

NUCLEAR REGULATORY COMMISSION

[NRC-2009-0435]

**Notice of Availability of Draft Environmental Assessment and
Draft Finding of No Significant Impact
and Notice of Public Meeting for the Proposed License Renewal
for Nuclear Fuel Services, Inc. in Erwin, Tennessee**

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of Availability of Draft Environmental Assessment and Draft Finding of No Significant Impact; Notice of Public Meeting.

SUMMARY: Notice is hereby given that the U.S. Nuclear Regulatory Commission (NRC) is issuing for public comment the Draft Environmental Assessment (EA) and Draft Finding of No Significant Impact (FONSI) for the proposed renewal of NRC special nuclear material license SNM-124 (License SNM-124) that authorizes operations at the Nuclear Fuel Services, Inc. (NFS) fuel fabrication facility in Erwin, Tennessee. On June 30, 2009, NFS submitted to the NRC an application in which NFS requested renewal of License SNM-124 for a 40-year period.

The Draft EA and Draft FONSI are being issued for public review and comment based on the NRC staff determination that (1) the NFS proposed action to renew License SNM-124 for 40 years is without precedent, because, if granted, this would be the first 40-year license renewal for a Category I nuclear fuel fabrication facility, and (2) the preparation of a Draft EA and Draft FONSI will further the purposes of the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. §4321 *et seq.*).

The NRC staff's environmental review of the proposed 40-year license renewal is documented in the Draft EA, which was prepared following NRC regulations at Title 10 of the U.S. *Code of Federal Regulations* (10 CFR) Part 51 that implement NEPA, and in accordance

with NRC staff guidance in NUREG-1748, "Environmental Review Guidance for Licensing Actions Associated with NMSS Programs." In the Draft EA, the NRC staff identifies and evaluates the potential environmental impacts of the proposed renewal of License SNM-124 and any reasonable alternatives. Based on the Draft EA, the NRC staff has made a preliminary determination that renewal of License SNM-124 for a 40-year period will not significantly affect the quality of the human environment and that a finding of no significant impact should therefore be made. By this notice, the NRC staff is requesting public comment on the Draft FONSI and on the supporting Draft EA.

The NRC staff will hold a public meeting on October 26, 2010, to accept oral and written public comments on the Draft FONSI and Draft EA. The meeting will take place at the Erwin Town Hall in Erwin, Tennessee. For one hour prior to the public meeting, the NRC staff will be available to informally discuss the proposed action and answer questions in an "open house" format. The public meeting will officially begin at 6:00 p.m. The meeting will include (1) NRC staff presentations summarizing the NRC's roles and responsibilities with respect to the proposed license renewal and also the contents of the Draft EA that supports the Draft FONSI, and (2) an opportunity for interested government agencies, Tribal governments, organizations, and individuals to provide oral or written comments on the Draft EA and Draft FONSI. The public meeting will be transcribed by a court reporter, and the meeting transcript will be made publicly available at a later date.

Persons wishing to provide oral comments at the public meeting may register in advance by contacting Ms. Tarsha Moon at (800) 368-5642, ext. 6745, no later than October 22, 2010. Those who wish to present oral comments may also register at the meeting. Individual oral comments may have to be limited by the time available, depending upon the number of persons who register. Written comments can also be provided at the meeting, and should be given to an

NRC staff person at the registration desk at the meeting entrance. If special equipment or accommodations are needed to attend or present information at the public meeting, the need should be brought to the attention of Ms. Tarsha Moon at (800) 368-5642, ext. 6745, no later than October 22, 2010, to provide NRC staff with adequate notice to determine whether the request can be accommodated. Please note that comments do not have to be provided at the public meeting and may be submitted at any time during the comment period, as described in the **DATES** section of this notice. Any interested party may submit comments on the Draft EA and Draft FONSI for consideration by NRC staff. Comments may be submitted by any of the methods described in the **ADDRESSES** section of this notice.

DATES: The public comment period on the Draft FONSI and the Draft EA begins on the date of publication of this notice and ends on November 13, 2010. To ensure consideration, comments on the Draft FONSI and Draft EA must be received or postmarked by November 13, 2010. The NRC staff will consider comments received or postmarked after that date to the extent practical.

The NRC will conduct a public meeting in Erwin, Tennessee. The meeting date, time, and location are listed below:

Meeting Date: October 26, 2010

Meeting Location: Erwin Town Hall
211 North Main Avenue
Erwin, Tennessee 37650

Informal Open House Session: 5:00 – 6:00 p.m.

Public Comment Meeting: 6:00 – 9:00 p.m.

ADDRESSES: You may submit comments by any one of the following methods. Please include Docket ID **NRC-2009-0435** in the subject line of your comments.

