

items). Records of the Office of Policy and Government Affairs, including such records as administrative files, files relating to budget and contract matters, drafts of reports, toll facilities files, files relating to the highway trust fund, Web site versions of published highway statistics, and research program files. Proposed for permanent retention are such records as published highway statistics, reports on the status of highways, bridges, and transit submitted to Congress, master files of electronic information systems relating to highway system performance, files relating to foreign highway projects, and master files of an electronic system relating to motor fuel and highway finance.

16. Department of Transportation, Federal Highway Administration (N1-406-09-6, 79 items, 73 temporary items). Records of the Office of Planning, Environment, and Realty, including such records as files relating to routine administrative activities, air quality analyses, right-of-way records, files relating to civil rights activities, property management files, environmental impact records, noise files, records relating to the payback program, project files, research files, airport access records, urban planning files, and public transportation files. Proposed for permanent retention are such records as air quality program files, annual reports, policy files, and speeches made by high officials.

17. Department of Transportation, Federal Highway Administration (N1-406-09-11, 2 items, 2 temporary items). Applications for Federal credit assistance submitted under the Transportation Infrastructure Finance and Innovation Act of 1998.

18. Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (N1-564-09-2, 1 item, 1 temporary item). Master files of an electronic information system used to track agency accountable personal property.

19. Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (N1-564-09-12, 2 items, 2 temporary items). Master files of an internet-based electronic system which allows industry members to apply online for certificates of label approval.

20. Department of the Treasury, Bureau of Engraving and Printing (N1-318-09-1, 3 items, 3 temporary items). Daily production records and other records relating to day-to-day operations and product accountability.

21. Department of the Treasury, Internal Revenue Service (N1-58-09-34, 3 items, 3 temporary items). Inputs, outputs, and master files of an electronic information system used to

identify forms missing from electronically filed tax returns.

22. Department of the Treasury, Internal Revenue Service (N1-58-09-35, 3 items, 3 temporary items). Inputs, outputs, and master files of an electronic information system that contains employee performance data.

23. Department of the Treasury, Internal Revenue Service (N1-58-09-36, 3 items, 3 temporary items). Inputs, outputs, and master files of an electronic information system that contains earned income tax credit data.

24. Department of the Treasury, Internal Revenue Service (N1-58-09-42, 4 items, 4 temporary items). Fingerprint cards and professional credentials provided by tax professionals who apply for authorization to transmit tax return information to the agency on behalf of taxpayers.

25. Department of the Treasury, Internal Revenue Service (N1-58-09-43, 1 item, 1 temporary item). Data contained in an electronic system used to transmit sensitive tax-related information that cannot be transmitted using regular electronic mail.

26. Department of the Treasury, Office of Thrift Supervision (N1-483-09-1, 3 items, 3 temporary items). Master files of an electronic information system that is used to store employee contact information and deliver emergency communications to staff.

27. Agency for International Development, Bureau of Global Health (N1-286-09-2, 1 item, 1 temporary item). Data contained in an electronic information system used to track the expenditure of funds, including a module with data on the funding of projects relating to HIV/AIDS.

28. National Archives and Records Administration, Office of Presidential Libraries (N1-64-09-5, 1 item, 1 temporary item). Data contained in an electronic system pertaining to visits, tours, and events at Presidential library museums.

29. National Archives and Records Administration, Office of Regional Records Services (N1-64-08-10, 21 items, 20 temporary items). Records relating to operations and administration of records centers, regional archives, and records management services, including files relating to such matters as the collection and expenditure of funds, outreach activities, the operation of records centers, and records processing activities. Proposed for permanent retention are program records accumulated by Regional Administrators.

Dated: July 27, 2009.

**Michael J. Kurtz.**

*Assistant Archivist for Records Services—Washington, DC.*

[FR Doc. E9-18312 Filed 7-29-09; 8:45 am]

**BILLING CODE 7515-01-P**

## **NATIONAL SCIENCE FOUNDATION**

### **Notice of Permits Denied Under the Antarctic Conservation Act of 1978**

**AGENCY:** National Science Foundation.

**ACTION:** Notice of permits denied under the Antarctic Conservation Act of 1978, Public Law 95-541.

**SUMMARY:** The National Science Foundation (NSF) is required to publish notice of permits denied under the Antarctic Conservation Act of 1978. This is the required notice.

**FOR FURTHER INFORMATION CONTACT:** Nadene G. Kennedy, Permit Office, Office of Polar Programs, Rm. 755, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230.

**SUPPLEMENTARY INFORMATION:** On May 1, 2009, the National Science Foundation published a notice in the **Federal Register** of a permit application received. The permit application from Stacy Kim was denied on July 23, 2009.

**Nadene G. Kennedy,**

*Permit Officer.*

[FR Doc. E9-18107 Filed 7-29-09; 8:45 am]

**BILLING CODE 7555-01-P**

## **NUCLEAR REGULATORY COMMISSION**

[Docket No. 70-7015; CLI-09-15]

### **Notice of Receipt of Application for License; Notice of Consideration of Issuance of License; Notice of Hearing and Commission Order and Order Imposing Procedures for Access to Sensitive Unclassified Non-Safeguards Information and Safeguards Information for Contention Preparation; In the Matter of Areva Enrichment Services, LLC (Eagle Rock Enrichment Facility)**

Commissioners: Gregory B. Jaczko, Chairman, Dale E. Klein, Kristine L. Svinicki.

#### **I. Receipt of Application and Availability of Documents**

Notice is hereby given that the U. S. Nuclear Regulatory Commission (NRC or the Commission) received on December 30, 2008, an application, safety analysis report, and environmental report from AREVA

Enrichment Services LLC (AES), for a license to possess and use source, byproduct, and special nuclear material and to enrich natural uranium to a maximum of 5 percent U-235 by the gas centrifuge process. The plant, to be known as the Eagle Rock Enrichment Facility (EREF), would be located in Bonneville County, Idaho. AES is a Delaware limited liability corporation and is a wholly owned subsidiary of AREVA NC Inc., which is a wholly owned subsidiary of AREVA NC SA, a part of AREVA SA, a corporation formed under the laws of France. On March 12, 2009, the NRC staff notified AES, by letter, that staff had completed its acceptance review and had determined that the application was acceptable for formal review. On March 31, 2009, AES notified the NRC of its intent to revise the license application for the EREF to expand the capacity of the facility from 3.3 million separative work units (SWU) per year to 6.6 million SWU per year. Thereafter, on April 23, 2009, AES filed a revised license application. On April 30, 2009, the NRC staff notified AES that its revised license application was accepted for review. On May 4, 2009, the NRC published notice of its intent to prepare an Environmental Impact Statement (EIS) on the proposed action and the opportunity for public comment on the appropriate scope of issues to be considered in the EIS. See 74 FR 20508 (May 4, 2009).

Copies of AES's application, safety analysis report, and environmental report (except for portions thereof subject to withholding from public inspection in accordance with 10 CFR 2.390, Availability of Public Records) are available for public inspection at the Commission's Public Document Room (PDR) at One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852. These documents are also available for review and copying using any of the following methods: (1) Enter the NRC's Gas Centrifuge Enrichment Facility Licensing Web site at <http://www.nrc.gov/materials/fuel-cycle-fac/gas-centrifuge.html#correspondence>; (2) enter the NRC's Agencywide Document Access and Management System (ADAMS) at <http://www.nrc.gov/reading-rm/adams.html>, where the accession number for AES's application (including AES's safety analysis report and AES's environmental report) is ML090300658, and the accession number for the revised application is ML091210558; (3) contact the PDR by calling (800) 397-4209, faxing a request to (301) 415-3548, or sending a request by electronic mail to [pdr@nrc.gov](mailto:pdr@nrc.gov). Hard

copies of the documents are available from the PDR for a fee.

