

July 8, 2004

MEMORANDUM TO: Joseph G. Giitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

THRU: Brian W. Smith, Chief /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

FROM: Yawar H. Faraz, Senior Project Manager /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch
Division of Fuel Cycle Safety
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SUBJECT: JUNE 23, 2004, MEETING SUMMARY: MEETING WITH LOCAL
OFFICIALS RELATED TO USEC INC.'S PROPOSED ENRICHMENT
PLANT IN PIKETON, OHIO

On June 23, 2004, U.S. Nuclear Regulatory Commission (NRC) staff met with local elected and union officials from Pike County, Ohio, and representatives of Governor Taft and Congressman Portman of Ohio, to discuss the NRC licensing process applicable to the USEC Inc. gas centrifuge enrichment plant proposed to be located in Pike County in Piketon, Ohio. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-7004

Attachment: Meeting Summary

cc: William Szymanski/DOE	Michael Marriotte/NIRS
Dan Minter/SODI	Carol O'Claire/Ohio EMA
James Curtiss/W&S	Randall DeVault/DOE
Rod Krich/LES	Peter Miner/USEC Inc.
Bob Taft/Governor, Ohio	Mike DeWine/Senator, Ohio
Bob Ney/Congressman, Ohio	Rob Portman/Congressman, Ohio
George Voinovich/Senator, Ohio	Rocky Brown, Mayor of Beaver
Billy Spencer, Mayor of Piketon	Jim Brushart, Pike Co. Comm. Chair.
Harry Rioer, Pike Co. Commissioner	Teddy West, Scioto Twp. Trustee
Larry Scaggs, Seal Twp. Trustee	Ted Wheeler, Pike County Auditor
Blaine Beekman, Pike Co. CoC Chair.	Kara Willis, Gov. Taft's Reg. 7 office
Dan Minter, PACE	Mary Glasgow, Cong. Portman
Garry Hager, SPFPA/USEC	

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Date	07/08/04	07/ 08 /04	07/08/04	

Meeting Summary

Date: June 23, 2004

Place: Piketon, Ohio

Attendees: Rocky Brown/Mayor of Beaver
Billy Spencer/Mayor of Piketon
Jim Brushart/Chm., Pike Co. Board Of Commissioners
Harry Rider/Pike Co. Commissioner
Teddy L. West/Scioto Twp. Trustee
Larry E. Scaggs/Seal Twp. Trustee
Ted Wheeler/Pike Co. Auditor
Blaine Beekman/Pike Co. Chambers of Commerce
Kara Willis/Gov. Taft's Reg. 7 ED Office
Dan Minter/PACE/SODI/USEC
Mary Glasgow/Congressman Rob Portman
Garry Hager/SPFPA/USEC
M. Blevins/NRC
C. Cameron/NRC
S. Lewis/NRC
M. Delligatti/NRC
D. McIntyre/NRC
Y. Faraz/NRC
B. Smith/NRC
J. Henson/NRC

Purpose:

The purpose of the meeting was to discuss with the local officials, the U.S. Nuclear Regulatory Commission (NRC) licensing process applicable to the USEC Inc. (USEC) gas centrifuge uranium enrichment plant proposed to be located in Piketon, Ohio. In the discussions, NRC staff discussed uranium enrichment plant licensing issues, the process for preparing an Environmental Impact Statement (EIS), and the NRC inspection program during construction and operation.

Discussion:

NRC staff began the meeting with a presentation of the NRC licensing process (see Attachment 1). The proposed USEC project will use gas centrifuge technology to enrich uranium to levels of up to 10 percent U-235. The staff also discussed the nuclear fuel cycle that includes mining, milling, conversion to uranium hexafluoride, enrichment, fuel fabrication, and fuel use in nuclear power plants. A basic description of the gas centrifuge process was also provided.

NRC staff indicated that NRC is an independent Federal agency responsible for ensuring protection of public and worker health and safety in the use of radioactive material. NRC is not a promoter of the proposed project, but rather, an independent agency responsible for

conducting the licensing process to ensure that any licensed plant will possess and use radioactive material in a manner that is safe, secure, and environmentally clean. The staff explained that USEC would not be able to start construction prior to the issuance of the license.

