

RAS 9688

U.S. NUCLEAR REGULATORY COMMISSION
 In the Matter of Louisiana Energy Services
 Docket No. 70-3103 ML Official Exhibit No. LES 80
 OFFERED by: (Applicant/Licensee) Intervenor
 NRC Staff Other
 IDENTIFIED on 2/8/05 Witness/Panel Krich/Schneider
 Action Taken: ADMITTED REJECTED WITHDRAWN
 Reporter/Clerk BALDWIN/EMM
 AREVA
 FOR IMMEDIATE RELEASE
 Contact: LES: Marshall Cohen - 505-417-2395
 April Wade - 505-440-9441
 AREVA: Nancy Lang - 301-652-5652

LES and AREVA Sign Memorandum of Understanding for Deconversion Facility near the National Enrichment Facility

February 3, 2005 Albuquerque – Louisiana Energy Services (LES) and the nuclear energy services company AREVA Inc., a subsidiary of the AREVA Group, have signed a Memorandum of Understanding that could lead to the construction of a private uranium hexafluoride deconversion plant to support the proposed National Enrichment Facility (NEF) outside Eunice, New Mexico.

Since coming to New Mexico LES has stated, and committed to New Mexico Governor Bill Richardson, Attorney General Patricia Madrid, and the citizens, their intent to pursue construction of a private deconversion facility outside of New Mexico to deconvert the NEF byproduct to uranium oxide that can be disposed of safely. The oxide would then be sent to low-level radioactive waste facilities outside the State of New Mexico for storage and/or disposal.

“LES has committed that we will not store waste for more than a few years, and we will dispose of byproducts out of state,” said LES President Jim Ferland. “AREVA is the world expert in deconversion and they have been doing it for over 20 years, with over 300,000 tons of uranium hexafluoride having been processed. We are delighted that their technology will be available to us to achieve this goal.”

“We look forward to working with LES and bringing AREVA’s global technical expertise in uranium materials management to the project,” said Mike McMurphy, President of AREVA, Inc.

While today's agreement marks significant progress toward a long-term deconversion and disposal path, Ferland noted it is important to understand this is just one step in a lengthy process.

“Although in most cases we would not be making deconversion plans so early in the process of developing an enrichment facility, Governor Richardson and Attorney General Madrid have pressed for this kind of commitment by LES toward out-of-state deconversion and disposal. A deconversion facility to support our enrichment plant is not necessary for a number of years yet, as there will not be any material to deconvert for some time. However, now that an agreement has been reached, important site selection, licensing and other activities must take place to identify a location that is suitable, convenient to the labor force, acceptable to regulators, and near the NEF,” Ferland said. “Our agreement with AREVA provides a timeline for expected activities and operations.

-more-



LES has made a strong commitment to the citizens and officials of New Mexico that there will be no long-term or indefinite storage of our byproduct in New Mexico. "As there are no ultimate disposal options in New Mexico," Ferland said. "We believe it makes the most sense to look outside New Mexico to site the deconversion facility. Thus we are looking at site options in Texas, near the NEF where disposal of the deconverted uranium oxide could be handled by a Texas low-level waste repository, should one be licensed by the State of Texas. This would bring economic development benefits there as well. It is also possible however, for the uranium oxide to be disposed of in several other licensed facilities in the United States.

Ferland added, "This agreement on deconversion goes beyond the requirements of the Nuclear Regulatory Commission (NRC) and affirms our company's commitment that we will remove and dispose of wastes and not store them indefinitely in New Mexico."

The NRC recently reaffirmed the plausibility of the LES backup option to transfer the depleted uranium hexafluoride to the Department of Energy (DOE) for disposition if for some reason a private deconversion facility is unavailable.

AREVA currently uses two proven technologies that will reduce the uranium by-product to a stable oxide form - which is recommended by the NRC for easiest long-term disposal.

AREVA's subsidiary, COGEMA is currently operating a large-scale deconversion plant in Pierrelatte, France. Another AREVA subsidiary, Framatome-ANP, operates a deconversion facility that supports a fuel fabrication plant in Washington State which will be the model process used for future DOE deconversion plants in Portsmouth, Ohio, and Paducah, Kentucky.

Within the U.S., AREVA has 41 offices and over 7000 employees. AREVA is also already part of the New Mexico business community. AREVA is a major supplier to U.S. utilities for uranium, conversion and enrichment services, fuel fabrication, reactor engineering, components and services, and spent fuel management solutions. Among other holdings, AREVA owns Canberra Aquila, Inc., an Albuquerque based company that is the recognized industry leader in the manufacture of surveillance systems; review stations; and electronic seals and tags for the worldwide nuclear safeguards community.

The NEF will provide more than 200 permanent jobs and more than 400 multi-year construction jobs in southeast New Mexico. It will use a proven technology that has operated safely in Europe for 30 years.

When the license application is approved, the NEF will introduce the world's most advanced uranium enrichment technology into the U.S. and provide an alternative, domestic enrichment supply source to U.S. nuclear energy companies.

LES is a partnership of major nuclear energy companies. Partners include Urenco, Westinghouse and U.S. energy companies Duke Power, Entergy and Exelon.



With manufacturing facilities in over 40 countries and a sales network in over 100, AREVA offers its clients technological solutions for nuclear energy and electrical transmission and distribution. The group also provides interconnect systems to the telecommunications, computer and automotive markets. These businesses engage AREVA's 70,000 employees in the 21st century's greatest challenges: making energy and communication resources available to all, protecting the planet and acting responsibly towards future generations. AREVA, Inc. is headquartered in Bethesda, Md, with AREVA corporate headquarters in Paris, France.

DOCKETED
USNRC

2005 MAR -3 PM 3: 18

OFFICE OF THE SECRETARY
REGULATORY AFFAIRS AND
ADJUDICATIONS STAFF