As indicated above, the AES's initial and revised application has been accepted for docketing and formal review (ADAMS accession numbers ML090540516 and ML091210040) and, accordingly, the Commission is providing this notice of hearing and notice of opportunity to intervene on AES's application for a license to construct and operate a centrifuge enrichment facility. Pursuant to the Atomic Energy Act of 1954, as amended (Act), the NRC staff will prepare a safety evaluation report (SER) after reviewing the application and make findings concerning the public health and safety and common defense and security. In addition, pursuant to the National Environmental Policy Act of 1969 (NEPA) and the Commission's regulations in 10 CFR part 51, the NRC staff will complete an environmental evaluation and prepare an environmental impact statement (EIS) before the hearing on the issuance of a license is completed. See Notice of Intent and Opportunity to Provide Written Comments AREVA Enrichment Services LLC Eagle Rock Enrichment Facility, Idaho Falls, ID, 74 FR20508 (May 4, 2009).

In *San Luis Obispo Mothers for Peace v. NRC*, 449 F.3d 1016, 1028 (9th Cir. 2006), cert. denied, 127 S. Ct. 1124 (2007), the United States Court of Appeals for the Ninth Circuit held that the NRC NEPA analysis performed as a result of an NRC licensing decision should consider the potential environmental consequences, if any, were a terrorist attack on the facility under review to occur. The Ninth Circuit's holding is in sharp contrast to the position the NRC has consistently taken with respect to this issue, i.e., that NEPA does not require the NRC to consider the environmental consequences of hypothetical terrorist attacks on NRC-licensed facilities. See *AmerGen Energy Co., LLC (Oyster Creek Nuclear Generating Station)*, CLI-07-08, 65 NRC 124, 129 (2007). The Third Circuit recently upheld the NRC's approach. See *New Jersey Dep't of Env'tl. Prot. v. NRC*, 561 F.3d 132 (3d Cir. 2009) (upholding the NRC's *Oyster Creek* decision). Nonetheless, as of this writing, the Commission remains bound by Ninth Circuit law when, as here, the agency is considering facilities located within the Ninth Circuit's jurisdiction. As the proposed location for the EREF is within the jurisdictional boundaries of the Ninth Circuit, the Commission is obligated to ensure that the EIS prepared by the NRC staff considers the NEPA-terrorism issue as mandated in

*San Luis Obispo Mothers for Peace, supra*.

Accordingly, in keeping with the Commission's directive in *Pacific Gas & Electric Co., (Diablo Canyon Power Plant Independent Spent Fuel Storage Installation)*, CLI-07-11, 65 NRC 148 (2007),<sup>1</sup> the Commission directs the NRC staff to address in the EIS the environmental impacts of a terrorist attack at the EREF. To the extent practicable, the NRC staff should base its environmental analysis on information available in agency records and other information on the EREF design, mitigative, and security arrangements bearing on likely environmental consequences, consistent with the requirements of NEPA, the Ninth Circuit's decision, and the regulations for the protection of sensitive and safeguards information.

The NRC staff may rely, where appropriate, on qualitative rather than quantitative considerations. In addition, the NRC should rely on as much public information as practicable and make public as much of its environmental analysis as feasible recognizing, however, that it may prove necessary to withhold some facts underlying the staff's findings and conclusions as "safeguards" information, classified Restricted Data or National Security Information, or sensitive unclassified non-safeguards information. Further guidance on how the NRC treats NEPA-terrorism contentions is available in the *Diablo Canyon* docket. See, e.g., CLI-08-26, 68 NRC \_\_ (Oct. 23, 2008); CLI-08-8, 67 NRC 193 (2008); CLI-08-1, 67 NRC 1 (2008). The *Diablo Canyon* proceeding is again before the Ninth Circuit. See *San Luis Obispo Mothers for Peace v. NRC*, No. 08-75058 (9th Cir.).

When available, the NRC staff's SER and EIS (except for portions thereof subject to withholding from public inspection in accordance with 10 CFR 2.390) will also be placed in the PDR and in ADAMS. Copies of correspondence between the NRC and AES, and transcripts of prehearing conferences and hearings (except for portions thereof subject to withholding from public inspection in accordance with 10 CFR 2.390) similarly will be made available to the public.

If, following the hearing, the Commission is satisfied that AES has complied with the Commission's regulations and the requirements of this Notice and Commission Order and the

<sup>1</sup>In *San Luis Obispo Mothers for Peace*, the Ninth Circuit explicitly left to the Commission's discretion the manner in which the NRC reviews the NEPA-terrorism issues with respect to the NRC's consideration of the merits and procedural approach.

Commission finds that the application satisfies the applicable standards set forth in 10 CFR parts 30, 40, and 70, a single license will be issued authorizing: (1) The construction and operation of the Eagle Rock Enrichment Facility; and (2) the receipt, possession, use, delivery, and transfer of byproduct (e.g., calibration sources), source and special nuclear material at the Eagle Rock Enrichment Facility. Prior to commencement of operations of the Eagle Rock Enrichment Facility, if it is licensed, in accordance with section 193(c) of the Act and 10 CFR 70.32(k), the NRC will verify through inspection that the facility has been constructed in accordance with the requirements of the license for such construction and operation. The inspection findings will be published in the **Federal Register**.

## II. Notice of Hearing

A. Pursuant to 10 CFR 70.23a and section 193 of the Act, as amended by the Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990 Public Law 101-575, § 5, 104 Stat. 2834, 2835-36 (codified as amended at 42 U.S.C. 2243), a hearing will be conducted according to the rules of practice in 10 CFR part 2, subparts A, C, G, and to the extent that classified information becomes involved, subpart I. The hearing will be held under the authority of sections 53, 63, 189, 191, and 193 of the Act. The applicant and the NRC staff shall be parties to the proceeding.

B. Pursuant to 10 CFR part 2, subparts C and G, a contested hearing shall be conducted by an Atomic Safety and Licensing Board (Licensing Board) appointed by the Chief Administrative Judge of the Atomic Safety and Licensing Board Panel. Notice as to the membership of the Licensing Board will be published in the **Federal Register** at a later date.

C. The matters of fact and law to be considered are whether the application satisfies the standards set forth in this Notice and Commission Order and the applicable standards in 10 CFR parts 30, 40, and 70, and whether the requirements of NEPA and the NRC's implementing regulations in 10 CFR part 51 have been met.

D. If this proceeding is not a contested proceeding, as defined by 10 CFR 2.4, the Licensing Board will determine the following without conducting a *de novo* evaluation of the application: (1) Whether the application and record of the proceeding contain sufficient information to support license issuance and whether the NRC staff's review of the application has been adequate to support findings to be made by the

Director of the Office of Nuclear Materials Safety and Safeguards, with respect to the matters set forth in paragraph C of this section; and (2) whether the review conducted by the NRC staff pursuant to 10 CFR part 51 has been adequate.

E. Regardless of whether the proceeding is contested or uncontested, the Licensing Board will, in the initial decision, in accordance with subpart A of 10 CFR part 51: determine whether the requirements of sections 102(2)(A), (C), and (E) of NEPA and subpart A of 10 CFR part 51 have been complied with in the proceeding; independently consider the final balance among conflicting factors contained in the record of the proceeding with a view to determining the appropriate action to be taken; and determine, after weighing the environmental, economic, technical, and other benefits against the environmental and other costs, and considering reasonable alternatives, whether a license should be issued, denied, or appropriately conditioned to protect environmental values.

F. If the proceeding becomes a contested proceeding, the Licensing Board shall make findings of fact and conclusions of law on admitted contentions. With respect to matters set forth in paragraph C of this section, but not covered by admitted contentions, the Licensing Board will make the determinations set forth in paragraph D without conducting a *de novo* evaluation of the application.

## III. Intervention

A. By September 28, 2009, any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written petition for leave to intervene. Petitions for leave to intervene shall be filed in accordance with the provisions of 10 CFR 2.309. Interested persons should consult 10 CFR part 2, section 2.309, which is available at the NRC's PDR, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, MD (or call the PDR at (800) 397-4209 or (301) 415-4737). NRC regulations are also accessible electronically from the NRC's Electronic Reading Room on the NRC Web site at <http://www.nrc.gov>.

