

From: <rod.krich@exeloncorp.com>
To: <tcj@nrc.gov>
Date: 6/3/05 6:32PM
Subject: FW: Press Releases

Tim,

Fyi

Rod

-----Original Message-----

From: Jennifer Chambers [mailto:jchambers@nefnm.com]

Sent: Friday, June 03, 2005 4:39 PM

To: rod.krich@exeloncorp.com

Subject:

Rod,

These are the documents that were sent to the utilities and the owners. Also, they are being delivered to the Associated Press office this afternoon.

Thanks,
Jenn

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From: <rod.krich@exeloncorp.com>

Created By: rod.krich@exeloncorp.com

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Files	Size	Date & Time
MESSAGE	1234	06/03/05 06:32PM
TEXT.htm	2638	
Final Settlement Agreement Info.pdf		30956
Governor Richardson News Release Re-LES.pdf		30423
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Settlement Agreement

Louisiana Energy Services (LES), Governor Bill Richardson, Attorney General Patricia Madrid (NMAG) and Secretary Ron Curry of the New Mexico Environment Department (NMED) have reached a settlement regarding the licensing and operation of the National Enrichment Facility (NEF) located outside Eunice, New Mexico. The provisions of this Agreement address the issues raised by the NMAG and the NMED in the licensing hearings.

The Settlement Agreement – which covers such issues as the number of uranium byproduct cylinders (UBCs) that may be stored on-site, financial assurance to cover their removal, maximum storage time for filled UBCs, and allowing the State to inspect the facility on a regular basis – will be sent to the Nuclear Regulatory Commission (NRC) Atomic Safety and Licensing Board (ASLB) for approval.

Once the ASLB approves the Settlement Agreement it will be binding. The following key elements of the Agreement will be included in the LES license:

- Onsite storage of UBCs will be limited to a maximum of 5,016 cylinders, the equivalent of 8 years of full capacity operation (the NEF will not reach full capacity for more than five years after it commences operation), which represents a reduction of nearly 68% over the current storage limit.
 - LES will provide a yearly report to NMED and NMAG on how many cylinders are being stored on site.
- Onsite storage of any single UBC will be limited to a maximum of 15 years.
- LES will be required to maintain financial assurance to guarantee the disposal of UBCs. The amount of the financial assurance will scale-up based on the number of UBCs in storage onsite.
 - The amount of the financial assurance will include a 25% contingency until 5016 containers are stored at which point it will increase to 50%.
 - The total contingency on the assurance will also increase to 50% if UBC storage reaches 4000 cylinders unless LES removes the cylinders from the State of New Mexico or an application is approved or pending for a deconversion facility.
- LES will not use its Department of Energy option to dispose of the UBCs unless the uranium byproduct will be taken out of the State of New Mexico.
- LES will not dispose of depleted uranium or construct or operate a deconversion facility in the State of New Mexico.

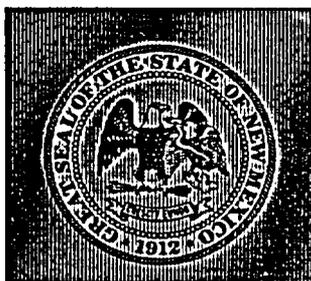
Other provisions of the Settlement are:

- NMED will be permitted to conduct inspections of the NEF radiation protection program. They will be allowed the same access to the facilities, documents, materials and personnel as the NRC is entitled to and will be provided the same information given to the NRC on the radiation protection program at the NEF.
- LES will comply with the International Atomic Energy Agency standards regarding proliferation protection.
- LES will provide the Physical Security Plan of the NEF to the New Mexico Department of Public Safety.

Upon approval of the Settlement Agreement, the ASLB, NMED, NMAG and LES agree that all issues raised by NMED and the NMAG presently pending in the Nuclear Regulatory Commission proceeding will be withdrawn.

For More Information please contact Marshall Cohen: (505) 417-2395

www.nefnm.com



State of New Mexico *Office of the Governor*

Bill Richardson
Governor

For immediate release
June 3, 2005

Contact: Gilbert Gallegos
(Santa Fe) 505-476-2217

STATE OF NEW MEXICO AND LES AGREE ON LIMITS TO URANIUM ENRICHMENT PROJECT

SANTA FE -- New Mexico Governor Bill Richardson and Attorney General Patricia Madrid announced today that the State has secured an agreement that requires LES (Louisiana Energy Services) to dramatically limit the storage and disposal of byproduct from a uranium enrichment plant proposed to be built near Eunice, NM.

The agreement between the State and LES will be submitted to the NRC's Atomic Safety and Licensing Board for federal approval. If approved, the agreement settles the State's legal objections to LES's application pending before the NRC.

Governor Richardson and Attorney General Madrid expressed support for the agreement, which protects New Mexico citizens and the environment, and commended LES for its cooperation.

"When the LES project was announced nearly two years ago, I insisted on strong conditions limiting the storage and disposal of its byproducts," Governor Richardson said. "We can't afford to allow radioactive byproducts to build up in New Mexico as they have in other states. Without the opportunity to provide real input during the NRC licensing process, the state worked with LES to forge an agreement that includes strong, enforceable limits on byproduct storage and disposal, as well as financial assurance to protect the state in case of any default by the company."

"When the proposal for a uranium enrichment facility originally came to my attention, I had serious concerns that adequate safeguards would not be in place to protect the State," Attorney General Madrid said. "I was particularly concerned about the radioactive byproduct that resulted from the enrichment process and the potential that the byproduct generated would remain indefinitely in New Mexico.

"Now LES will have a strong financial incentive to prevent accumulating storage in New Mexico and LES will provide sufficient funds to ensure that the State of New Mexico will not have to bear the responsibility for any disposal of the radioactive byproduct. LES further agrees to reduce the radioactive byproduct that could be stored at the site by two-thirds. Finally, the State is guaranteed a meaningful role in enforcing LES' responsibilities to the citizens of New Mexico," Madrid said.

The agreement requires LES to limit its storage to about 5,000 cylinders of byproduct, equivalent to approximately 8-10 years of enrichment at full capacity. This is a 67% reduction from the amount of storage requested by LES in its license application with the U.S. Nuclear Regulatory Commission (NRC). Under the terms of the agreement, if storage exceeds this amount, the facility must cease all operations that generate new byproducts. No single container may be stored more than 15 years in total. All byproduct must be converted or disposed of outside of New Mexico.

Additionally, the agreement contains specific measures that will assure that the state has full funding available to clean up the plant in the event of a default.

The agreement also limits conditions under which LES could transfer byproduct to the U.S. Department of Energy, further preventing long-term storage or disposal in New Mexico.

This agreement will be subject to review by all the parties to the licensing process being conducted by the ASLB.

Governor Bill Richardson said the agreement goes far beyond what the state could have achieved through the federal licensing process. "By working directly with LES we have created binding license conditions that protect New Mexico citizens and the environment. The facility will have less than one-third as much storage space as it was designed to have, the company will quickly and safely transport and dispose of its byproducts out of state, and the facility faces \$5,000-a-day fines and will shut down if the company fails to comply with these conditions. I urge the federal officials to adopt this agreement."

Governor Bill Richardson also expressed concern about international proliferation issues related to uranium enrichment. "I have previously addressed my concerns regarding proliferation issues directly to the NRC, and am pleased that this agreement contains basic requirements regarding LES compliance with standards of the International Atomic Energy Agency. Nuclear proliferation is a huge international challenge, and this agreement shows that New Mexico will do its part to confront this important problem."