NRC staff then explained the licensing process. USEC is expected to submit a license application in August 2004, and must demonstrate that it will meet the NRC safety requirements, before it would issue a license. The staff explained that the NRC technical review would take up to 18 months to complete and upon completion it would be documented in two key documents, -- a Safety Evaluation Report (SER) and an EIS. A hearing would be required for USEC's application where a panel of three independent NRC administrative judges would hear and rule on safety, security and environmental issues related to the application. Typically, such hearings are held near the proposed site to allow local stakeholders to observe the proceedings. The safety and security hearings, and the environmental hearings, would begin following the completion of the SER and EIS, respectively.

NRC staff also explained that shortly after determining that the application is complete enough that a technical review may be conducted, NRC would offer an opportunity for members of the public to petition to be a party to the hearing. To be admitted to the hearing, petitioners would have to demonstrate standing, that is, that they have an interest in the proceeding in that they could be adversely affected by the proposed activity, and present admissible contentions that are relevant to the proceeding.

NRC staff stated that the licensing process is an open process with all documents and meetings, except for those involving classified and proprietary information, available to the public on NRC's Agency wide Document Access Management System (ADAMS), as well as NRC'S public website. NRC plans to have some of its technical meetings with USEC in the Piketon area so that the public may observe the technical exchanges and ask questions of the staff. In preparation of the EIS, there will be two public meetings held near the proposed site where members of the public can provide input into the environmental review process. The first meeting is the EIS Scoping Meeting that is intended to solicit public input as to matters that need to be considered in the EIS. The second meeting would be held to receive comments on the draft EIS after its issuance.

NRC staff then discussed the NRC's environmental review process. The staff explained the requirements and purpose for preparing an EIS, and that it is a decision-making tool for identifying the environmental costs and benefits of the proposed facility and comparing those impacts against alternatives to the proposed action. The EIS will address environmental resource areas, such as radiological, non-radiological, water use, ecological, and socioeconomic impacts of the project.

NRC staff next provided a discussion on the NRC's inspection program. The inspection program's goal is to ensure that a licensee meets NRC regulatory and license requirements and its commitments in its license application. The inspection program focuses on worker and public safety, the environment, and national security. The general inspection approach is risk-informed and performance-based in that the inspectors focus their efforts on those parts of the plants that have the most significant risk and observe operations as much as possible. The staff explained that NRC inspectors would observe both construction and operational activities. During the construction phase, inspectors will evaluate the construction program to ensure that

the facility is being built in accordance with the license requirements and commitments made in the application. During operations, inspections will be conducted in the areas of radiological and chemical safety, safeguards and security, criticality safety, transportation, waste management, maintenance, training, and quality assurance. At this time, a decision has not been made whether a full-time resident inspector would be assigned for this site.

Local officials indicated strong support for the proposed project, stressing their expectation that the plant would be appropriately regulated by the NRC to protect the public and the environment.

Several local officials raised concerns about the closure of Fog Road following the 9/11 attack. The NRC staff was informed that Fog Road had provided the most direct access to residents located east of the plant, via the North access road to Rt. 32. The officials indicated that reopening of this road could save about 15 to 20 minutes for emergency vehicles such as ambulances and fire trucks that may need to service the affected residents. The NRC staff indicated that it would discuss this issue with DOE and USEC.

An official also indicated the importance of permitting guards at the proposed facility to have sufficient training and authority to use weapons for their protection and that of the facility. The NRC staff indicated that USEC would be required to meet NRC's physical security requirements, including measures imposed post 9/11.