As required by 10 CFR 2.309, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding and how that interest may be affected by the results of the proceeding. The petition must provide the name, address, and telephone number of the petitioner and specifically explain the reasons why intervention should be permitted with

particular reference to the following factors: (1) The nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order that may be entered in the proceeding on the petitioner's interest.

A petition for leave to intervene must also include a specification of the contentions that the petitioner seeks to have litigated in the hearing. For each contention, the petitioner must provide a specific statement of the issue of law or fact to be raised or controverted, as well as a brief explanation of the basis for the contention. Additionally, the petitioner must demonstrate that the issue raised by each contention is within the scope of the proceeding and is material to the findings the NRC must make to support the granting of a license in response to AES's application. The petition must also include a concise statement of the alleged facts or expert opinions which support the position of the petitioner and on which the petitioner intends to rely at hearing, together with references to the specific sources and documents on which the petitioner intends to rely. Finally, the petition must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact, including references to specific portions of the application that the petitioner disputes and the supporting reasons for each dispute, or, if the petitioner believes that the application fails to contain information on a relevant matter as required by law, the identification of each failure and the supporting reasons for the petitioner's belief. Each contention must be one that, if proven, would entitle the petitioner to relief.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing with respect to resolution of that person's admitted contentions, including the opportunity to present evidence and to submit a cross-examination plan for cross-examination of witnesses, consistent with NRC regulations, policies, and procedures. The Licensing Board will set the time and place for any prehearing conferences and evidentiary hearings, and the appropriate notices will be provided.

Non-timely petitions for leave to intervene and contentions, amended petitions, and supplemental petitions will not be entertained absent a determination by the Commission, the

Licensing Board or a Presiding Officer that the petition should be granted and/or the contentions should be admitted based upon a balancing of the factors specified in 10 CFR 2.309(c)(1)(i)–(viii).

B. A State, county, municipality, Federally-recognized Indian Tribe, or agencies thereof, may submit a petition to the Commission to participate as a party under 10 CFR 2.309(d)(2). The petition should state the nature and extent of the petitioner's interest in the proceeding. The petition should be submitted to the Commission by September 28, 2009. The petition must be filed in accordance with the filing instructions in section IV, and should meet the requirements for petitions for leave to intervene set forth in section III.A, except that State and Federally-recognized Indian tribes do not need to address the standing requirements in 10 CFR 2.309(d)(1) if the facility is located within its boundaries. The entities listed above could also seek to participate in a hearing as a nonparty pursuant to 10 CFR 2.315(c).

C. Any person who does not wish, or is not qualified, to become a party to this proceeding may request permission to make a limited appearance pursuant to the provisions of 10 CFR 2.315(a). A person making a limited appearance may make an oral or written statement of position on the issues, but may not otherwise participate in the proceeding. A limited appearance may be made at any session of the hearing or at any prehearing conference, subject to such limits and conditions as may be imposed by the Licensing Board. Persons desiring to make a limited appearance are requested to inform the Secretary of the Commission by September 28, 2009.

#### IV. Electronic Submissions (E-Filing)

All documents filed in NRC adjudicatory proceedings, including a petition for leave to intervene and proffered contentions, any motion or other document filed in the proceeding prior to the submission of a petition to intervene, and documents filed by interested governmental entities participating under 10 CFR 2.315(c), must be filed in accordance with the NRC E-Filing rule, which the NRC promulgated on August 28, 2007 (72 FR 49139). The E-Filing process requires participants to submit and serve all adjudicatory documents over the Internet or, in some cases, to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek a waiver in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least ten (10) days prior to the filing deadline, the petitioner must contact the Office of the Secretary by e-mail at [Hearing.Docket@nrc.gov](mailto:Hearing.Docket@nrc.gov), or by calling (301) 415-1677, to request: (1) A digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and/or (2) creation of an electronic docket for the proceeding (even in instances in which the petitioner (or its counsel or representative) already holds an NRC issued digital ID certificate). Each petitioner will need to download the Workplace Forms Viewer™ to access the Electronic Information Exchange (EIE), a component of the E-Filing system. The Workplace Forms Viewer™ is free and is available at <http://www.nrc.gov/sitehelp/e-submittals/install-viewer.html>. Information about applying for a digital ID certificate is available on NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals/apply-certificates.html>.

Once a petitioner has obtained a digital ID certificate, had a docket created, and downloaded the EIE viewer, it can then submit a petition for leave to intervene including proffered contentions. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. A filing is considered complete at the time the filer submits its documents through EIE. To be timely, an electronic filing must be submitted to the EIE system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The EIE system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically using the agency's adjudicatory E-filing system may seek assistance through the

"Contact Us" link located on the NRC Web site at <http://www.nrc.gov/site-help/e-submittals.html> or by calling the NRC electronic filing Help Desk, which is available between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday, excluding government holidays. The toll-free help line number is (866) 672-7640. A person filing electronically may also seek assistance by sending an e-mail to the NRC electronic filing Help Desk at [MSHD.Resource@nrc.gov](mailto:MSHD.Resource@nrc.gov).

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at [http://ehd.nrc.gov/EHD\\_Proceeding/home.asp](http://ehd.nrc.gov/EHD_Proceeding/home.asp), unless excluded pursuant to an order of the Commission, the Licensing Board, or a Presiding Officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their submission.

#### V. Commission Guidance

##### A. Licensing Board Determination of Contentions

The Licensing Board shall issue a decision on the admissibility of contentions no later than December 28, 2009.

##### B. Novel Legal Issues

If rulings on petitions, on admissibility of contentions, or the admitted contentions themselves, raise novel legal or policy questions, the Commission will provide early guidance and direction on the treatment and resolution of such issues. Accordingly, the Commission directs the Licensing Board to promptly certify to the Commission in accordance with 10 CFR 2.319(l) and 2.323(f) all novel legal or policy issues that would benefit from early Commission consideration should such issues arise in this proceeding.

##### C. Discovery Management

(1) All parties, except the NRC staff, shall make the mandatory disclosures required by 10 CFR 2.704(a) and (b) within forty-five (45) days of the issuance of the Licensing Board order admitting contentions.

(2) The Licensing Board, consistent with fairness to all parties, should narrow the issues requiring discovery and limit discovery to no more than one round for admitted contentions.

(3) All discovery against the NRC staff shall be governed by 10 CFR 2.336(b) and 2.709. The NRC staff shall comply with 10 CFR 2.336(b) no later than 30 days after the Licensing Board order admitting contentions and shall update the information at the same time as the issuance of the SER or the Final Environmental Impact Statement (FEIS), and, subsequent to the publication of the SER and FEIS, as otherwise required by the Commission's regulations. Discovery under 10 CFR 2.709 shall not commence until the issuance of the particular document, *i.e.*, SER or EIS, unless the Licensing Board, in its discretion, finds that commencing discovery against the NRC staff on safety issues before the SER is issued, or on environmental issues before the FEIS is issued will expedite the hearing without adversely affecting the Staff's ability to complete its evaluation in a timely manner.

(4) No later than 30 days before the commencement of the hearing at which an issue is to be presented, all parties other than the NRC staff shall make the pretrial disclosures required by 10 CFR 2.704(c).

*D. Hearing Schedule*

In the interest of providing a fair hearing, avoiding unnecessary delays in NRC's review and hearing process, and producing an informed adjudicatory record that supports the licensing determination to be made in this proceeding, the Commission expects that both the Licensing Board and NRC

staff, as well as the applicant and other parties to this proceeding, will follow the applicable requirements contained in 10 CFR part 2 and guidance in the *Commission's Statement of Policy on Conduct of Adjudicatory Proceedings, CLI-98-12, 48 NRC 18 (1998) [63 FR41872 (August 5, 1998)]* to the extent that such guidance is not inconsistent with specific guidance in this Order. The guidance in the Statement of Policy on Conduct of Adjudicatory Proceedings is intended to improve the management and the timely completion of the proceeding and addresses hearing schedules, parties' obligations, contentions and discovery management. In addition, the Commission is providing the following direction for this proceeding:

(1) The Commission directs the Licensing Board to set a schedule for the hearing in this proceeding consistent with this Order that establishes, as a goal, the issuance of a final Commission decision on the pending application within two-and-one-half years (30 months) from the date of this Order. Accordingly, the Licensing Board should issue its decision on either the contested or mandatory hearing, or both, held in this matter no later than 28½ months (855 days) from the date of this Order. Formal discovery against the Staff shall be suspended until after the Staff completes its final SER and EIS in accordance with the direction provided in paragraph C(3) above.

