

**FINDING OF NO SIGNIFICANT IMPACT
FOR THE
DISPOSITION OF RUSSIAN FEDERATION TITLED
NATURAL URANIUM**

ISSUED BY: United States Department of Energy

ACTION: Finding Of No Significant Impact

SUMMARY: The United States Department of Energy (DOE) proposes to submit a license application to the U. S. Nuclear Regulatory Commission (NRC) that would allow up to 9,000 metric tons of natural uranium (0.711% U-235) that is Russian Federation titled and stored at DOE's gaseous diffusion plants (GDPs) at Portsmouth, OH and Paducah, KY, which are leased to the United States Enrichment Corporation, to be shipped to the Russian Federation each year until the year 2013. The natural uranium would be shipped to the Russian Federation in exchange for low enriched uranium (LEU) blended down from highly enriched uranium (HEU) from disassembled Russian nuclear weapons under the United States/Russian Federation Government-to-Government Agreement. DOE has prepared an Environmental Assessment (EA) of the overland truck shipment of Russian titled natural uranium in the form of uranium hexafluoride (UF₆) from the GDPs to the ports of Hampton Roads, VA and Baltimore, MD and thence via seagoing cargo ship to the Russian Federation port of St. Petersburg, Russia. Based upon the analyses in the EA, the DOE has determined that the Proposed Action is not a major action significantly affecting the quality of the environment, and preparation of an Environmental Impact Statement is not required.

A draft of the EA was sent for comment to the State governments of Ohio, Kentucky, Virginia, and Maryland, and to the United States Department of State and the United States Nuclear Regulatory Commission. Comments were received and taken into consideration from the States of Maryland and Kentucky.

FOR FURTHER INFORMATION AND/OR COPIES OF DOE/EA-1290, CONTACT:

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SUPPLEMENTAL INFORMATION

Background

In February 1993, the United States and the Russian Federation signed the United States/Russian Government-to-Government highly enriched uranium (HEU) agreement for the disposition and purchase of 500 metric tons of HEU extracted from Russian nuclear weapons. Pursuant to this HEU agreement, the U.S. Executive Agent, the U.S. Enrichment Corporation (USEC), and the Russian Executive Agent, Techsnabexport (TENEX) executed an implementing contract that provided for prompt payment for the enrichment component of the low enriched uranium (LEU) derived from the HEU and delivered to the United States. With regard to the natural uranium component of the LEU, this initial contract provided for payment either when sold or utilized for overfeeding the gaseous diffusion plants by USEC. However, sale of this component in the U.S. was complicated by a large oversupply of uranium in the market, limited demand, unattractive market prices and restrictions on the amount of Russian-origin uranium allowed into the U.S. market.

In September 1996, USEC and TENEX contracted to implement provisions of the USEC Privatization Act that freed USEC of responsibility for the natural uranium component related to the shipments of LEU.

On March 24, 1999, the United States Department of Energy (DOE) and MINATOM entered into an agreement that provides for the shipment of any natural uranium not purchased under commercial agreements to the Russian Federation, subject to meeting requirements under United States law, including the National Environmental Policy Act.

Proposed Action

DOE could submit a license application to the NRC that would allow up to an average 9,000 metric tons of natural uranium (0.711% U-235) that is stored at the GDPs to be shipped to the Russian Federation each year. It is anticipated that for most of this period, significantly less than that amount would be shipped back to the Russian Federation because of purchases by western uranium companies under a contract between the Russian Federation and the companies. Implementation would require that the NRC grant a license for the export of the material, consistent with other U.S. nonproliferation requirements.

Environmental Impacts

Annual shipment of 9,000 metric tons of natural UF₆ – the maximum amount that would be shipped in a year – from the GDPs overland to Hampton Roads, VA or Baltimore, MD, and thence by ocean-going freighter to St. Petersburg, Russia entails little or no risk to the quality of the environment or to human health from exposure to

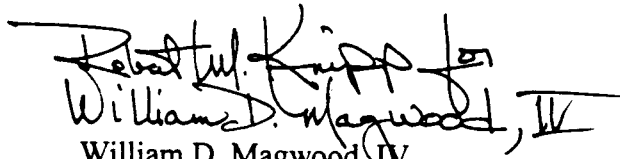
radiation or chemical hazards associated with the shipment. Uranium hexafluoride has been shipped safely around the world by sea for more than 30 years. There has never been an accident involving its release during transport.

The implementation of the Agreement is expected to result in stability in the world-wide uranium market and is expected to have little or no adverse socioeconomic impact on the domestic uranium industry.

DETERMINATION

The Proposed Action to submit an export license to the NRC and then ship up to 9,000 metric tons per year of natural uranium as UF₆ (Russian Federation-titled) by truck from the Portsmouth and Paducah gaseous diffusion plants to either Hampton Roads, VA or the port of Baltimore, MD and thence by ocean-going freighter to St. Petersburg, Russia, and to continue these shipments for up to 15 years, entails insignificant impacts and low risks. The action does not constitute a major federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act. Therefore, based upon the analyses in the EA, an Environmental Impact Statement is not required.

Issued this 4 day of June 1999, in Washington, DC.



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