**USEC gas centrifuge public
information meeting in
Piketon on June 23, 2004**

Yawar Faraz
Project Manager



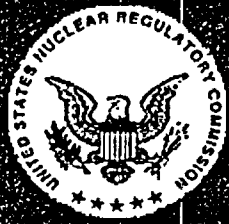
Meeting objectives

- Provide brief summary of
 - Proposed project
 - NRC licensing process
 - Environmental Impact Statement process
 - NRC inspection program
- Answer public questions

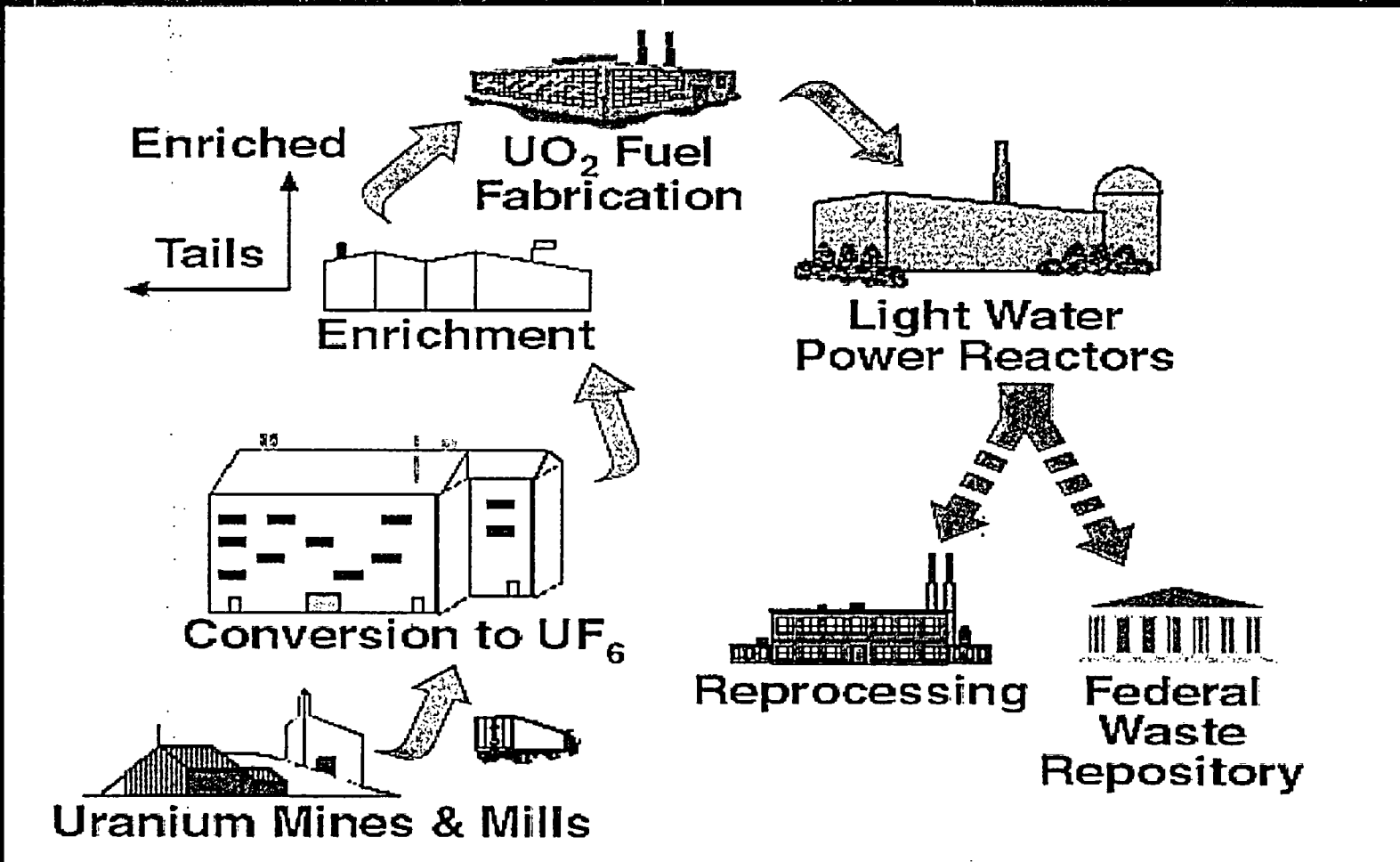


Proposed project

- USEC Inc. is proposing to enrich uranium using a gas centrifuge process in Piketon
- Enriched uranium is needed for fuel for nuclear power plants
- After mining and initial processing, uranium is converted into uranium hexafluoride which is shipped to an enrichment plant



