

June 12, 2006

Mr. James R. Curtiss
Winston & Strawn
1400 L Street, NW
Washington, DC 20005-3502

SUBJECT: ATOMIC SAFETY AND LICENSING BOARD DECISION ON LOUISIANA
ENERGY SERVICES URANIUM ENRICHMENT FACILITY CONTESTED
HEARING

Dear Mr. Curtis:

On May 31, 2006, the Atomic Safety and Licensing Board issued its third decision on the technical contentions, relating to decommissioning funding, raised by Nuclear Information and Resource Service and Public Citizen (NIRS/PC) regarding the application by Louisiana Energy Services (LES) to build and operate a gas centrifuge uranium enrichment facility to be known as the National Enrichment Facility (NEF). The Board's previous two decisions, issued on June 8, 2005, and March 3, 2006, resolved NIRS/PC's environmental contentions in favor of the Staff (ADAMS Accession Numbers ML051590496 and ML060620602, respectively). The Board ruled that LES's preferred option for disposal of the tails to be generated by the NEF, using a private deconversion facility followed by commercial disposal, is a plausible strategy. However, the Board found that LES had not provided sufficiently reliable cost estimates for all elements of that strategy; namely, the cost of deconverting the tails and the cost of private near-surface disposal. Therefore, the Board ruled that the Staff's conclusions regarding the sufficiency of funding for decommissioning, as required by 10 C.F.R. §§ 30.35, 40.36 and 70.25, must be premised entirely upon the cost estimate associated with dispositioning the tails by the Department of Energy (DOE) under the USEC Privatization Act. The Board will issue a decision on the Staff's acceptance of the cost estimate provided by DOE in the upcoming decision on the mandatory hearing, scheduled to be issued later in June 2006. The latest decision of the Board will be available in Agency-Wide Document Management System (ADAMS) following redaction of proprietary information. Any appeal of the decision must be filed by June 19, 2006.

If you have any questions, please contact me at 301-415-7299.

Sincerely,

\RA\

Timothy C. Johnson, Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-3103

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Gas Centrifuge Facility Licensing Section
Special Projects Branch
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Office of Nuclear Material Safety
and Safeguards

Docket No. 70-3103
Same letter to the following:

Karl Gross/LES

James Ferland/LES

Lindsay
Lovejoy/NIRS

William Szymanski/DOE
Monty Newman/Hobbs
Glen Hackler/Andrews
Matt White/Eunice
Jerry Clift/Hartsville
Derrith Watchman-Moore/NMED

Fred Seifts/Jal
Troy Harris/Lovington
Lue Ethridge/Lea Cty
Richard Ratliff/Texas
Carol O'Claire/Ohio
Joseph Malherek/PC

Peter Miner/USEC
Betty Richman/Tatum
John Parker/NMED
M. Marriotte/NIRS
Lee Cheney/CNIC
Ron Curry/NMED

Tannis Fox/NMED
Roger Mulder/Texas

Patricia Madrid/NMAG

Glenn Smith/NMAG

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NAME	TJohnson:		LWilliamson		BSmith	
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