

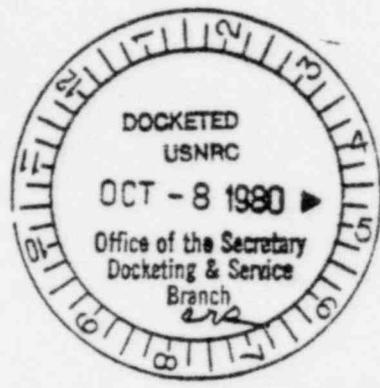


United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 3 1980

Honorable John F. Ahearne
Chairman
Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555



Dear Mr. Chairman:

On October 19, 1972, the Department of the Interior's comments on the Environmental Statement for the Bailly Generating Station, Nuclear-I, recommended withholding the issuance of a construction license for Bailly Nuclear I. That recommendation was based upon the possibility of significant adverse impact on the valuable natural resource of the Indiana Dunes National Lakeshore, in general, and on the Cowles Bog National Natural Landmark, in particular. This Department was then, and is now, committed to the continued protection of the national lakeshore and its resources which have been recognized by the Congress to be of national significance because of their scientific, historic and recreation values.

In the Final Environmental Statement for Bailly Nuclear-I (Docket 50-367, February 1973), excavation dewatering operations required for construction were considered to have a potential environmental impact in that they could adversely affect water levels in surrounding areas, including the national lakeshore. As a result, the permit applicant (North Indiana Public Service Company) was required to monitor surrounding areas such as Cowles Bog. Should adverse impact be indicated or result, the applicant also was required to make modifications to minimize such impact and to maintain water levels necessary to guarantee protection of associated biota. The Environmental Statement presumed that the environmental impacts of dewatering at the construction site would be minimal and that any such impacts could be mitigated by the applicant through the diversion of either Lake Michigan waters or ground waters to the affected areas. Subsequent continuous and extensive studies and monitoring have been undertaken both by the applicant and by the Department of the Interior (National Park Service and the U.S. Geological Survey). The results of this work now lead to the conclusion that the impacts of construction dewatering were inadequately addressed in the original environmental statement.

On January 21, 1980, the Deputy Director, National Park Service, advised you that proposals for an alteration in the dewatering procedure, together with new information about the hydrology of Indiana Dunes National Lakeshore, indicated that construction dewatering would adversely impact the lakeshore. Preliminary information relating to that impact was presented to the NRC and to representatives of NIPSCO by the National Park Service and USGS in a meeting held in Indianapolis, Indiana, on January 31, 1980.

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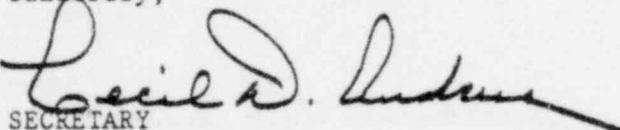
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The U.S. Geological Survey has now completed its dewatering study. On September 17, 1980, the District Chief of the Indianapolis USGS Office forwarded a preliminary copy of the USGS report to Mr. William Bevins of your staff (U.S. Geological Survey Open File Report 80-1105 titled "Reassessment of the Effects of Construction Dewatering on Ground-Water Levels in the Cowles Unit, Indiana Dunes National Lakeshore, Indiana"). That report indicates that, given the strong evidence of a hydrological connection between the lower aquifer (Unit III) and the surface aquifer (Unit I) at both the Bailly excavation site and the central area of Cowles Bog National Natural Landmark, construction dewatering will result in water level declines at Cowles Bog National Natural Landmark. The report also concludes that those water level declines cannot be fully mitigated.

Because the original Environmental Statement was based on limited and incorrect hydrological data, it inadequately addressed the impacts of construction dewatering. This is a matter of immediate concern to this Department because the recent data to which I have referred raise the very real possibility of serious and irreparable damage to the Cowles Bog National Natural Landmark. I have concluded that the highest public interest would be served by addressing these environmental impacts promptly. I request, therefore, that the Nuclear Regulatory Commission prepare a supplemental Environmental Impact Statement at this time. Under existing circumstances it would be totally inappropriate to defer further consideration of environmental consequences until the operating license stage is reached, as had been proposed earlier by the NRC before the deficiencies in hydrologic data were fully recognized. In addition, I request that you delay any decision on the renewal of the NIPSCO construction permit and that all new construction, or construction related activities for Bailly I, cease until such time as the supplemental EIS has been issued, has received full review by this Department and by the public, and has been approved.

The National Park Service presently is in the process of convening a panel of wetlands experts to address the ecological impacts on the National Lakeshore of the USGS model-simulated water level declines predicted to result from construction dewatering at the Bailly site. Information derived from this ecological analysis will be provided to you as soon as it is available, and we ask that those findings be included as a part of your supplemental EIS for Bailly Nuclear I.

Sincerely,


SECRETARY