From:	Liz Woodruff
To:	Eser, Jonathan
Cc:	"Beatrice Brailsford"
Subject:	License for Areva
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Attachments:	July 2011 Areva Testimony Liz Woodruff Final.doc

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Hi Jonathan,
As you can imagine, we were very disappointed in the ASLB decision to grant Areva a license. Given the abundance of data indicating the lack of need for this facility, the decision simply appears to be void of reason. Moreover, although we recognize that the Alliance does not have intervener status, due to the prohibitive costs involved with acting as an intervener, we did make a legally relevant argument invoking NEPA at the hearing in July. Could we please receive a response to this argument (my testimony is attached)? Could we also receive the full explanation from the ASLB that serves to justify this decision? Timely response to these requests is appreciated.

Best,

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The Snake River Alliance works for responsible solutions to nuclear waste and a nuclear-free future. It seeks to strengthen Idaho's economy and communities through the implementation of renewable energy resources in Idaho and the promotion of energy efficiency and conservation.

July 11, 2011

Liz Woodruff

Snake River Alliance Executive Director

Comments to the ASLB

Limited Appearance Session on the Proposed EREF

Members of the Atomic Safety and Licensing Board, thank you for the opportunity to speak with you tonight regarding Areva's proposed uranium enrichment factory here in eastern Idaho. My name is Liz Woodruff, and I am the Executive Director of the Snake River Alliance. The Alliance has been Idaho's nuclear watchdog for over 30 years. We represent 1,100 members state-wide.

We are grateful that this board has created an opportunity for the public to comment on the proposed facility in the midst of the Fukushima nuclear disaster. Since the Final EIS was issued in February of 2011, just prior to the March 11th crisis in Japan, it is imperative the EIS be thoroughly revaluated in light of the new economic context in the nuclear industry created by the crisis in Japan prior to the final granting of a license.

1) There was never a need for this facility. The entire premise of the draft and final EIS relies on an outdated letter by William Magwood (from July 2002) which hypothesizes that an increase in uranium enrichment will be needed for US security. This is not enough evidence to support the licensing of this facility, especially since the global and domestic market for new nuclear power plants is shrinking.

   The first approach to domestic and global security should be the continued down-blending of weapons grade material from Russia for use in domestic reactors. It is not simply enough for Areva to assert that Russia does not want to extend this agreement after 2013. The NRC staff should specifically evaluate whether, if Russia were to receive a fair price for down-blended HEU, it would continue this agreement or continue to supply LEU through other arrangements. To date, no argument exists from Areva or the NRC for why the continued dismantlement and down-blending of weapons grade material from both Russian and US stockpiles would not be the best approach to national and global security.

   Moreover, the uranium to be enriched at the proposed Areva facility would originate as raw uranium outside the US. How does enriching uranium here, while still receiving it from foreign sources, result in domestically controlled uranium? This argument is like claiming that because we refine oil in the US, we have a domestic supply of oil, even though the resource originates in the Middle East. The uranium market is in fact a

global market. There is no provable threat to energy security as a result of the global trade in uranium. The Areva facility is not needed to make the US more "secure."

2) The proposed facility is not necessary to meet the fuel demands of the current fleet of US reactors. The Urenco facility in New Mexico has started production and will reach half its operating capacity next month—even though the Final EIS makes production sound far off. Moreover, the projected SWU requirement cited in the Final EIS of 15 to 16 million SWUs is in excess of the current need and particularly in light of events in Japan, the forecast used in the FEIS (made in 2010) should be revised. The fact that the NRC staff has chosen not to reanalyze this forecast and make public its findings is troubling. A thorough review of this forecast should be conducted by an entity other than the applicant. Furthermore, does the projected demand in the final EIS include new reactors? If so, how many? We also remain puzzled that the DOE has not weighed in on whether there is a need for this facility. Press releases and other generic statements are not adequate to replace thorough evidence, analysis and a substantiated position by the DOE regarding the actual need for the facility.

