



AMERICA'S NUCLEAR SOLUTION

April 18, 2017

WCS-CSIF-17-003
10 CFR Part 72
Docket No. 72-1050
CAC No. L25175

Document Control Desk
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Dear Sir or Madam,

Waste Control Specialists LLC ("WCS") filed an application with the U.S. Nuclear Regulatory Commission ("NRC") under 10 CFR Part 72 for a Consolidated Interim Storage Facility ("CISF") license for its facility in Andrews County, TX, Docket No. 72-1050.

WCS has also entered into an agreement for the sale of WCS to the parent company of *EnergySolutions*. The United States has filed a lawsuit seeking to enjoin that sale on antitrust grounds, and the trial on that matter is set to commence on Monday, April 24, 2017. We expect it to conclude on or before May 5, 2017. WCS and *EnergySolutions* believe the proposed transaction should be allowed because it adds WCS' disposal facility with *EnergySolutions*' integrated nuclear services business and will result in substantial benefits to the safe and effective storage and disposal of LLRW in the United States. The companies believe they will be successful in their defense of this challenge and closing the transaction.

WCS respectfully requests that the NRC temporarily suspend all safety and environmental review activities as well as public participation activities associated with WCS' license application for a period commencing on the date of this letter and continuing until the completion of the sale of WCS to *EnergySolutions*, which we currently believe to be by late summer 2017. WCS expects to go forward with this project at the earliest possible opportunity after completion of the sale. However, due to the substantially increased application review and related costs, WCS must focus its limited financial resources on those expenditures necessary to safely run and maintain its currently licensed facilities, proceed through the trial set for April 24, and complete the sale to *EnergySolutions*.

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NM55Z6

CISF Plans for Andrews County, Texas

As one of its initiatives intended to help WCS eventually become profitable and following on the recommendations of the 2012 Blue Ribbon Commission on America's Nuclear Future and the encouragement of the host city, county and State, WCS leaders began considering the possibility of siting a CISF at its Andrews County, TX facility – a much reviewed location, adjacent to URENCO's enrichment facility and in a location already found suitable for LLRW disposal. WCS' approach to this project has necessarily been fiscally conservative – primarily staffed with in-house effort, minimal cash outlays, and in-kind and cost-sharing contributions from its partners (TN Americas and NAC International).

Enormous Financial Challenges

WCS respects the NRC's process, understands that the NRC seeks to efficiently use its resources, and is fulfilling its statutory mandate to protect the public health and safety and the environment, as well as its requirements for public participation. But WCS also is faced with a magnitude of financial burdens that currently make pursuit of licensing unsupportable. This is so because following the recent docketing of the CISF application in January 2017, the cost profile for WCS' pursuit of the CISF application has increased dramatically.

The NRC recently provided WCS an estimate of the cost of the application review of \$7.5 million, which is significantly higher than we originally estimated. Also, the costs associated with the commencement of the public participation process and a potential adjudicatory hearing before the Atomic Safety and Licensing Board, are estimated to be considerable, especially in the very near term. The cost sharing arrangement WCS had in place with one of its partners for this project has been depleted, and WCS has been unable to reach an agreement to extend these arrangements. At the same time, WCS has faced significant operating losses in each of its operating years, and the cost of actively pursuing the project only serves to increase those losses.

Request

For the reasons discussed above, WCS respectfully requests that the NRC Staff temporarily suspend all safety and environmental review of the CISF application and that it seek to efficiently capture and preserve the work completed to date, as practicable. WCS requests that NRC approve an extension period commencing on the date of this letter until the completion of the sale of WCS to *EnergySolutions*, which we currently believe to be late summer 2017. WCS is optimistic about the near term resumption of its pursuit of the Part 72 license after completion of the sale.

Accordingly, WCS requests that the Commission, as the Presiding Officer, suspend without prejudice the deadlines and opportunities to submit hearing requests identified in the NRC's notice published in the *Federal Register* on January 30, 2017 (82 Fed. Reg. 8773), as amended by the Commission's Order, dated March 29, 2017 (ML17088A627), and that the NRC suspend the deadlines for environmental scoping comments identified in the NRC's notice also published in the *Federal Register* on January 30, 2017 (82 Fed. Reg. 8771).

WCS expects that, once it has requested resumption of review of the CISF application, NRC will issue notices imposing new deadlines for hearing requests and public scoping comments. This path is consistent with requests from multiple intervenor groups in the environmental scoping

meetings for additional time to prepare their challenges and imposes no unfairness to any prospective party who will be able to file contentions by the new deadlines. This path is also consistent with the steps the NRC, WCS, and stakeholders are taking to plan for the safe and effective consolidated interim storage of spent nuclear fuel.

WCS commits to keep the NRC Staff timely apprised of changes to its readiness to resume this important licensing action. We will provide as much advance notice as possible of a target date for a resumption request, and work within the NRC's resource allocation processes.

WCS appreciates the significant work and utmost professionalism on the part of the NRC Staff, as well as that on the parts of its employees and CISF partners. We appreciate the continued support of our State and local communities and look forward to resuming this important project and playing a significant role in America's safe nuclear future.

If you have questions, please contact me, or Michael Ford, Vice President, Licensing & Corporate Compliance, mford@valhi.net or 972.450.4284.

Sincerely,



Rod Baltzer

cc:
Chairman Svinicki
Commissioner Burns
Commissioner Baran
Secretary of the Commission
Marc Dapas, NRC, NMSS
Michael Layton, NRC, NMSS/SFM
Tony Hsai, NRC, NMSS/SFM
John McKirgan, NRC, NMSS/SFM/SFLB
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