Electronic Mail: Comments may be sent by electronic mail to the following address:

NuclearFuel_DraftEA@nrc.gov.

Federal Rulemaking Website: Go to <http://www.regulations.gov> and search for documents filed under Docket ID **NRC-2009-0435**. Comments may be submitted electronically through this website. Address questions about NRC dockets to Carol Gallagher at 301-492-3668, or e-mail at Carol.Gallagher@nrc.gov.

Mail comments to: Cindy Bladey, Chief, Rules, Announcements, and Directives Branch (RADB), Division of Administrative Services, Office of Administration, Mail Stop: TWB-05-B01M, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by fax to RADB at (301) 492-3446.

Comments submitted in writing or in electronic form will be posted on the NRC website and on the Federal rulemaking website <http://www.regulations.gov>. Unless your comments contain sensitive information typically not released to the public by NRC policy, the NRC will make all comments publically available. Because your comments will not be edited to remove any identifying information, the NRC cautions you against including any information in your submission that you do not want to be publicly disclosed.

The NRC requests that any party soliciting or aggregating comments received from other persons for submission to the NRC inform those persons that the NRC will not edit their comments to remove any identifying or contact information, and therefore, they should not include any information in their comments that they do not want publicly disclosed.

DOCUMENT AVAILABILITY: Publicly available documents related to this notice can be accessed using any of the methods described in this section.

NRC's Public Document Room (PDR): The public may examine and have copied, for a fee, publicly available documents related to the NFS facility and license renewal at the NRC's

PDR, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland 20852. Members of the public can contact the NRC's PDR reference staff by calling 1-800-397-4209, by faxing a request to 301-415-3548, or by e-mail to pdr.resource@nrc.gov. Hard copies of the documents are available from the PDR for a fee.

NRC's Agencywide Documents Access and Management System (ADAMS):

Members of the public can access the NRC's ADAMS at <http://www.nrc.gov/reading-rm/adams.html>. From this website, the following documents related to the NRC's environmental review can be obtained by entering the accession numbers provided:

- The NFS license renewal application (ADAMS Accession Number: ML091880040) and the accompanying Environmental Report (ADAMS Accession Number: ML091900072)
- The NRC request for additional information (ADAMS Accession Number: ML100680426)
- The NFS response providing additional information (ADAMS Accession Number: ML101590160), and
- The NRC Draft FONSI (ADAMS Accession Number: ML102790260) and supporting Draft EA (ADAMS Accession Number: ML102650505).

Federal Rulemaking Web site: Public comments and supporting materials related to this notice can be found at <http://www.regulations.gov> by searching on Docket ID: **NRC-2009-0435**.

Additionally, copies of the Draft FONSI and supporting Draft EA will be available at the following public libraries:

Unicoi County Public Library
201 Nolichucky Avenue
Erwin, Tennessee 37650-1239
423-743-6533

Jonesborough Branch
Washington County Library
200 Sabin Drive
Jonesborough, Tennessee 37659-1306
423-753-1800

Greeneville / Green County Public Library
210 North Main Street
Greeneville, Tennessee 37745-3816
423-638-5034

FOR FURTHER INFORMATION CONTACT: For information about the Draft FONSI, the Draft EA, or the environmental review process, please contact James Park at (301) 415-6935 or James.Park@nrc.gov. For general or technical information associated with the review of the NFS license renewal application, please contact Kevin Ramsey at (301) 492-3123 or Kevin.Ramsey@nrc.gov.

SUPPLEMENTARY INFORMATION: On June 30, 2009, NFS submitted an application and accompanying environmental report to the NRC to request renewal of License SNM-124. On October 6, 2009, the NRC provided notice in the *Federal Register* (74 FR 51323) of its receipt of the license renewal application and also noticed an opportunity to request a hearing on the application; no requests for a hearing were received. Under the conditions of License SNM-124, NFS operates a nuclear fuel fabrication facility located in Erwin, Tennessee. If granted as proposed, the renewed license would allow NFS to continue operations and activities at the site for a 40-year period to begin with issuance of the renewed license.

The NRC staff prepared the Draft EA following NRC regulations at 10 CFR Part 51 that implement NEPA. Preparation of the Draft EA is part of the NRC's process to decide whether to renew the NFS license, pursuant to 10 CFR Parts 20 and 70, and thus authorize continued operations at the NFS facility. In accordance with the provisions of 10 CFR Part 70, the current license authorizes NFS to receive, possess, store, use, and ship SNM enriched up to 100 percent. Under the proposed action analyzed in the Draft EA, NFS would continue production of reactor fuel for government operations and for commercial domestic operations.