(2) The evidentiary hearing with respect to issues should commence

promptly after completion of the final Staff documents (SER or EIS) unless the Licensing Board, in its discretion, finds that starting the hearing with respect to one or more safety issues prior to issuance of the final SER<sup>2</sup> (or one or more environmental contentions directed to the applicant's Environmental Report) will expedite the proceeding without adversely impacting the Staff's ability to complete its evaluations in a timely manner.

(3) The Commission also believes that issuing a decision on the pending application within about two-and-one-half years may be reasonably achieved under the rules of practice contained in 10 CFR part 2 and the enhancements directed by this Order. We do not expect the Licensing Board to sacrifice fairness and sound decision-making to expedite any hearing granted on this application. We do expect the Licensing Board to use the applicable techniques specified in: this Order; 10 CFR 2.332, 2.333 and 2.334; and the Commission's policy statement on the conduct of adjudicatory proceedings (CLI-98-12, *supra*) to ensure prompt and efficient resolution of contested issues. *See also Statement of Policy on Conduct of Licensing Proceedings, CLI-81-8, 13 NRC 452 (1981).*

(4) If this is a contested proceeding, the Licensing Board should adopt the following milestones, in developing a schedule, for conclusion of significant steps in the adjudicatory proceeding.<sup>3</sup>

|  |   |
|--|---|
| Within September 28, 2009 .....  | Deadline for Requests for Hearing; Petitions to Intervene and Contentions; and Requests for Limited Participation.                      |
| Within October 28, 2009 .....  | Answers to Requests for Hearing; Petitions to Intervene and Request for Limited Participation.  |
| Within November 9, 2009 .....  | Replies to Answers regarding Requests for Hearing; Petitions to Intervene and Request for Limited Participation.                        |
| Within November 27, 2009 .....   | Licensing Board holds Pre-hearing Conference to hear arguments on petitions to intervene and contention admissibility.                  |
| Within 30 days of pre-hearing conference .....                           | Licensing Board issues order determining intervention.  |
| Within 10 days of the Licensing Board order determining intervention.    | Discovery commences, except against the Staff.  |
| Within 20 days of the Licensing Board order determining intervention.    | Persons admitted or entities participating under 10 CFR 2.309(d) may submit a motion for reconsideration (see below, at Section VI.B).* |
| Within 30 days of the Licensing Board decision determining intervention. | Persons admitted or entities participating under 10 CFR 2.309(d) may respond to any motion for reconsideration.                         |
| Date of issuance of final SER/EIS .....                                  | Staff prepares hearing file.  |
| Within 20 days of the issuance of the final SER/EIS .....                | Staff updates hearing file.   |
| Within 40 days of the issuance of final SER/EIS .....                    | Discovery commences against the Staff.  |
|  | Motions to amend contentions; motions for late-filed contentions.   |
|  | Completion of answers and replies to motions for amended and late-filed contentions.  |
|  | Completion of discovery on original contentions.  |

<sup>2</sup> The Commission believes that, in the appropriate circumstances, allowing discovery or an evidentiary hearing with respect to safety-related issues to proceed before the final SER is issued will serve to further the Commission's objective, as reflected in the Statement of Policy on Conduct of Adjudicatory Proceedings, CLI-98-12, *supra*, to ensure a fair, prompt, and efficient resolution of contested issues. For example, it may be

appropriate for the Board to permit discovery against the staff and/or the commencement of an evidentiary hearing with respect to safety issues prior to the issuance of the final SER in cases where the applicant has responded to the Staff's "open items" and there is an appreciable lag time until the issuance of the final SER, or in cases where the initial SER identifies only a few open items.

<sup>3</sup> This schedule assumes that the SER and FEIS are issued essentially at the same time. If these documents are not to be issued very close in time, the Board should adopt separate schedules but concurrently running for the safety and environmental reviews consistent with the timeframes herein for each document.

|  |  |
|--|--|
| Within 50 days of the issuance of the final SER/EIS .....  | Deadline for summary disposition motions on original contentions.**  |
| Within 55 days of the issuance of the final SER/EIS .....  | Licensing Board decision on admissibility of late-filed contentions.**   |
| Within 65 days of the issuance of the final SER/EIS .....  | Licensing Board determination as to whether resolution of any motion for summary disposition will serve to expedite the proceedings. |
| Within 75 days of the issuance of the final SER/EIS .....  | Answers to motions for summary disposition identified by Licensing Board.  |
| Within 80 days of the issuance of final SER/EIS .....      | Replies to answers to motions for summary disposition.   |
| Within 105 days of the issuance of the final SER/EIS ..... | Completion of discovery on late-filed contentions.   |
| Within 115 days of the issuance of final SER/EIS .....     | Licensing Board decision on summary disposition motions on original contentions.   |
| Within 125 days of the issuance of final SER/EIS .....     | Direct testimony filed on original contentions and any amended or admitted late-filed contentions.                                   |
| Within 135 days of the issuance of final SER/EIS .....     | Cross-examination plans filed on original contentions and any amended or admitted late-filed contentions.                            |
| Within 160 days of the issuance of final SER/EIS .....     | Evidentiary hearing begins on original contentions and any amended or admitted late-filed contentions.                               |
| Within 205 days of the issuance of final SER/EIS .....     | Completion of evidentiary hearing on remaining contentions and any amended or admitted late-filed contentions.                       |
| Within 245 days of the issuance of final SER/EIS .....     | Completion of findings and replies.  |
|  | Licensing Board's initial decision.***   |

\* Motions for reconsideration do not stay this schedule.

\*\* No summary disposition motions on late-filed contentions are contemplated.

\*\*\* The Licensing Board's initial decision with respect to either a contested adjudicatory hearing or an uncontested, mandatory hearing should be issued no later than 28½ months from the date of this Order.

To avoid unnecessary delays in the proceeding, the Licensing Board should not routinely grant requests for extensions of time and should manage the schedule such that the overall hearing process is completed within 28½ months. Although summary disposition motions are included in the schedule above, the Licensing Board shall not entertain motions for summary disposition under 10 CFR 2.710, unless the Licensing Board finds that such motions, if granted, are likely to expedite the proceeding. Unless otherwise justified, the Licensing Board shall provide for the simultaneous filing of answers to proposed contentions, responsive pleadings, proposed findings of fact, and other similar submittals.

(5) Parties are obligated to comply with applicable requirements in 10 CFR part 2, unless directed otherwise by this Order or the Licensing Board. They are also obligated in their filings before the Licensing Board and the Commission to ensure that their arguments and assertions are supported by appropriate and accurate references to legal authority and factual basis, including, as appropriate, citation to the record. Failure to do so may result in material being stricken from the record or, in extreme circumstances, in a party being dismissed from the proceeding.

(6) The Commission directs the Licensing Board to inform the Commission promptly, in writing, if the Licensing Board determines that any single milestone could be missed by more than 30 days. The Licensing Board must include an explanation of why the milestone cannot be met and the measures the Licensing Board will take to mitigate the failure to achieve the milestone and restore the proceeding to the overall schedule.

### E. Commission Oversight

As in any proceeding, the Commission retains its inherent supervisory authority over the proceeding to provide additional guidance to the Licensing Board and participants and to resolve any matter in controversy itself.

