

March 16, 2010

MEMORANDUM TO: Michael D. Tschiltz, Deputy Director  
Fuel Facility Licensing Directorate  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

THRU: Brian W. Smith, Chief **/RA/**  
Enrichment and Conversion Branch  
Fuel Facility Licensing Directorate  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

FROM: Timothy C. Johnson, Sr. Project Manager **/RA/**  
Enrichment and Conversion Branch  
Fuel Facility Licensing Directorate  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: FEBRUARY 17, 2010, MEETING SUMMARY: GENERAL  
ELECTRIC-HITACHI MANAGEMENT MEETING

On February 17, 2010, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from General Electric-Hitachi (GEH) to discuss management issues applicable to the proposed GEH laser-based uranium enrichment plant project in Wilmington, North Carolina. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

CONTACT: Timothy Johnson, NMSS/FCSS/UEB  
301-492-3132

M. Tschiltz

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Docket No.: 70-7016

Enclosure: GEH Meeting Summary

cc: William Szymanski/DOE  
Patricia Campbell/GEH  
Robert Brown/GEH  
Tammy Orr/GEH  
Mike Giles/CFC  
Tom Clements/FOTE  
David Springer/CFRW  
Stephen Rynas/NCDENR  
Jennifer Braswell/New Hanover County  
Christopher O'Keefe/New Hanover County  
Lafayette Atkinson/NCOSH  
Mathew Allen/GEH  
Bruce Shell/New Hanover County  
Marty Lawing/Brunswick County  
George Brown/Pender County  
Bill Saffo/Wilmington  
Malissa Talbert/Wilmington  
Wanda Lagoe/NCOSH  
Cameron Weaver/NCDENR  
Emily Hughes/USACE  
Lee Cox/NCDENR  
David Weaver/New Hanover County  
Julie Olivier/GEH  
Jerald Head/GEH

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Enclosure: GEH Meeting Summary

cc: William Szymanski/DOE	Bruce Shell/New Hanover County
Patricia Campbell/GEH	Marty Lawing/Brunswick County
Robert Brown/GEH	George Brown/Pender County
Tammy Orr/GEH	Bill Saffo/Wilmington
Mike Giles/CFC	Malissa Talbert/Wilmington
Tom Clements/FOTE	Wanda Lagoe/NCOSH
David Springer/CFRW	Cameron Weaver/NCDENR
Stephen Rynas/NCDENR	Emily Hughes/USACE
Jennifer Braswell/New Hanover County	Lee Cox/NCDENR
Christopher O'Keefe/New Hanover County	David Weaver/New Hanover County
Lafayette Atkinson/NCOSH	Julie Olivier/GEH
Mathew Allen/GEH	Jerald Head/GEH

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TGody/Reg II	JHenson/RegII	RHannah/RegII	JLedford/RegII
DSeymour/RegII			
GEH Website-YES			

**ML100750075**

<b>OFC</b>	UEB	UEB	FSME	UEB
<b>NAME</b>	TCJohnson:	TRichmond	JDavis by email	BSmith
<b>DATE</b>	03/16/10	03/16/10	03/16/10	03/16/10

**OFFICIAL RECORD COPY**

Summary of  
General Electric-Hitachi Management Meeting

DATE: February 17, 2010

PLACE: New Hanover County Library  
201 Chestnut Street  
Wilmington, North Carolina

ATTENDEES: See Attachment 1

PURPOSE:

The purpose of this meeting was to discuss project management issues applicable to the proposed General Electric-Hitachi (GEH) laser-based uranium enrichment plant project. The meeting agenda is in Attachment 2.

Discussion:

Ms. Cathy Haney, Deputy Director of the Office of Nuclear Material Safety and Safeguards, began the meeting by providing opening remarks stating that the U.S. Nuclear Regulatory Commission (NRC) has begun the review of the GEH Environmental Report (ER) and License Application (LA). NRC plans to issue a Draft Environmental Impact Statement (DEIS) in March 2010, and complete a Final Environmental Impact Statement (FEIS) and Safety Evaluation Report (SER) for the project in December 2010. She also stated that she appreciates the cooperation between NRC and GEH staff and GEH's willingness to provide high quality submittal on schedules needed to meet project goals.

Mr. Brian Smith discussed the current licensing status of the project. Staff received the GEH LA on June 26, 2009, and accepted it for review on August 6, 2009. Staff is currently continuing its safety review of the application. As part of this review, staff conducted an on-site review on October 13-15, 2009, to further review the Integrated Safety Analysis (ISA) developed by GEH. This review consisted of a diverse team of reviewers in the areas of ISA, criticality, instrumentation and controls, electrical, chemical safety, fire safety, and radiation protection. In the reviews, NRC staff selected specific accident sequences and items relied on for safety for detailed review.

Staff issued Requests for Additional Information (RAIs) on November 19, 2009; December 4, 2009; December 16, 2009; and January 11, 2010. Before issuing the RAIs, staff conducted conference calls with GEH staff to ensure that GEH staff understood the RAIs. Staff is also conducting conference calls before the submittal of GEH's responses. Staff is currently reviewing GEH responses to the RAIs submitted on December 29, 2009; January 13, 2010; January 26, 2010; and February 1, 2010. Some responses commit to providing additional information at a later date. It is important to ensure that these responses are of high quality, timely, and are responsive to our needs to minimize the potential for delays.

Enclosure

NRC staff will evaluate the RAI responses and the changes that are made to the LA. Based on this information staff will prepare the SER and, if additional information is needed, staff will schedule additional meetings and, if necessary, issue additional RAIs.

