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FOR IMMEDIATE RELEASE
(Friday, May 5, 1995)

NRC REJECTS APPLICATION FOR URANIUM ENRICHMENT PLANTS;
POSTPONES PUBLIC MEETINGS

The Nuclear Regulatory Commission staff has rejected an application from the U.S. Enrichment Corporation (USEC) for initial certification of uranium enrichment plants located near Paducah, Kentucky, and Piketon, Ohio, because it does not include adequate information for NRC to review plant operations for compliance with NRC regulations.

Two public meetings scheduled May 23 and 24 have been postponed.

In a May 5 letter to William H. Timbers, Jr., President and Chief Executive Officer of USEC, Carl J. Paperiello, Director of NRC's Office of Nuclear Material Safety and Safeguards, said: "Based on the application as submitted, the NRC staff cannot independently determine that the public health and safety, worker safety, the environment, special nuclear material, and classified matter will be adequately protected....Furthermore, the application does not appear to contain commitments to many longstanding safety requirements and procedures established under Department of Energy management to assure continued safe operation, and which form the basis for" NRC regulations concerning the plants.

In addition, Dr. Paperiello's letter said the NRC previously raised with USEC the agency's concern over the adequacy of USEC onsite presence with regard to oversight of contractor activities in operation of the facilities. An April 5 USEC letter and the application for certification do not resolve this concern, Dr. Paperiello said, and USEC should also address this issue when preparing a new application.

The NRC's decision to reject the application, which was submitted April 24, is not a determination that the operations of the Paducah Gaseous Diffusion Plant and the Portsmouth Gaseous Diffusion Plant (located near Piketon) are unsafe. However, USEC will need to submit a new application for certification to the NRC.

The two DOE-owned plants have operated since the mid-1950s under DOE regulatory oversight. They use a gaseous diffusion process to enrich uranium hexafluoride gas in the Uranium-235 isotope, so that the material can be used as nuclear fuel in civilian nuclear power plants. As required by the Energy Policy Act of 1992, DOE has leased the plants for operation to USEC. The Act also required NRC to establish regulations for certifying that plant operations provide adequate safety, safeguards and security (NRC established the regulations last October 24) and to certify the plants annually for compliance with certification standards.

In his letter, Dr. Paperiello recommended that Mr. Timbers schedule a meeting with the NRC to discuss methods for assuring that the next application submitted by USEC will be adequate for NRC review.

The two previously announced public meetings to discuss the application for certification were scheduled for May 23 in Paducah and May 24 in Piketon. The meetings will be rescheduled when USEC has submitted a new application.

NRC also intends to issue a new Federal Register notice and invite written comments on the new application when it is received.

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