## VI. Applicable Requirements

### A. Licensing

The Commission will license and regulate byproduct, source, and special nuclear material at the Eagle Rock Enrichment Facility in accordance with the Atomic Energy Act of 1954, as amended. Section 274c.(1) of the Act was amended by Public Law 102-486 (October 24, 1992) to require the Commission to retain authority and responsibility for the regulation of uranium enrichment facilities. Therefore, in compliance with law, the Commission will be the sole licensing and regulatory authority with respect to byproduct, source, and special nuclear material for the Eagle Rock Enrichment Facility and with respect to the control and use of any equipment or device in connection therewith.

Many rules and regulations in 10 CFR Chapter I are applicable to the licensing of a person to receive, possess, use, transfer, deliver, and process byproduct, source and special nuclear material in the quantities that would be possessed at the Eagle Rock Enrichment Facility. These include 10 CFR parts 19, 20, 21, 25, 30, 40, 51, 70, 71, 73, 74, 95, 140, 170, and 171 for the licensing and regulation of byproduct, source, and special nuclear material, including requirements for notices to workers, reporting of defects, radiation protection, waste disposal,

decommissioning funding, and insurance.

With respect to these regulations, the Commission notes that this is the fourth proceeding involving the licensing of an enrichment facility. The Commission issued a number of decisions in earlier proceedings regarding proposed sites in Homer, Louisiana (*Claiborne Enrichment Center*), Eunice, New Mexico (*National Enrichment Facility*) and Piketon, Ohio (*American Centrifuge Plant*). These final decisions, *Louisiana Energy Services (Claiborne Enrichment Center)*, CLI-92-7, 35 NRC 93 (1992); *Louisiana Energy Services (Claiborne Enrichment Center)*, CLI-97-15, 46 NRC 294 (1997); *Louisiana Energy Services (Claiborne Enrichment Center)*, CLI-98-3, 47 NRC 77 (1998); *Louisiana Energy Services (National Enrichment Facility)*, CLI-05-05, 61 NRC 22, 36 (2005); *Louisiana Energy Services (National Enrichment Facility)*, et al., CLI-05-17, 62 NRC 5 (2005); *USEC, Inc. (American Centrifuge Plant)*, CLI-07-05, 65 NRC 109 (2007); resolve a number of issues concerning uranium enrichment licensing and may be relied upon as precedent.

Consistent with the Act, and the Commission's regulations, the Commission is providing the following direction for licensing uranium enrichment facilities:

#### 1. Environmental Issues

(a) *General*: 10 CFR part 51 governs the preparation of an environmental report and an EIS for a materials license. AES's environmental report and the NRC staff's associated EIS are to include a statement on the alternatives to the proposed action, including a discussion of the no-action alternative.

(b) Treatment of depleted uranium hexafluoride tails: As to the treatment of

the disposition of depleted uranium hexafluoride tails (depleted tails) in these environmental documents, unless AES demonstrates a use for uranium in the depleted tails as a potential resource, the depleted tails will be considered waste. The Commission has previously concluded that depleted uranium from an enrichment facility is appropriately classified as a low-level radioactive waste. See *Louisiana Energy Services* (National Enrichment Facility), CLI-05-05, 61 NRC 22, 36 (2005). An approach for disposition of tails that is consistent with the USEC Privatization Act, such as transfer to DOE for disposal, constitutes a “plausible strategy” for disposition of the AES depleted tails. *Id.* The NRC staff may consider the Department of Energy’s *Final Programmatic Environmental Impact Statement for Alternative Strategies for the Long-Term Management and Use of Depleted Uranium Hexafluoride* (DOE/EIS-0269), 64 FR 43358 (Aug. 10, 1999), in preparing the staff’s EIS. Alternatives for the disposition of depleted uranium tails will need to be addressed in these documents. As part of the licensing process, AES must also address the health, safety, and security issues associated with the storage of depleted uranium tails on site pending removal of the tails from the site for disposal or DOE dispositioning.

## 2. Financial Qualifications

Review of financial qualifications for enrichment facility license applications is governed by 10 CFR part 70. In *Louisiana Energy Services* (Clairborne Enrichment Center), CLI-97-15, 46 NRC 294, 309 (1997) the Commission held that the 10 CFR part 70 financial criteria, 10 CFR 70.22(a)(8) and 70.23(a)(5), could be met by conditioning the LES license to require funding commitments to be in place prior to construction and operation. The specific license condition approved in that proceeding, which addressed a minimum equity contribution of 30% from the parents and affiliates of LES partners prior to construction of the associated capacity and having in place long term enrichment contracts with prices sufficient to cover both construction and operating costs, including a return on investment, for the entire term of the contracts prior to constructing or operating the facility, is one way to satisfy the requirements of 10 CFR part 70.

## 3. Antitrust Review

Section 105 of the Act conferred on the NRC certain antitrust responsibilities with respect to

applications for section 103 or 104b. licenses to construct or operate utilization or production facilities filed prior to August 8, 2005. The AES enrichment facility, the application for which was filed after August 8, 2005, is subject to sections 53 and 63 of the Act, and is not a production or utilization facility within the meaning of section 105. Consequently, the NRC does not have antitrust responsibilities for AES. The NRC will not entertain or consider antitrust issues in connection with the AES application in this proceeding.

## 4. Foreign Ownership

The AES application is governed by sections 53 and 63 of the Act, and consequently issues of foreign involvement shall be determined pursuant to sections 57 and 69, not sections 103, 104 or 193(f). Sections 57 and 69 of the Act require, among other things, an affirmative finding by the Commission that issuance of a license for the Eagle Rock Enrichment Facility will not be “inimical to the common defense and security.” The requirements of sections 57 and 69 are incorporated in 10 CFR 70.31 and 10 CFR 40.32, respectively.

## 5. Creditor Requirements

Pursuant to section 184 of the Act, the creditor regulations in 10 CFR 50.81 shall apply to the creation of creditor interests in equipment, devices, or important parts thereof, capable of separating the isotopes of uranium or enriching uranium in the isotope U-235. In addition, the creditor regulations in 10 CFR 70.44 shall apply to the creation of creditor interests in special nuclear material. These creditor regulations may be augmented by license conditions as necessary to allow ownership arrangements (such as sale and leaseback) not covered by 10 CFR 50.81, provided it can be found that such arrangements are not inimical to the common defense and security of the United States.

## 6. Classified Information

All matters of classification of information related to the design, construction, operation, and safeguarding of the Eagle Rock Enrichment Facility shall be governed by classification guidance in “DOE Classification Guide for Isotope Separation by the Gas Centrifuge Process,” (June 2002); Change 1 (Sept. 2005); Change 2 (May 2007) (CG-ICG-1); “Joint NRC/DOE Classification Guide for Louisiana Energy Services Gas Centrifuge Plant (U),” Confidential RD (Jan 2008) (CG-LCP-3A); and “Joint NRC/DOE Class. Guide for Louisiana

Energy Services Gas Centrifuge Plant Safeguards & Security (U),” OOU (Jan 2008) (CG-LCP-3B), and any later versions thereof. Any person producing such information must adhere to the criteria in CG-ICG-1, CG-LCP-3A and CG-LCP-3B. All decisions on questions of classification or declassification of information shall be made by appropriate classification officials in the NRC and are not subject to *de novo* review in this proceeding.

## 7. Access to Classified Information

Portions of AES’s application for a license are classified Restricted Data or National Security Information. Persons needing access to those portions of the application will be required to have the appropriate security clearance for the level of classified information to which access is required. Access requirements apply equally to intervenors, their witnesses and counsel, employees of the applicant, its witnesses and counsel, NRC personnel, and others. Any person who believes that he or she will have a need for access to classified information for the purpose of this licensing proceeding, including the hearing, should immediately contact the NRC, Division of Fuel Cycle Safety and Safeguards, Washington, DC, 20555, for information on the clearance process. Telephone calls may be made to Breeda Reilly, Senior Project Manager, Advanced Fuel Cycle, Enrichment, and Uranium Conversion Branch. Telephone: (301) 492-3110.

