to open plants first in Louisiana and then in Tennessee.

Alex Flint, Domenici's top energy aide, oversaw insertion of language to help Louisiana Energy Services in last year's energy bill, The Wall Street Journal reported in December. In 2001, Flint had worked as a lobbyist for the energy company Exelon, one of Louisiana Energy Services' limited partners on the New Mexico project, the newspaper reported.

The energy bill Domenici has proposed this year contains the same language as last year's bill allowing Louisiana Energy Services to turn over waste to the federal government and force federal regulators to process the company's application quickly.

Richardson has said his support for the project hinges on Domenici including language in an appropriations bill in Congress to specify that the DOE may not keep any radioactive waste from the plant in New Mexico.

Pahl Shipley, spokesman for Richardson, said this week that the governor has spoken with Domenici and "the senator reassured the governor that he would be going ahead with legislative language that would prohibit long-term storage of LES waste in New Mexico. And that's certainly a constructive step in the right direction."

Cohen said the company's first choice for disposing of the radioactive waste from its plant would be to find a commercial company willing to open a waste-deconversion plant in the United States. Although

Louisiana Energy Services has said that French energy giant Cogema has expressed interest in opening such a plant, none is operating and there are no license applications pending with the NRC to do so.

The federal government intends to open deconversion plants to handle stockpiled waste from uranium-enrichment plants it operated in Ohio and Tennessee.

There are some 700,000 tons of such waste in those states awaiting treatment.

Ohio Gov. Bob Taft recently wrote to the NRC saying Ohio doesn't want any waste from the planned plant in New Mexico to be shipped to Ohio for disposal.

Domenici's office recently said it questions Taft's authority on the matter.

Domenici's pending energy bill would give the NRC 24 months to review and act on Louisiana Energy Services' application.

In response to the company's permit application, the NRC said it needs 30 months to review the application.

Asked what the NRC will do if Congress passes Domenici's energy bill, NRC project manager Johnson said, "We'd do our best to try to do what's in the law. And we would have to reprogram things in order to do that."

Reader Comments

Posted: Wednesday, March 10, 2004
by: rose gardner

The headline of this article says it all. Since I do live in Eunice and I do not support the LES project I certainly do appreciate the facts that are printed in the news outside of Lea County. The newspapers in Hobbs and Eunice do not publish the negatives on this subject. Is there any wonder why? Perhaps because they were some of the recipients of an overseas "holiday" or "fact" finding holiday in Almelo, courtesy of said company. I truly hope that our local and country officials read other news papers or even TIME online articles that are spilling the guts on this company (dated March 1, 2004).

Posted: Monday, March 01, 2004
by: Joey Pollo

Oh, great... after the citizens of Tennessee and Louisiana refuse to have this anything to do with this WMD conglomerate's waste products and revenue it would generate for their states, of Senator "Peach" Domenici tells the WMD company "you know wut, since New Mexico is already the nation's nuclear waste septic tank anyway, you come on down and set up yer uranium refinery here. We have a lot of uneducated brown people here who really need a job, and heck, you can even water down your compliance to those OSHA regulations... these people won't know what they're touching, and what they don't know won't hurt them.

To the reps of that WMD conglomerate AND Senator Peach, I'd say "BS" to their faces! Don't turn this land into a place we can't safely live on. Not in MY back yard, and not in my front yard, either!

Go the way you came, don't ever come back here, and quit thinking of ways to get rich from making bombs to kill people.

Posted: Sunday, February 29, 2004
by: paul bossert

since there is currently NO SUCH THING in the USA as long-term storage of radioactive waste (except at WIPP) Sen. Domenici's assurance on that issue does not amount to much. 100s of years is "short-term" in the world of nuclear byproducts.

Posted: Sunday, February 29, 2004
by: George Henke

"The U.S. Nuclear Regulatory Commission, as part of its review of the Louisiana Energy Services application, will look carefully at security measures proposed for the New Mexico plant, Cohen said. The company is confident no one will walk out of the Eunice plant with information that could be used to develop weapons, he said."

The technology can walk out of these places in people's heads. There is no way to completely secure this information.

Those who assure us are not being truthful.

Posted: Sunday, February 29, 2004
by: Mark Wright

Since these ARE American (Louisiana and New Mexico) companies involved in this, there IS a cure. Politically correct or not (I'm quite certain my version IS NOT), take care of it. Nip it in the Bud.

Posted: Sunday, February 29, 2004
by: Eric Scott