The Commission issued an Order initiating the proceeding and offering an opportunity to petition for a hearing on January 7, 2010. The Order was published in the *Federal Register* on January 13, 2010. The Order sets out a 30-month schedule for the licensing process and hearings. Under the schedule, the NRC would make its licensing determination by June 2012. Under this schedule, NRC staff will complete its SER by December 2010.

NRC staff continues to oversee construction and operations at the Test Loop facility. The Test Loop began preliminary operations in July 2009. Construction work is continuing on demonstration-scale equipment.

Weekly status conference calls to discuss current issues have been useful and we'd like to continue them.

Ms. Jennifer Davis then discussed the status of the Environmental Impact Statement (EIS) preparation. She stated that GEH's ER was submitted on January 30, 2009, and accepted for review on March 12, 2009. NRC staff published a Notice of Intent to prepare an EIS in the *Federal Register* and announced a scoping comment period on April 9, 2009. NRC staff held EIS scoping meetings in Wilmington on May 19, 2009, and extended the scoping comment period to August 31, 2009, in a July 24, 2009, *Federal Register* notice. The Scoping Report was issued on November 25, 2009.

NRC staff issued RAIs on the ER on October 7, 2009, and GEH provided responses to the RAIs on November 5, 2009.

NRC is scheduled to issue a DEIS at the end of March 2010, and will have a 45-day comment period. A public meeting is scheduled to be held in Wilmington in April 2010, to take comments on the DEIS. NRC staff is scheduled to issue an FEIS in December 2010.

Mr. Smith then discussed the status of security issues. Staff has granted facility clearances to five GE vendors in support of classified activities for the Test Loop and future commercial activities. These facility clearances allow access to classified information. NRC staff also continues to coordinate classified information security issues for the Test Loop and for review of the commercial plant LA. In addition, NRC staff is working with the U.S. Department of Energy to address classified information technology and Communications Security support issues.

Mr. Smith discussed the status of NRC inspection activities. He said that NRC Region II continues to conduct inspections at the Test Loop. NRC Region II inspectors will perform an Operations Readiness Review prior to introducing licensed material in Test Loop equipment.

Mr. Smith then addressed hearing status issues. He said that the Commission issued an Order initiating the proceeding and offering an opportunity to petition for a hearing on January 7, 2010. The Order was published in the *Federal Register* on January 13, 2010. Petitions for a hearing are due by March 15, 2010.

The Commission also set a 30-month schedule for the licensing review and hearings. Under this schedule, a final agency determination would be made by June 2012.

To be admitted to a hearing, petitioners must have standing and present at least one admissible contention. Regardless of whether a contested hearing is held, a mandatory hearing is required for uranium enrichment facilities. In the mandatory hearing, the hearing board will determine if the NRC staff's SER and EIS are reasonable.

Ms. Tammy Orr from GEH presented the GEH perspective on the status of the project (see Attachment 3). She discussed the GEH organization, recent accomplishments, and the status of the RAI process. She also stated that commercial contract negotiations are underway for sale of GEH's enriched product. Ms. Orr stated that her goals for 2010 are to complete the RAI responses and submit Revision 1 of the LA.

Ms. Orr also discussed GEH public outreach efforts, indicating that GEH staff has briefed local community leaders, held an information event for Caste Hayne area residents, and held a workshop on the University of North Carolina at Wilmington campus.

Ms. Orr also discussed several feedback issues that included the lessons learned for the licensing review. She stated that clearly defined expectations are necessary and that the project has benefited from frequent communications between GEH and NRC staffs.

In their final remarks, both Ms. Haney and Ms. Orr stated that they appreciated the excellent cooperation between staffs.

Following the formal portion of the management meeting, members of the public were given an opportunity to make statements or ask questions. Mr. Ilario Pantano, a candidate for Congress, stated that there needs to be a balancing of the need for safety and timeliness of the project. He said that it is imperative to have a market-based perspective on this project. Mr. Michael Tschiltz from the NRC stated that the licensing schedule is an aggressive one, but is consistent with the licensing schedules for other uranium enrichment plants. Mr. Tschiltz also indicated that the EIS and hearing requirements are a significant part of the overall schedule. Ms. Haney also commented that the NRC's mission is safety and that this is the agency's highest priority.

Mr. Ronald Sparks, from the Wilmington City Council, stated that he was comfortable with the licensing process and supportive of the plant. He added that GEH's safety record has been very good and that NRC is doing its job. He said that he did not want the technology elsewhere.

Mr. John Monroe, a retired utility worker, stated that there is a large demand for energy and that the United States needs to become more independent in producing its own energy. He said that GEH is an outstanding community citizen. He added that there is a need for regulation, but not excessive regulation. He urged NRC staff to move the project along.

Mr. Cornelius Milmoie, a local citizen, said that he was concerned about possible delays in the NRC licensing process. He referred to the Yucca Mountain licensing as an example of excessive licensing delays.

Mr. Charles Ferguson stated that he has several non-proliferation concerns about the project. He said that if the GEH plant is successful, other nations will also try to employ the technology. He said that laser-based enrichment technology is more difficult to detect. He asked NRC staff how it is addressing this issue in the licensing. Mr. Tschiltz responded by saying that the non-proliferation issue has been raised in other enrichment proceedings and the issue of non-proliferation is outside the scope of NRC's safety jurisdiction. He said that NRC is currently preparing a response to a letter from a member of the public addressing this issue.

#### Action Items

None.

#### Attachments

1. Attendees list
2. Meeting agenda
3. GEH presentation handouts