## 8. Obtaining NRC Security Facility Approval for Safeguarding Classified Information Received or Developed Pursuant to 10 CFR part 95

Any person who requires possession of classified information in connection with the licensing proceeding may process, store, reproduce, transmit, or handle classified information only in a location for which facility security approval has been obtained from the NRC’s Division of Security Operations (NSIR), Washington, DC, 20555. Telephone calls may be made to A. Lynn Silvious, Chief, Information Security Branch. Telephone: (301) 415-2214.

## B. Reconsideration

The above guidance does not foreclose the applicant, any person admitted as a party to the hearing, or an entity participating under 10 CFR 2.315(c) from litigating material factual issues necessary for resolution of contentions in this proceeding. Persons permitted to intervene and entities participating under 10 CFR 2.315(c) as of the date of the order on intervention



may also move the Commission to reconsider any portion of section VI of this Notice and Commission Order where there is no clear Commission precedent or unambiguously governing statutes or regulations. Any motion to reconsider must be filed within 10 days after the order on intervention. The motion must contain all technical or other arguments to support the motion. Other persons granted intervention and entities participating under 10 CFR 2.315(c), including the applicant and the NRC staff, may respond to motions for reconsideration within 20 days of the order on intervention. Motions will be ruled upon by the Commission. A motion for reconsideration does not stay the schedule set out above in section III.D.(4). However, if the Commission grants a motion for reconsideration, it will, as necessary, provide direction on adjusting the hearing schedule.

#### VII. Notice of Intent Regarding Classified Information

As noted above, a hearing on this application will be governed by 10 CFR part 2, subparts A, C, G, and to the extent classified material becomes involved, subpart I. Subpart I requires in accordance with 10 CFR 2.907 that the NRC staff file a notice of intent if, at the time of publication of Notice of Hearing, it appears that it will be impracticable for the staff to avoid the introduction of Restricted Data or National Security Information into a proceeding. The applicant has submitted portions of its application that are classified. The Commission notes that, since the entire application may become part of the record of the proceeding, the NRC staff has found it impracticable for it to avoid the introduction of Restricted Data or National Security Information into the proceeding.

#### VIII. Order Imposing Procedures for Access to Sensitive Unclassified Non-Safeguards Information and Safeguards Information for Contention Preparation

A. This Order contains instructions regarding how potential parties to this proceeding may request access to documents containing sensitive unclassified information (including Sensitive Unclassified Non-Safeguards Information (SUNSI) and Safeguards Information (SGI)). Requirements for access to SGI are primarily set forth in 10 CFR parts 2 and 73. The intent of this Order is to make those requirements more specific to this proceeding; however, nothing in this Order is intended to conflict with the SGI regulations.

B. Within 10 days after publication of this notice of hearing and opportunity to

petition for leave to intervene, any potential party as defined in 10 CFR 2.4 who believes access to SUNSI or SGI is necessary for a response to the notice may request access to SUNSI or SGI. A "potential party" is any person who intends or may intend to participate as a party by demonstrating standing and filing an admissible contention under 10 CFR 2.309. Requests for access to SUNSI or SGI submitted later than 10 days after publication will not be considered absent a showing of good cause for the late filing, addressing why the request could not have been filed earlier.

C. The requester shall submit a letter requesting permission to access SUNSI and/or SGI to the Office of the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and provide a copy to the Associate General Counsel for Hearings, Enforcement and Administration, Office of the General Counsel, Washington, DC 20555-0001. The expedited delivery or courier mail address for both offices is: U.S. Nuclear Regulatory Commission, 11555 Rockville Pike, Rockville, Maryland 20852. The e-mail address for the Office of the Secretary and the Office of the General Counsel are *HearingDocket@nrc.gov* and *OGCmailcenter@nrc.gov*, respectively.<sup>4</sup> The request must include the following information:

(1) A description of the licensing action with a citation to this **Federal Register** notice of hearing and opportunity to petition for leave to intervene;

(2) The name and address of the potential party and a description of the potential party's particularized interest that could be harmed by the action identified in (C.1);

(3) If the request is for SUNSI, the identity of the individual or entity requesting access to SUNSI and the requester's basis for the need for the information in order to meaningfully participate in this adjudicatory proceeding. In particular, the request must explain why publicly-available versions of the information requested would not be sufficient to provide the basis and specificity for a proffered contention;

(4) If the request is for SGI, the identity of each individual who would have access to SGI if the request is granted, including the identity of any expert, consultant, or assistant who will

<sup>4</sup> While a request for hearing or petition to intervene in this proceeding must comply with the filing requirements of the NRC's "E-Filing Rule," the initial request to access SUNSI and/or SGI under these procedures should be submitted as described in this paragraph.

aid the requester in evaluating the SGI. In addition, the request must contain the following information:

(a) A statement that explains each individual's "need to know" the SGI, as required by 10 CFR 73.2 and 10 CFR 73.22(b)(1). Consistent with the definition of "need to know" as stated in 10 CFR 73.2, the statement must explain:

(i) Specifically why the requestor believes that the information is necessary to enable the requestor to proffer and/or adjudicate a specific contention in this proceeding;<sup>5</sup> and

(ii) The technical competence (demonstrable knowledge, skill, training or education) of the requester to effectively utilize the requested SGI to provide the basis and specificity for a proffered contention. The technical competence of a potential party or its counsel may be shown by reliance on a qualified expert, consultant, or assistant who satisfies these criteria.

(b) A completed Form SF-85, "Questionnaire for Non-Sensitive Positions" for each individual who would have access to SGI. The completed Form SF-85 will be used by the Office of Administration to conduct the background check required for access to SGI, as required by 10 CFR part 2, subpart G, and 10 CFR 73.22(b)(2), to determine the requestor's trustworthiness and reliability. For security reasons, Form SF-85 can only be submitted electronically through the electronic questionnaire for investigations processing (e-QIP) Web site, a secure Web site that is owned and operated by the Office of Personnel Management. To obtain online access to the form, the requester should contact the NRC's Office of Administration at 301-492-3524.<sup>6</sup>

(c) A completed Form FD-258 (fingerprint card), signed in original ink, and submitted in accordance with 10 CFR 73.57(d). Copies of Form FD-258 may be obtained by writing the Office of Information Services, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0011, by calling (301) 415-7232 or (301) 492-7311, or by e-mail to

<sup>5</sup> Broad SGI requests under these procedures are unlikely to meet the standard for need to know; furthermore, staff redaction of information from requested documents before their release may be appropriate to comport with this requirement. These procedures do not authorize unrestricted disclosure or less scrutiny of a requester's need to know than ordinarily would be applied in connection with an already-admitted contention or non-adjudicatory access to SGI.

<sup>6</sup> The requester will be asked to provide his or her full name, Social Security number, date and place of birth, telephone number, and e-mail address. After providing this information, the requester usually should be able to obtain access to the online form within one business day.



*Forms.Resource@nrc.gov*. The fingerprint card will be used to satisfy the requirements of 10 CFR part 2, 10 CFR 73.22(b)(1), and section 149 of the Atomic Energy Act of 1954, as amended, which mandates that all persons with access to SGI must be fingerprinted for an FBI identification and criminal history records check;

(d) A check or money order payable in the amount of \$ 200.00<sup>7</sup> to the U.S. Nuclear Regulatory Commission for each individual for whom the request for access has been submitted, and

(e) If the requestor or any individual who will have access to SGI believes they belong to one or more of the categories of individuals that are exempt from the criminal history records check and background check requirements, as stated in 10 CFR 73.59, the requestor should also provide a statement specifically stating which exemption the requestor is invoking, and explaining the requestor's basis for believing that the exemption is applicable. While processing the request, the Office of Administration, Personnel Security Branch, will make a final determination whether the stated exemption applies. Alternatively, the requestor may contact the Office of Administration for an evaluation of their exemption status prior to submitting their request. Persons who are exempt from the background check are not required to complete the SF-85 or Form FD-258, however, all other requirements for access to SGI, including the need to know, are still applicable.