Uranium fuel cycle





USEC's gas centrifuge process

- The gas centrifuge process uses a high-speed rotor to separate the U-235 and U-238 isotopes and increase the U-235 content from 0.7 percent to 3 to 5 percent
- These enrichment levels are well below that needed to make nuclear weapons
- The enriched uranium hexafluoride is then shipped to a fuel fabricator that produces fuel pellets and assemblies for nuclear power plants



NRC licensing process

- NRC is an independent agency responsible for ensuring protection of public and worker health and safety in use of radioactive material
- NRC is not a promoter of the proposed project
- Enrichment facility construction cannot begin until a license for construction and operation is issued



Application review

- USEC is proposing to submit a license application in August 2004
- NRC will perform a technical review of the application to ensure it meets NRC health and safety and safeguards requirements
- NRC will prepare an Environmental Impact Statement (EIS)
- A formal hearing is required for a uranium enrichment facility



Application review

- NRC technical review will take up to 18 months
 - NRC to review application
 - Request additional information, if needed
 - Document safety review in Safety Evaluation Report



Open licensing process

- NRC uses an open licensing process
- Public will have opportunities to provide input
 - Opportunity to petition for a hearing will be offered shortly after application is submitted
 - Some technical meetings to be held in the Piketon area
 - Environmental review process
 - Scoping meeting
 - Draft EIS



Open licensing process

- NRC has USEC project and gas centrifuge websites (<http://www.nrc.gov/materials/fuel-cycle-fac/usecfacility.html>)
(<http://www.nrc.gov/materials/fuel-cycle-fac/gas-centrifuge.html>)



NRC's Environmental Review Process

Matthew Blevins

Environmental Project Manager



Overview

Environmental review:

- Requirements
- Documentation
- Process



Environmental Review Requirements

- **National Environmental Policy Act
of 1969**
- **NRC NEPA regulations in 10 CFR
Part 51**



Environmental Review Documentation

- An environmental impact statement (EIS) documents the environmental review
- Proposed Action, Alternatives, Affected Environment, Environmental Impacts, etc.

