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NRC ISSUES LICENSE TO LOUISIANA ENERGY SERVICES FOR GAS CENTRIFUGE URANIUM ENRICHMENT PLANT IN NEW MEXICO

The Nuclear Regulatory Commission staff has issued a license to Louisiana Energy Services (LES) to construct and operate a gas centrifuge uranium enrichment plant in Lea County, N.M.

The license is the first issued by the NRC for a full-scale uranium enrichment plant. The proposed National Enrichment Facility will be the first commercial use in the United States of gas centrifuge technology for enriching uranium. The license authorizes LES to enrich uranium up to 5 percent of the fissile isotope uranium-235 for use in the manufacture of nuclear fuel for commercial power plants.

LES, a consortium of U.S. and European energy companies, intends to use centrifuge technology developed by Urenco and used for more than 30 years in the United Kingdom, The Netherlands and Germany. LES plans to begin construction in August, with operations commencing in 2008, reaching full capacity in 2013.

LES submitted its application Dec. 15, 2003. The staff completed extensive and thorough environmental and safety reviews of the proposed facility according to a schedule established by the Commission in January 2004.

In the environmental impact statement, published in June 2005, the staff determined that there would be no significant environmental impacts that would preclude licensing of the facility. In the safety evaluation report, published in June 2005 with several supplements issued through May 2006, the staff concluded that LES' proposed facility and safeguards complied with NRC regulations and would not pose an undue risk to the health and safety of workers or the public.

A three-judge Licensing Board of the NRC's Atomic Safety and Licensing Board Panel conducted two sets of adjudicatory hearings on the LES application. The Nuclear Information and Resource Service (NIRS) and Public Citizen jointly raised several environmental and technical contentions, focusing scrutiny on the potential impacts of the proposed facility on groundwater quality and local and regional water supplies, and LES' plans for disposing of depleted uranium, among other issues. Evidentiary hearings were held on these contentions in Hobbs, N.M., in February 2005 and at NRC headquarters in October 2005 and February 2006. Separately, the Licensing Board held hearings

in Hobbs, N.M., in March 2006 to consider whether the NRC staff's environmental and safety reviews were adequate. The Licensing Board issued several rulings, including a final partial decision today that cleared the way for the staff to issue the license. Still pending are petitions for Commission review of a May 31 Board decision.

"I am pleased that the NRC's Licensing Board has issued a timely decision in this adjudication," NRC Chairman Nils J. Diaz said.

Several federal agencies reviewed the LES application for foreign ownership, control and influence concerns given the sensitive nature of centrifuge technology. Since the flow of technology and classified information would be into the United States, no concerns were identified.

The NRC will conduct inspections during construction and operation of the National Enrichment Facility, with inspectors from agency headquarters in Rockville, Md., and its Region II office in Atlanta, which has national responsibilities for fuel cycle facilities. The agency will hold a public meeting in Lea County in the near future to explain its oversight plans to members of the public.

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