**Note:** Copies of documents and materials required by paragraphs (C.4)(b), (c), and (d) of this Order must be sent to the following address:

Office of Administration, U.S. Nuclear Regulatory Commission, Personnel Security Branch, Mail Stop TWB-05-B32M, Washington, DC 20555-0012.

These documents and materials should *not* be included with the request letter to the Office of the Secretary, but the request letter should state that the forms and fees have been submitted as required above.

D. To avoid delays in processing requests for access to SGI, the requestor should review all submitted materials for completeness and accuracy (including legibility) before submitting them to the NRC. The NRC will return incomplete packages to the sender without processing.

E. Based on an evaluation of the information submitted under paragraphs (C.3) or (C.4) above, as applicable, the

NRC staff will determine within 10 days of receipt of the written access request whether:

(1) There is a reasonable basis to believe the petitioner is likely to establish standing to participate in this NRC proceeding; and

(2) The requestor has established a legitimate need for access to SUNSI or need to know the SGI requested.

F. For requests for access to SUNSI, if the NRC staff determines that the requestor satisfies both (E.1) and (E.2) above, the NRC staff will notify the requestor in writing that access to SUNSI has been granted. The written notification will contain instructions on how the requestor may obtain copies of the requested documents, and any other conditions that may apply to access to those documents. These conditions may include, but not be limited to, the signing of a Non-Disclosure Agreement or Affidavit, or Protective Order<sup>8</sup> setting forth terms and conditions to prevent the unauthorized or inadvertent disclosure of SUNSI by each individual who will be granted access to SUNSI.

G. For requests for access to SGI, if the NRC staff determines that the requestor has satisfied both (E.1) and (E.2) above, the Office of Administration will then determine, based upon completion of the background check, whether the proposed recipient is trustworthy and reliable, as required for access to SGI by 10 CFR 73.22(b). If the Office of Administration determines that the individual or individuals are trustworthy and reliable, the NRC will promptly notify the requestor in writing. The notification will provide the names of approved individuals as well as the conditions under which the SGI will be provided. Those conditions may include, but not be limited to, the signing of a Non-Disclosure Agreement or Affidavit, or Protective Order<sup>9</sup> by each individual who will be granted access to SGI.

H. Release and Storage of SGI. Prior to providing SGI to the requestor, the NRC staff will conduct (as necessary) an inspection to confirm that the recipient's information protection system is sufficient to satisfy the requirements of 10 CFR 73.22.

<sup>8</sup> Any motion for Protective Order or draft Non-Disclosure Affidavit or Agreement for SUNSI must be filed with the presiding officer or the Chief Administrative Judge if the presiding officer has not yet been designated, within 30 days of the deadline for the receipt of the written access request.

<sup>9</sup> Any motion for Protective Order or draft Non-Disclosure Affidavit or Agreement for SGI must be filed with the presiding officer or the Chief Administrative Judge if the presiding officer has not yet been designated, within 180 days of the deadline for the receipt of the written access request.

Alternatively, recipients may opt to view SGI at an approved SGI storage location rather than establish their own SGI protection program to meet SGI protection requirements.

I. Filing of Contentions. Any contentions in these proceedings that are based upon the information received as a result of the request made for SUNSI or SGI must be filed by the requestor no later than 25 days after receipt of (or access to) that information. However, if more than 25 days remain between the petitioner's receipt of (or access to) the information and the deadline for filing all other contentions (as established in the notice of hearing or opportunity for hearing), the petitioner may file its SUNSI or SGI contentions by that later deadline.

J. Review of Denials of Access.

(1) If the request for access to SUNSI or SGI is denied by the NRC staff either after a determination on standing and need to know, or after a determination on trustworthiness and reliability, the NRC staff shall immediately notify the requestor in writing, briefly stating the reason or reasons for the denial.

(2) Before the Office of Administration makes an adverse determination regarding the proposed recipient(s) trustworthiness and reliability for access to SGI, the Office of Administration, in accordance with 10 CFR 2.705(c)(3)(iii), must provide the proposed recipient(s) any records that were considered in the trustworthiness and reliability determination, including those required to be provided under 10 CFR 73.57(e)(1), so that the proposed recipient is provided an opportunity to correct or explain information.

(3) The requestor may challenge the NRC staff's adverse determination with respect to access to SUNSI by filing a challenge within 5 days of receipt of that determination with: (a) The presiding officer designated in this proceeding; (b) if no presiding officer has been appointed, the Chief Administrative Judge, or if he or she is unavailable, another administrative judge, or an administrative law judge with jurisdiction pursuant to 10 CFR 2.318(a); or (c) if another officer has been designated to rule on information access issues, with that officer.

(4) The requestor may challenge the NRC staff's or Office of Administration's adverse determination with respect to access to SGI by filing a request for review in accordance with 10 CFR 2.705(c)(3)(iv). Further appeals of decisions under this paragraph must be made pursuant to 10 CFR 2.311.

K. Review of Grants of Access. A party other than the requestor may challenge an NRC staff determination

<sup>7</sup> This fee is subject to change pursuant to the Office of Personnel Management's adjustable billing rates.

granting access to SUNSI or SGI whose release would harm that party's interest independent of the proceeding. Such a challenge must be filed with the Chief Administrative Judge within 5 days of the notification by the NRC staff of its grant of access.

If challenges to the NRC staff determinations are filed, these procedures give way to the normal process for litigating disputes concerning access to information. The availability of interlocutory review by the Commission of orders ruling on such NRC staff determinations (whether granting or denying access) is governed by 10 CFR 2.311.<sup>10</sup>

The Commission expects that the NRC staff and presiding officers (and any other reviewing officers) will consider and resolve requests for access to SUNSI or SGI, and motions for protective orders, in a timely fashion in order to minimize any unnecessary delays in identifying those petitioners who have standing and who have propounded contentions meeting the specificity and basis requirements in 10 CFR part 2. Attachment 1 to this Order summarizes the general target schedule for processing and resolving requests under these procedures.

It Is So Ordered.

Dated at Rockville, Maryland, this 23rd day of July 2009.

For the Commission.

**Annette L. Vietti-Cook,**

*Secretary of the Commission.*

*Chairman Gregory B. Jaczko, offering a separate statement:*

I support issuance of this Order in large part. I welcome the important and statutorily protected opportunity for interested members of the public to participate in our hearing process and to have their concerns heard. This notice begins that public process and is,

therefore, an important milestone in that respect.

I am, however, troubled by the tight schedule outlined in the Order. The timeframes outlined in the schedule are dependent upon reduced timeframes for the applicant to respond to staff's requests for additional information. While that may appear advantageous to the applicant, it actually disadvantages everyone—the applicant, the staff and the public—because we lose predictability. The agency has no control over either the timeliness or quality of the applicant's responses to requests for additional information. Moreover, I believe the numerous specific timeframes provided in the order are also unnecessary. With the milestones and specific timeframes already provided in part 2 of our regulations, the agency currently has the structure in place to ensure an efficient and effective hearing process, while still providing flexibility to adapt to the dynamic environment of adjudicatory hearings.

Finally, I believe the order should be revised to reflect that the Commission, rather than the licensing board, should preside over the mandatory hearing. Gaining experience through this mandatory proceeding will aid the Commission in handling the mandatory hearings on new reactor proceedings required for licensing decisions which are on the horizon.

*Commissioners Dale E. Klein and Kristine L. Svinicki, offering a further statement:*

We support issuance of this order, in its entirety. As noted in the U.S. NRC Strategic Plan, initiatives such as the Government Performance and Results Act challenge Federal agencies to become more effective and efficient and to justify their budget requests with demonstrated program results. The

drive to improve performance in government, coupled with increasing licensing workload, clearly indicates a need for the agency to become more effective and efficient in light of these demands. With this in mind, the NRC has formally adopted strategic goals in the area of organizational excellence, including the following: "NRC actions are high quality, efficient, timely, and realistic, to enable the safe and beneficial use of radioactive materials."