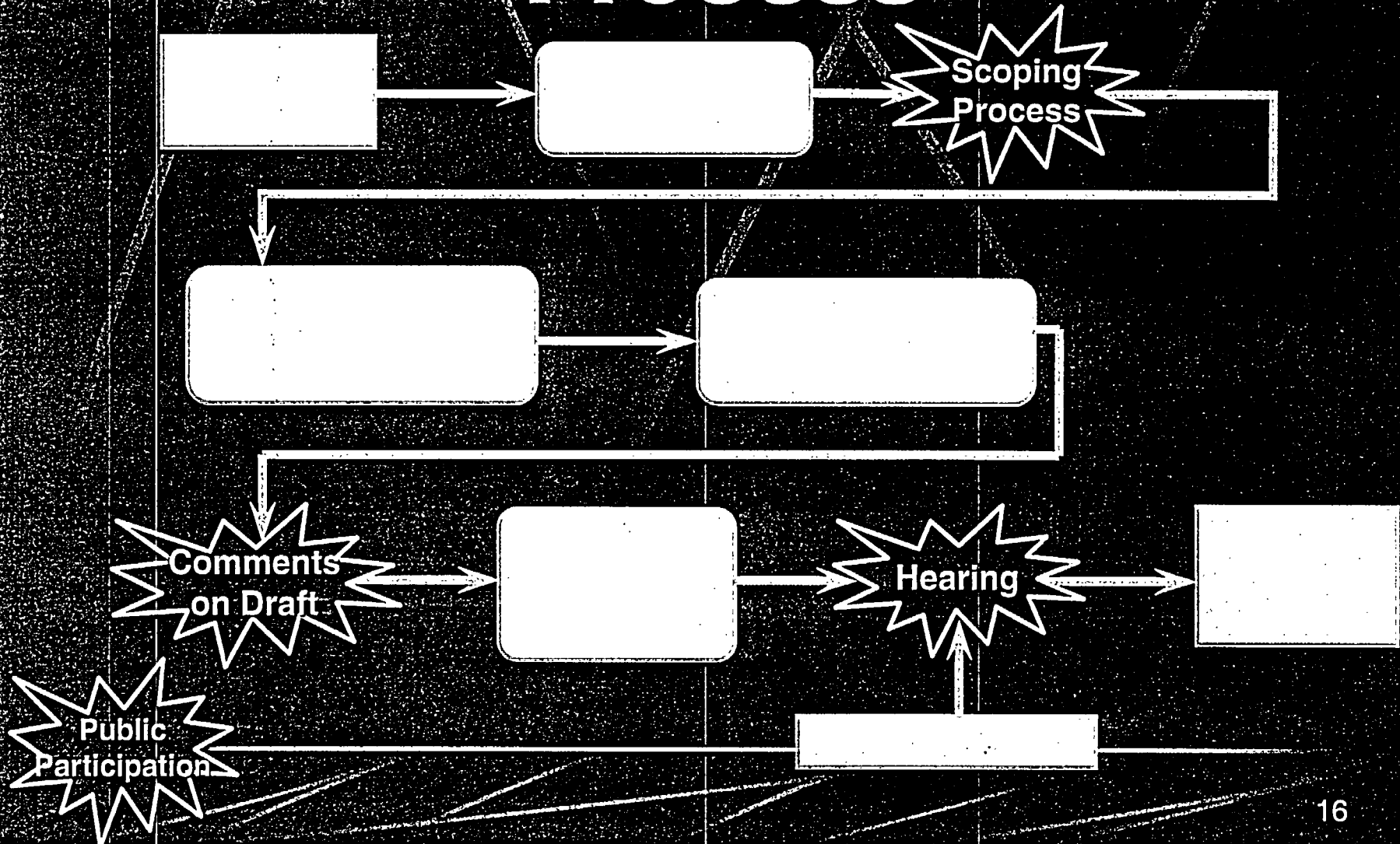


Environmental Resource Areas

- Water Resources
- Environmental Justice
- Ecology
- Public and Occupational Health
- Air Quality
- Waste Management
- Noise
- Land Use
- Historic and Cultural Resources
- Transportation
- Visual and Scenic Resources
- Geology and Soils
- Socioeconomic
- Cumulative Effects



Environmental Review Process





The Inspection Program

Jay Henson
NRC Region II in Atlanta



NRC Inspection Program

Inspect to assess whether the facilities are operated safely and in accordance with NRC regulations and the license to ensure that licensee activities do not pose undue safety and safeguards risks to:

Worker and public health and safety

The Environment

Headquarters and Regional staff conduct inspections



NRC Inspection Program

- Regulatory Goal: Control risks to acceptable levels in accordance with regulatory requirements
- Inspection activities commensurate with risk and performance of facility
- Assure that the facility is constructed and operated in accordance with commitments the applicant made in the license application



NRC Inspection Program

Construction Phase Inspection Activities

Quality Assurance

Design Changes

Procurements

Records

Training

Geotechnical/Foundation

Structural Concrete

Structural Steel

Piping

Mechanical Components

Electrical Components

Instrumentation

Welding

Testing & Calibrations



NRC Inspection Program

- Inspection Activities During Operations
 - Safety: Chemical, Nuclear Criticality, Plant Operations, Management Organization and Controls, and Fire
 - Safeguards: Control, Accounting and Physical Protection of Special Nuclear Material and Classified Information
 - Radiological: Radiation Protection, Environmental Protection, Waste Management, Transportation, and Low Level Waste Storage
 - Facility Support: Maintenance/Surveillance, Training, and Emergency Preparedness