

September 21, 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/**
Uranium Enrichment Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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FROM: Timothy C. Johnson, Sr. Project Manager **/RA/**
Uranium Enrichment Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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SUBJECT: SEPTEMBER 1, 2010, MEETING SUMMARY: GENERAL
ELECTRIC-HITACHI MANAGEMENT MEETING

On September 1, 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 at NRC offices in Rockville, Maryland. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

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

Docket No.: 70-7016

Enclosure: GEH Meeting Summary

cc: William Szymanski/DOE
Patricia Campbell/GEH
Jerald Head/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
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

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Patricia Campbell/GEH	Marty Lawing/Brunswick County
Jerald Head/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

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DSeymour/RegII	JDavis/FSME	KShueh/FSME	HYilma/FSME
GLanglie/NSIR	MSimon/OGC	GEH Website-YES	

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OFC	UEB	UEB	FSME	UEB
NAME	TCJohnson:	WMoore	JDavis via email	BSmith
DATE	09/20/10	09/20/10	09/20/10	09/21/10

OFFICIAL RECORD COPY

Summary of
General Electric-Hitachi Management Meeting

DATE: September 1, 2010

PLACE: U.S. Nuclear Regulatory Commission (NRC) offices
6003 Executive Boulevard
Rockville, Maryland

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:

Mr. Dan Dorman, Deputy Director of the Office of Nuclear Material Safety and Safeguards, began the meeting by providing opening remarks stating that the NRC appreciates the cooperation between NRC and GEH staffs and GEH's willingness to provide high quality submittals on schedules needed to meet project goals. He also stated that NRC staff received revisions to the License Application (LA) and Integrated Safety Analysis (ISA) Summary and is reviewing these documents. NRC plans to issue a Safety Evaluation Report (SER) for the project in December 2010.

Ms. Tammy Orr, Chief Executive Officer of GEH, stated that the licensing review has been effective and efficient. She also said that the licensing process has been predictable, which was one of GEH's objectives.

Mr. Brian Smith discussed the current licensing status of the project. Staff received Revision 1 of the GEH LA on March 23, 2009, and Revision 2 on June 25, 2010. GEH also submitted Revision 1 of the ISA Summary on June 25, 2010. Staff is currently continuing its safety review of the application and will communicate outstanding questions for resolution. Mr. Smith stated that staff is currently preparing Safety Evaluation Report (SER) chapters for each of the review areas and that the SER is currently scheduled to be issued in December 2010.

Regarding the Test Loop, Mr. Smith indicated that staff continues to provide oversight of the construction and operations for this demonstration program.

Mr. Smith also stated that the weekly status conference calls to discuss current issues have been useful and he would like to continue them.

Ms. Jennifer Davis then discussed the status of the Environmental Impact Statement (EIS) preparation. She stated that NRC issued the Draft EIS in June 2010, and conducted two

public meetings in Wilmington in July 2010. She indicated that the public comment period ended on August 9, 2010, and the NRC received 13 comment letters. She said that these comments are being considered and NRC staff is scheduled to issue the Final EIS in February 2011.

Ms. Davis also indicated that consultations with the North Carolina Historic Preservation Office are continuing.

Mr. Keith Everly then discussed the status of security issues. Staff has granted facility clearances to GEH and its vendors in support of classified activities for the Test Loop and future commercial activities. These facility clearances allow access to classified information. Mr. Everly also stated that NRC is currently working with GEH for facility clearances for two additional vendors. In addition, NRC staff is working with the U.S. Department of Energy to address classified information technology and Communications Security support issues.

Ms. Carrie Safford then addressed hearing status issues. She said that the Commission issued an Order initiating the proceeding and offered an opportunity to petition for a hearing on January 7, 2010. She stated that no petitions for a hearing were submitted. She also stated that NRC staff and GEH participated in a prehearing conference call with the Atomic Safety and Licensing Board (ASLB) on August 19, 2010, to discuss scheduling issues for the mandatory hearing.

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 Operational Readiness Review prior to introducing licensed material in Test Loop equipment.

Ms. Tammy Orr from GEH presented the GEH perspective on the status of the project (see Attachment 3). She discussed GEH organizational changes, recent accomplishments, and the participation in the prehearing conference with the ASLB.

Ms. Orr also discussed the three phases for the GEH project, indicating that the first phase to validate the technology was complete. The second phase to validate the commercial facility is underway and will lead to a decision to build the commercial plant. This phase includes NRC licensing. The third phase involves the construction and operation of the facility.

Ms. Orr also stated that utilities have shown a high interest in commercial contracts with GEH for enriched uranium. She said that contract terms and conditions have been negotiated and further negotiations are underway for sales contracts.

In their final remarks, both Mr. Dorman 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. Tom Clements asked if the Test Loop would produce an enriched product. NRC staff stated that the equipment is designed to recombine the enriched and depleted streams so that no enriched product would be produced, except for obtaining samples for analysis. He also discussed his concern that a nonproliferation assessment has not been performed. NRC staff indicated that the Department of State performed a nonproliferation assessment as part of the preparation of the Agreement of Cooperation between the United States and Australia that allowed the Australian Silex

technology to enter the United States. Mr. Clements also asked if NRC published a licensing schedule for the project. NRC staff stated that one is available on NRC's GEH web site and a web site address would be emailed to Mr. Clements.

Ms. Maureen Connelly from Platts asked if NRC had copies of the nonproliferation assessment prepared for the Silex agreement. NRC staff indicated that it did not have copies of that document.

Action Items

Provide GEH project schedule web page address to Mr. Clements via email.

Attachments

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