The NRC has recognized, in setting its strategic goals and through its performance and accountability reporting, that the efficiency of the agency's regulatory processes is important to the regulated community and other stakeholders, including Federal, State, local, and Tribal authorities and the public. The NRC has committed itself to improving the timeliness of its application reviews without compromising safety and security, and acknowledges that this is possible provided industry submits complete, high-quality applications. Quoting again from the NRC Strategic Plan: "While the NRC will never compromise safety and security for increased efficiency, the agency works to improve the efficiency of its regulatory processes wherever possible."

High quality—on both the agency's and the applicant's parts—should be, and is, the NRC's goal. The proceeding at issue here is no exception. We believe that the schedule laid out in the order—while demanding the requisite quality in licensee submittals—has been demonstrated for similar applications, is achievable with no compromise to the agency's safety and security missions, and is representative of the performance expectations the NRC should set for itself.

**ATTACHMENT 1—GENERAL TARGET SCHEDULE FOR PROCESSING AND RESOLVING REQUESTS FOR ACCESS TO SENSITIVE UNCLASSIFIED NON-SAFEGUARDS INFORMATION AND SAFEGUARDS INFORMATION IN THIS PROCEEDING**

| Day      | Event/Activity  |
|----------|---|
| 0 .....  | Publication of <b>Federal Register</b> notice of hearing and opportunity to petition for leave to intervene, including order with instructions for access requests.   |
| 10 ..... | Deadline for submitting requests for access to Sensitive Unclassified Non-Safeguards Information (SUNSI) and/or Safeguards Information (SGI) with information: supporting the standing of a potential party identified by name and address; describing the need for the information in order for the potential party to participate meaningfully in an adjudicatory proceeding; demonstrating that access should be granted (e.g., showing technical competence for access to SGI); and, for SGI, including application fee for fingerprint/background check. |
| 60 ..... | Deadline for submitting petition for intervention containing: (i) Demonstration of standing; (ii) all contentions whose formulation does not require access to SUNSI and/or SGI (+25 Answers to petition for intervention; +7 petitioner/requestor reply).  |

<sup>10</sup> As of October 15, 2007, the NRC's final "E-Filing Rule" became effective. See Use of Electronic Submissions in Agency Hearings (72 FR 49139; August 28, 2007). Requesters should note that the

filing requirements of that rule apply to appeals of NRC staff determinations (because they must be served on a presiding officer or the Commission, as applicable), but not to the initial SUNSI/SGI

requests submitted to the NRC staff under these procedures.

**ATTACHMENT 1—GENERAL TARGET SCHEDULE FOR PROCESSING AND RESOLVING REQUESTS FOR ACCESS TO SENSITIVE UNCLASSIFIED NON-SAFEGUARDS INFORMATION AND SAFEGUARDS INFORMATION IN THIS PROCEEDING—Continued**

| Day           | Event/Activity   |
|---------------|--|
| 20 .....      | Nuclear Regulatory Commission (NRC) staff informs the requester of the staff's determination whether the request for access provides a reasonable basis to believe standing can be established and shows (1) Need for SUNSI or (2) need to know for SGI. (For SUNSI, NRC staff also informs any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information.) If NRC staff makes the finding of need for SUNSI and likelihood of standing, NRC staff begins document processing (preparation of redactions or review of redacted documents). If NRC staff makes the finding of need to know for SGI and likelihood of standing, NRC staff begins background check (including fingerprinting for a criminal history records check), information processing (preparation of redactions or review of redacted documents), and readiness inspections. |
| 25 .....      | If NRC staff finds no "need," no "need to know," or no likelihood of standing, the deadline for petitioner/requester to file a motion seeking a ruling to reverse the NRC staff's denial of access; NRC staff files copy of access determination with the presiding officer (or Chief Administrative Judge or other designated officer, as appropriate). If NRC staff finds "need" for SUNSI, the deadline for any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information to file a motion seeking a ruling to reverse the NRC staff's grant of access.  |
| 30 .....      | Deadline for NRC staff reply to motions to reverse NRC staff determination(s).   |
| 40 .....      | (Receipt +30) If NRC staff finds standing and need for SUNSI, deadline for NRC staff to complete information processing and file motion for Protective Order and draft Non-Disclosure Affidavit. Deadline for applicant/licensee to file Non-Disclosure Agreement for SUNSI.   |
| 190 .....     | (Receipt +180) If NRC staff finds standing, need to know for SGI, and trustworthiness and reliability, deadline for NRC staff to file motion for Protective Order and draft Non-disclosure Affidavit (or to make a determination that the proposed recipient of SGI is not trustworthy or reliable). <b>Note:</b> Before the Office of Administration makes an adverse determination regarding access to SGI, the proposed recipient must be provided an opportunity to correct or explain information.  |
| 205 .....     | Deadline for petitioner to seek reversal of a final adverse NRC staff determination either before the presiding officer or another designated officer.   |
| A .....       | If access granted: Issuance of presiding officer or other designated officer decision on motion for protective order for access to sensitive information (including schedule for providing access and submission of contentions) or decision reversing a final adverse determination by the NRC staff.   |
| A + 3 .....   | Deadline for filing executed Non-Disclosure Affidavits. Access provided to SUNSI and/or SGI consistent with decision issuing the protective order.   |
| A + 28 .....  | Deadline for submission of contentions whose development depends upon access to SUNSI and/or SGI. However, if more than 25 days remain between the petitioner's receipt of (or access to) the information and the deadline for filing all other contentions (as established in the notice of hearing or opportunity for hearing), the petitioner may file its SUNSI or SGI contentions by that later deadline.   |
| A + 53 .....  | (Contention receipt +25) Answers to contentions whose development depends upon access to SUNSI and/or SGI.   |
| A + 60 .....  | (Answer receipt +7) Petitioner/Intervenor reply to answers.  |
| >A + 60 ..... | Decision on contention admission.  |

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**NUCLEAR REGULATORY COMMISSION**

**[Docket No. 030-35114; License No. 12-16559-02; EA-08-334; (NRC-2009-0332)]**

**In the Matter of MISTRAS Holding Group, d/b/a: Conam Inspection and Engineering Services, Quality Services Laboratories, Inc., Burr Ridge, IL; Order Imposing Civil Monetary Penalty**

**I**

MISTRAS Holding Group, doing business as Conam Inspection and Engineering Services, Inc. and Quality Services Laboratories, Inc. (MISTRAS or Licensee) is the holder of Materials License No. 12-16559-02 issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR part 30 on August 31, 1999. The license authorizes MISTRAS to conduct radiography operations in locations within the NRC's jurisdiction.

**II**

An inspection of the Licensee's activities was conducted on September 22 and 23, 2008, at its Noblesville, Indiana office. The results of this inspection indicated that the Licensee had not conducted its activities in full compliance with NRC requirements. A written Notice of Violation and Proposed Imposition of Civil Penalty (Notice) was served upon the Licensee by letter dated March 9, 2009 (the letter is Not Publicly Available). The Notice states the nature of the violations, the provisions of the NRC's requirements that the Licensee violated, and the amount of the civil penalties proposed for the violations.

The Licensee responded to the Notice in a letter dated March 24, 2009 (also Not Publicly Available). In its response, the Licensee, although neither admitting nor denying the violations, requested mitigation for the civil penalty associated with one of the violations.

**III**

After consideration of the Licensee's response and the statements of fact,

and argument for mitigation contained therein, the NRC staff determined that the violation occurred as stated and that the penalty proposed for the violation should be imposed. The results of the NRC's review of the information contained in the Licensee's letter and the basis for the NRC taking the actions described in this Order are set forth in the non-Public Appendix to this Order.

**IV**

In view of the foregoing and pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205, *it is hereby ordered that:*

The Licensee shall pay, within 20 days from the date this Order is published in the **Federal Register**, a civil penalty in the amount of \$6,500, in accordance with NUREG/BR-0254. In addition, at the time payment is made, the Licensee shall submit a statement indicating when and by what method payment was made to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White