3) The proposed facility is not needed to meet any future demand for enriched uranium by a new fleet of US reactors because the existence of that new fleet is unlikely. The already long delayed South Texas Project reactor development lost its funding from NRG Energy on April 19th, 2011. The financer cited Fukushima as the final factor that made building new nuclear reactors too "daunting." Calvert Cliffs has been cancelled, too. In fact, whereas three years ago there were 19 applications for new reactors in the US, today that number has dwindled to 12. Claims by Areva that it has 90% of its contracts established must be qualified by statements in the FEIS that 60% of the contracts have been finalized. The additional 30% are in process and not finalized. Additionally, many of that 30% are from foreign sources. Finally, the estimated forecasts by Areva are based on projected increases in capacity at current reactors, which may very well change overtime.

Areva cannot have it both ways. It cannot argue that the facility is needed only for *current* domestic use, when it is clear that given current demands this facility would create an excess supply. And it cannot cite a future demand without providing solid evidence that future demand from new reactors will occur. The NRC must engage in a thorough review of the FEIS forecast regarding the enriched uranium market in the wake of the Fukushima disaster. The answer to the question "Is this facility necessary to meet an existing or future need in spite of the environmental, public health and safety and economic risks associated with the proposal?" is clearly "No." The costs associated with the facility outweigh the one asserted benefit of meeting a hypothesized need. The question should not be "Does Areva want to build an enrichment factory and should we let them?" This latter question has seemingly been the focus thus far, and this Board should use this opportunity to re-frame that question and explore alternative answers.

Without a “nuclear renaissance” this facility cannot be justified. After Fukushima, the “renaissance” is even less likely. Here is additional evidence of the changed circumstances in the uranium enrichment market following Fukushima

From Idaho Congressman Mike Simpson quoted in Fortune Magazine

"Politically, this will slow down nuclear," says Rep. Mike Simpson (R-Idaho), a co-chair of the Nuclear Issues Working Group. "It might make it harder for new nuclear facilities to get loan guarantees. It might slow down the effort to push more nuclear power out the door. That's just being realistic."

From WISE Uranium

Roswell-based Ux Consulting said on Monday (May 9) it expects there to be about a 10% reduction in nuclear generating capacity globally by 2020 as a result of the Japanese nuclear disaster in March. Ux said it had revised its expectations downward by 43 GW of global nuclear power-generating capacity to 490 GW, with 545 operational reactors by that time. (Mining Weekly May 9, 2011).

From an industry executive

"It's betting the farm for a lot of utilities" to currently invest in traditional large-scale plants, said Christofer Mowry, president of Babcock & Wilcox's nuclear energy group. Reuters, July 14, 2011.

NRC regulations for the implementation of the National Environmental Policy Act (NEPA) require the NRC to prepare a supplemental EIS in the event of “changed circumstances bearing on environmental concerns and bearing on the proposed action or its impacts.” See 10 CFR 51.92(a). Three worldwide trends have combined to create just such changed circumstances with respect to the need for the proposed Areva uranium enrichment facility: a significant depression in the uranium market following the nuclear crisis in Japan, greatly increased cost estimates for new reactors, and a markedly reduced pace of new nuclear project construction. In light of these trends, the EIS’ assertion that there is a need for the proposed Areva uranium enrichment factory – i.e., that its environmental impacts are justified -- is not supportable. Therefore, as required by 10 C.F.R. 51.92(f)(1), the NRC must revise the EIS and publish it in draft for public comment. If the EIS is not revised and re-published, the application must be rejected.

The DOE and the NRC are large federal agencies partially tasked with formulating sound energy policy and regulating an industry that poses serious public health and financial risks to US citizens. They should absolutely take more time to reflect on the effects of the Fukushima crisis on the nuclear industry as a whole, including the global and domestic future demand for

enriched uranium. The ASLB should not make its decision solely based on the forecasting of the applicant. Thank you for your time and consideration of these comments and for your careful contemplation of these issues.