French Firm Wins License for U.S. Uranium Plant

JOHN MILLER,Associated Press

BOISE, Idaho (AP) — France's state-owned nuclear reactor builder on Wednesday won a U.S. license to build and operate a gas centrifuge uranium enrichment plant in Idaho, a key step in the company's plans to expand production of nuclear fuel in the United States.

The federal Nuclear Regulatory Commission's license for the $3 billion Eagle Rock Enrichment Facility authorizes Areva SA to enrich uranium for use in the manufacture of nuclear fuel for commercial power reactors. The project could supply 104 U.S. nuclear power plants, company spokesman Jarret Adams said.

The plant near Idaho Falls could be in operation by 2014, but Areva hasn't given final word on when construction will begin. That's because an ongoing review of planned capital investments by new Chief Executive Officer Luc Oursel and his management team has put a final decision on hold.

A vote on whether to begin building the plant in 2012 is due by Dec. 31, said Adams, who is based in Bethesda, Md.

The facility's full output would cover about a quarter of demand from U.S. nuclear power plants, although Areva does have competition. A newly built enrichment plant operated by Urenco USA in New Mexico is up and running, with the NRC in August giving the go-ahead for the facility to double its capacity to process nuclear fuel.

Areva's project previously received a $2 billion loan guarantee from the U.S. Department of Energy.

Nuclear power opponents who have been fighting the enrichment plant since Areva won tax concessions from the 2008 Idaho Legislature contend there's already plenty of nuclear fuel in the U.S. The Snake River Alliance also points to Germany's and Switzerland's separate decisions to phase out nuclear energy following the meltdown in Japan earlier this year.

"There is not, never has been and never will be a need for this dangerous uranium enrichment factory," alliance executive director Liz Woodruff said. "There is an ample supply of enriched uranium worldwide today and the government has seriously miscalculated the need for more of it."

The NRC said it will inspect Areva's site during construction.

Republican U.S. Rep. Mike Simpson, who represents the district where the plant will be built, said Areva has a strong safety record.

"The technology that Eagle Rock will use has been well proven in numerous locations in the United States and Europe," he said.

He added that the plant will create hundreds of new jobs for eastern Idaho. The desert region just southwest of Yellowstone National Park is already home to the Idaho National Laboratory, where employees since 1949 have conducted research into nuclear energy and still work on projects ranging from national defense to next-generation nuclear reactors.

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