June 17, 2010

Mr. Peter Sandbeck
Deputy State Historic Preservation Officer
North Carolina State Historic Preservation Office
4617 Mail Service Center
Raleigh, NC 27699-4617

SUBJECT: SECTION 106 CONSULTATION AND NOTIFICATION OF THE ISSUANCE OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED GENERAL ELECTRIC-HITACHI LASER-BASED URANIUM ENRICHMENT FACILITY NEAR WILMINGTON, NORTH CAROLINA (STATE HISTORIC PRESERVATION OFFICE TRACKING NUMBER ER 07-2157)

Dear Mr. Sandbeck:

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing an application submitted by General Electric-Hitachi (GEH) Global Laser Enrichment LLC (GLE) for a license to construct and operate a uranium enrichment facility on the existing General Electric Company site near Wilmington, North Carolina (Wilmington Site). The facility, if licensed, would use a laser-based technology to enrich the isotope uranium-235 in uranium hexafluoride (UF_6) up to 8 percent by weight for use in fuel for nuclear power plants. As part of the review of the proposed action, the NRC has prepared the enclosed Draft Environmental Impact Statement (DEIS) (NUREG-1938). The DEIS includes analysis of relevant environmental issues, including potential impacts to historic and cultural resources, and documents the NRC staff's determination regarding the environmental impacts from the construction, operation, and decommissioning of the proposed uranium enrichment facility.

By letter dated April 29, 2009, the NRC staff notified you that it will comply with its obligations under Section 106 of the National Historic Preservation Act of 1966, as amended (NHPA) using the process set forth in Title 36 of the *Code of Federal Regulations* (36 CFR) 800.8(c) in lieu of the procedures set forth in 36 CFR 800.3 through 36 CFR 800.6. Pursuant to 36 CFR 800.8(c), the NRC staff is using the preparation of the DEIS required by the National Environmental Policy Act of 1969, as amended, (NEPA), to comply with its obligations under Section 106 of the NHPA.

The NRC staff conducted an environmental audit of the site in May 2009 and has reviewed historic and archaeological records. The NRC staff also contacted 16 Native American Tribes, Nations, or organizations identified as having potential interest in the proposed undertaking. To date, two groups have responded. One indicated they had no connection to the area and the other indicated they had no objection to the project, but would like to be contacted if inadvertent discoveries are made.

The NRC staff has determined that the area of potential effects (APE) for the proposed facility is the area at the proposed uranium enrichment facility site and the immediate environs that may be directly or indirectly impacted by NRC-authorized construction, operation, and decommissioning of the proposed facility. The APE for the proposed facility was originally identified as 107 hectares (265 acres) of the 656 hectare (1621 acre) Wilmington site. On November 13, 2009, GLE submitted Supplement 2 to its environmental report to revise the proposed facility entrance and roadway to the Wilmington Site to satisfy safety concerns from North Carolina Department of Transportation. The revised APE for the proposed GLE facility includes approximately 106 hectares (263 acres) of the 656 hectare (1621 acre) Wilmington site.

The APE is influenced by the limitation of the scale and nature of the NRC undertaking which does not include most of the ground disturbing activities which constitute “preconstruction” activities. Many of the activities required to build a uranium enrichment facility do not fall within NRC’s regulatory authority and, therefore, are not “construction” as defined by the NRC. Such activities are referred to as “preconstruction” activities in 10 CFR 51.45(c).

In the context of NEPA, under which the DEIS was prepared, the NRC staff’s preliminary determination is that the cumulative impact on historical and archaeological resources from the construction, operation, and decommissioning of the proposed uranium enrichment facility at the Wilmington site would be small to moderate. The impacts are expected to be small to moderate because no National Register of Historic Places (NRHP) – eligible sites are expected to be affected by the undertaking. The impacts may range to moderate because operations at the proposed GLE facility could affect the historic site 31NH801 if the facility or roads and ancillary structures associated with the facility are expanded in the future. In a June 2, 2009, letter, your office asked to review the measures that will be taken by GLE to ensure protection and preservation of site 31NH801 from future ground-disturbing activities. Consultation between the NRC, your office, and GLE is ongoing. Impact levels could be reduced to small if a plan for site 31NH801 is developed and implemented.

For the purposes of NHPA 106 consultation pursuant to 36 CFR 800.8, the NRC concludes with a finding of no historic properties affected because no NRHP-eligible sites have been identified within the APE.

In accordance with the April 29, 2009, letter, the NRC staff is forwarding the DEIS for your review and comment and will address your comments in the final environmental impact statement, thus completing consultation under Section 106 of the NHPA regarding the GEH license application. Pursuant to 36 CFR 800.8(c), we are requesting your comments on the DEIS and on our preliminary conclusions regarding historic and cultural resources. Please provide any information, comments, or concerns you may have on the DEIS during the comment period, which ends August 9, 2010. Comments should be submitted either by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, Mailstop TWB-05-B01M, Washington, DC 20555-0001, or by e-mail to GLE.EIS@nrc.gov.

The NRC staff plans to hold two public meetings to discuss the analysis and results of the DEIS on Thursday, July 22, 2010, in Ballroom 5 of the Warwick Center at the University of North Carolina, Wilmington, North Carolina, 28403. The first meeting will convene at 2:30 p.m. and will continue until 5:00 p.m., as necessary. The second meeting will convene at 7:30 p.m., with a repeat of the overview portions of the first meeting, and will continue until 10:00 p.m., as necessary. The meetings will be transcribed and will include the following agenda items: (1) a brief presentation summarizing the NRC licensing review, (2) a presentation of the contents of the DEIS, and (3) an opportunity for interested government agencies, organizations, and individuals to provide comments on the draft report. Additionally, the NRC staff will host informal discussions 1 hour before the start of each meeting during which members of the public may meet and talk with NRC staff members informally. You and your staff are invited to attend.

If you have any questions or require additional information, please contact Ms. Jennifer Davis, Senior Environmental Project Manager, by phone at 301-415-3835, or by e-mail at Jennifer.Davis@nrc.gov.

Sincerely,

/RA/

Kevin Hsueh, Chief
Environmental Review Branch B
Environmental Protection
and Performance Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 70-7016

Enclosure:
Draft EIS

cc: See next page

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If you have any questions or require additional information, please contact Ms. Jennifer Davis, Senior Environmental Project Manager, by phone at 301-415-3835, or by e-mail at Jennifer.Davis@nrc.gov.

Sincerely,

Kevin Hsueh, Chief
Environmental Review Branch B
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and Performance Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
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Docket No.: 70-7016

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