In addition to NFS' proposed action to renew its license for 40 years, the NRC staff analyzed two alternatives: (1) the no-action alternative, and (2) renewing the NFS license for 10 years. Under the no-action alternative, NRC would not renew License SNM-124, and as a result, operations at the NFS site would be required to cease. Also, NFS would be required under 10 CFR 70.38 to submit a detailed site decommissioning plan, and facility decommissioning would begin upon NRC approval of that plan. NRC's review would address both the health and safety and the environmental aspects of the proposed decommissioning plan.

NRC considered a 10-year license renewal period as an alternative. A period of 10 years was chosen as an alternative because the license was previously renewed for this time period. The NRC staff did not separately address the 10-year alternative throughout the Draft EA, because the staff determined that the site operations and the types of potential impacts during a 10-year license renewal period would be expected to be the same for the proposed 40-year license renewal period. Additionally, the significance of the potential impacts also would be the same under the 10-year renewal alternative even though proportionally, the impacts would be reduced for certain environmental resource areas (i.e., for transportation, public and occupational health, and waste management) under that alternative.

The table below summarizes the potential environmental impacts for each of the three alternatives. Using guidance in NUREG-1748, the NRC staff evaluated the potential impacts and then categorized the impacts as follows:

- **SMALL**—environmental effects are not detectable or are so minor that they will neither destabilize nor noticeably alter any important attribute of the resource;
- **MODERATE**—environmental effects are sufficient to alter noticeably, but not to destabilize, important attributes of the resource; or
- **LARGE**—environmental effects are clearly noticeable and are sufficient to destabilize important attributes of the resource.

Summary of Potential Environmental Impacts			
Resource Area	Proposed Action (40-Year Renewal)	10-Year Renewal	No-Action
Land Use	SMALL	SMALL	MODERATE
Transportation	SMALL (overall) MODERATE (local)	SMALL (overall) MODERATE (local)	SMALL (overall) MODERATE (local)
Socioeconomics	SMALL	SMALL	SMALL to MODERATE
Air Quality	SMALL	SMALL	SMALL
Water Resources – Surface Water	SMALL	SMALL	SMALL to MODERATE
Water Resources – Groundwater	SMALL to MODERATE	SMALL to MODERATE	SMALL to MODERATE
Geology & Soils	SMALL (geology) SMALL to MODERATE (soils)	SMALL (geology) SMALL to MODERATE (soils)	SMALL (geology) MODERATE (soils)
Ecology	SMALL	SMALL	SMALL to MODERATE

Noise	SMALL	SMALL	SMALL to MODERATE
Historic & Cultural	SMALL	SMALL	SMALL
Scenic & Visual	SMALL	SMALL	MODERATE
Public & Occupational Health	SMALL	SMALL	SMALL
Public & Occupational Health – Accidents	SMALL to MODERATE	SMALL to MODERATE	SMALL
Waste Management	SMALL	SMALL	MODERATE

Based on its review of the proposed action relative to the requirements set forth in 10 CFR Part 51, the NRC staff has preliminarily determined that renewal of License SNM-124, which would authorize operations at NFS’s nuclear fuel fabrication facility in Erwin, Tennessee to continue for a period of 40 years would not significantly affect the quality of the human environment. The facility already exists, and no changes to the site or to facility operations are associated with the proposed license renewal. As such, the proposed action can be considered a continuation of impacts and was evaluated based on impacts from past operations. Gaseous emissions and liquid effluents are controlled and monitored by permit and are within regulatory limits for non-radiological and radiological components. Public and occupational radiological dose exposures are below 10 CFR Part 20 regulatory limits. Therefore, based on this preliminary assessment, an Environmental Impact Statement (EIS) is not warranted, and pursuant to 10 CFR 51.31, a Finding of No Significant Impact is appropriate.

The Draft FONSI and supporting Draft EA are a preliminary analysis of the environmental impacts of the proposed action and its alternatives. Based on comments received on the Draft FONSI and Draft EA, the staff may publish a Final FONSI and Final EA, or instead may find that preparation of an EIS is warranted should significant impacts resulting

from the proposed action be identified. Should an EIS be warranted, a Notice of Intent to prepare the EIS will be published in the *Federal Register*.

Pursuant to 10 CFR 51.33(a), the NRC staff is making the Draft FONSI and Draft EA available for public review and comment. The public comment period begins with publication of this Notice and continues until November 13, 2010. Written comments should be submitted as described in the **ADDRESSES** section of this notice. The NRC will consider comments received or postmarked after that date to the extent practical.

Dated at Rockville, Maryland, this 8th day of October, 2010.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

David Skeen, Acting Deputy Director
Environmental Protection and
Performance Assessment Directorate
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs