

Erwin Citizens Awareness Network
P. O. Box 1151
Erwin, TN 37650

September 17, 2008

Mr. Peter Habighorst
Chief, Fuel Manufacturing Branch
Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852-2738

Re: Nuclear Fuel Services, Inc. (NFS), Erwin, Tennessee, License SNM-124

SUBJECT: Phone Call to a member of Erwin Citizens Awareness Group from Mr. Peter Habighorst, Chief, Fuel Manufacturing Branch, Nuclear Regulatory Commission (NRC)

Dear Mr. Habighorst:

This letter responds to your phone call to me (Chris Tipton) on September 10, 2008, to discuss the two letters (dated August 7 and August 14, 2008) that the Erwin Citizens Awareness Network (Erwin CAN) sent to NRC Commissioner Gregory Jaczko. For the benefit of Erwin CAN, I need to make certain that I understood you correctly. The following are my notes from our phone conversation:

1. You said our two letters to Commissioner Jaczko had been sent to the NRC staff for response. On more than one occasion, you said that, since the letters contained questions about NRC staff members and their conduct, the letters had also been sent to the NRC Inspector General.
2. You said we had made reference to something in the Independent Safety Assessment Team (SCUBA) report regarding disposition or allegations that might lead to a potential violation. When you respond in writing, could you explain this in more detail?
3. You said the NRC is trying to respond to our questions about AREVA's involvement with NFS.
4. You said you had alerted NNSA/DOE that we wanted a community health assessment, and that you believed it was a good idea. (Please note that on May 16, 2008, Erwin CAN sent a letter to Mr. William Tobey, requesting a community health assessment, however, no reply has been received).
5. You were complimentary of how well the Erwin CAN letters were laid out, our hard work, our use of ADAMS, and you said that we supported our concerns about the safety of NFS' operations very well. You said we made our case well and that basically, we had told the NRC why we would like the NFS License SNM-124 amended or modified, and that safety was our fundamental reason.

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6. You asked if we wanted to enter into a Petition Review Process (10 CFR 2.206) whereby we would ask the NRC to modify or amend the NFS license. You said you would walk us through the process on the phone. Since you agreed that we had supported our case very well in the letters, the majority of our members were not fond of the petition process idea, and asked for information, in writing. They were also concerned because nothing was mentioned about the hundreds of signatures that we had gathered on the petitions we sent opposing NFS Amendment 79 for the Increased Possession Limit and Storage of U235, and wondered if you were aware of them? They wanted me to reiterate the request in our August 7, 2008 letter for the NRC to revisit Amendment 79 and not allow any more HEU into Erwin given the status of the NFS safety culture, the deficient condition of their equipment (including safety equipment) and degraded infrastructure.

7. You said that you were not speaking for Commissioner Jaczko, and that Commissioner Jaczko would not be responding to our letters. You said Mr. Michael Weber would respond. I asked you if the Commissioners had seen our letters, and you said they definitely know about them. You also mentioned that we had sent a lot of copies to Congress.

8. You said the NRC has to have reasons for violations, but said that people can identify things that cause safety problems and then the NRC can look at it. You said there are areas the NRC can't regulate, e.g. how NFS reviews and disciplines employees, but that employees may do something that would lead to violations and then the NRC can get involved. (We understand that from reading about the willful acts outlined in e.g. NRC Office of Investigation Reports, ML081500552, and ML081500239).

9. You said the next NFS License Performance Review would be in early October.

10. I reiterated to you that we really wanted and needed an Environmental Impact Statement (EIS) and that the health and safety of the community is our main concern -- not commercial reactor fuel that the nation might need, or what the company might want. I also reiterated the need for a community health assessment.

We recently saw the Environmental Assessment (EA) and Finding of No Significant Impact (FONSI), dated August 21, 2008, for the NFS Amendment request to process Uranium Hexafluoride (UF6) in the new Commercial Development (CD) Line. We will send you a letter shortly addressing what we believe are inadequacies in this document.

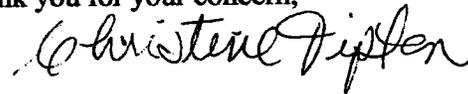
Again, we reiterate our request for the NRC to deny approval of the NFS License Amendment Request (LAR) for Processing UF6 in the new Commercial Development (CD) Line, dated August 31, 2007, for the same safety reasons as outlined in paragraph 6 above. This amendment is even more serious given the fact that the UF6 is extremely hazardous.

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Given the gravity of these issues and our need to communicate with many members of Erwin CAN located all around the area, we would prefer written correspondence in lieu of phone calls. It is easier to distribute the information, and we want to insure that we are always passing on correct information from the NRC. We look forward to a response from Mr. Weber.

We request that this letter be entered into the NRC ADAMS database.

Thank you for your concern,



for Erwin Citizens Awareness Network

CF:

NRC Commissioner Gregory Jaczko
Honorable John D. Dingell
Honorable Bart Stupak
Honorable Edward Markey
Honorable Henry Waxman
Honorable Bob Corker
Honorable David Davis
Honorable Phil Bredesen
Dr. David Lochbaum, Union of Concerned Scientists
Sierra Club Radiation Committee
We the People