

June 21, 2007

MEMORANDUM TO: Gary Janosko, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief /RA/
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

FROM: Julie Olivier, Project Manager /RA/
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

SUBJECT: MAY 21, 2007, AREVA MEETING SUMMARY

On May 21, 2007, representatives from the U.S. Nuclear Regulatory Commission (NRC), AREVA NC, Inc. (AREVA) and the Department of Energy held a meeting at NRC Headquarters in Rockville, MD to discuss AREVA's intent to construct and operate a commercial gas centrifuge uranium enrichment plant in the United States.

The meeting participants were as follows:

M. Weber/NRC	R. Pierson/NRC	J. Olivier/NRC	T. Johnson/NRC
L. Clark/NRC	M. Bupp/NRC	K. Everly/NRC	B. Stapleton/NRC
B. Dexter/NRC	N. St. Amour/NRC	L. Silvious/NRC	S. Dembek/NRC
P. MacMurdy/NRC	B. Moran/NRC	M. McMurphy/AREVA	A. Genevois/AREVA
R. Poyser/AREVA	G. Harper/AREVA	N. deTurckheim/AREVA	
S. Shakir/AREVA	J. Curtiss/Winston and Strawn	T. Smith/Winston and Strawn	
B. Szymanski/DOE	R. Woo/DOE		

When separated from Enclosures 1 and 2, handle this memorandum as non-sensitive.

The AREVA staff gave a slide presentation (see Enclosure 2). Mr. McMurphy provided information about AREVA's business objectives which include building a new enrichment facility in the United States. Mr. McMurphy provided an overview of the company, including a description of AREVA's 4 nuclear divisions: front end, reactors and services, back end, and transmission and distribution.

Mr. de Turckheim presented information about AREVA's enrichment experience. AREVA currently operates the George Besse gaseous diffusion enrichment plant in France. This facility will be decommissioned due to economic effects (cost of electricity). AREVA is currently constructing the George Besse II gas centrifuge plant in France to replace the George Besse gaseous diffusion plant. A joint venture was created in 2003 between AREVA and URENCO which is named Enrichment Technology Company, Limited (ETC). ETC will provide the classified centrifuge technology for the George Besse II facility.

Mr. Shakir discussed the need for additional enrichment capacity in the United States. AREVA has determined that the U.S. demand for enriched uranium is larger than the combined capacity of the National Enrichment Facility, the USEC American Centrifuge Plant and the proposed AREVA plant.

Mr. Harper provided details about AREVA's plans for their proposed U.S. facility. ETC will provide the centrifuge technology for the facility. The NRC staff emphasized that the Environmental Report should analyze the maximum SWU capacity, in order to avoid preparation of a second or supplemental Environmental Impact Statement.

Mr. Shakir described the partnership structure for the project. AREVA intends to have the partnership structure in place by the third quarter of 2007.

Mr. Poyser discussed site selection for the facility. AREVA is aiming to select a site by the end of 2007 and is currently studying suitable sites. The NRC staff mentioned the lessons learned from the LES site selection process and emphasized that early local support is critical.

Mr. Curtiss described AREVA's approach to international agreements. In 2006, a Cardiff Agreement was signed between France, United Kingdom, Germany and the Netherlands which establishes a framework for collaboration with respect to aspects of centrifuge enrichment technology held by ETC. The Agreement provides for transferring technology to other countries. AREVA plans to maximize the use of existing international agreements, possibly transferring the technology under the 2006 Cardiff agreement. AREVA will continue to keep the NRC informed about the status of establishing an international agreement for this project.

Mr. Shakir discussed AREVA's licensing approach, including the proposed timeline and application schedule. The schedule proposed by AREVA is to select a site by the end of 2007, submit an application by mid-2008, have a license issued by mid-2010, start construction in late 2010 and begin operating in 2013. NRC staff stated it would be extremely difficult to prepare and issue an Environmental Impact Statement and Safety Evaluation Report within a 12-15 month period assumed in the AREVA schedule.

Mr. Shakir discussed AREVA's strategy for the management of depleted uranium tails. AREVA plans to either convert and dispose of tails by a private, commercial company, or have DOE dispose of the tails in accordance with Section 3113 of the USEC Privatization Act.

The meeting ended with AREVA suggesting that several more pre-application meetings be scheduled in order to assist in the preparation of a license application. I am attaching a proprietary version of the meeting summary and a non-proprietary version of the presentation slides.

Enclosures:

Proprietary Meeting Summary

Non-proprietary presentation slide

OFFICIAL USE ONLY - PROPRIETARY INFORMATION

The meeting ended with AREVA suggesting that several more pre-application meetings be scheduled in order to assist in the preparation of a license application. I am attaching a proprietary version of the meeting summary and a non-proprietary version of the presentation slides.

Enclosures:

Proprietary Meeting Summary

Non-proprietary presentation slide

cc: William Szymanski/DOE
Ralph Win/DOE
Sam Shakir/AREVA

DISTRIBUTION:

FCSS R/F SPB R/F File Center NRC meeting attendees DMcIntyre, OPA
APowell, OCA

ML071560046

OFC	ECB		ECB		ECB	
NAME	J.Olivier /by T. Johnson for/		L.Williamson		BSmith	
DATE	06/08/07		06/07/07		06/21/07	

OFFICIAL RECORD COPY