APPENDIX B

JAN 24 1997

V. H. Reis, Assistant Secretary for the Office of Defense Programs, DOE/HQ (DP-1) FORS
A. L. Alm, Assistant Secretary for the Office of Environmental Management, DOE/HQ (EM-1) FORS
L. H. Barrett, Acting Director for the Office of Civilian Radioactive Waste Management, DOE/HQ (RW-2) FORS

ACTION: AUTHORIZATION FOR THE KISTLER AEROSPACE CORPORATION (KAC) TO INITIATE ACTIVITIES AT THE NEVADA TEST SITE (NTS)

Action

The U.S. Department of Energy, Nevada Operations Office (DOE/NV) has determined that the siting of the KAC location and facilities to conduct activities at the NTS leading to eventual operations of a reusable satellite launch vehicle should be authorized and that DOE/NV should initiate a formal arrangement with KAC to proceed.

Discussion

The DOE/NV has been working closely with the Nevada Test Site Development Corporation (NTSDC), the designated community reuse organization for the NTS, to identify potential locations and facilities for use by the KAC. The NTSDC and KAC have determined that the NTS has unique advantages that make it an excellent place from which to launch satellites. These benefits include remoteness, low population, open range, restricted airspace, security, and altitude. Furthermore, the Record Of Decision for the *Environmental Impact Statement for the NTS and Off-Site Locations in the State of Nevada* has found that this is an appropriate use for the NTS.

KAC has identified one optimal baseline location and two alternatives that would be suitable for their activities:

The baseline request consists of the use of existing facilities in Area 25 of the southwest portion of the NTS. These facilities are the Engine Maintenance Assembly and Disassembly Facility for operations, the Engine Test Stand Number 1 for vehicle launch, and an area in the northwest part of Area 25 for landing.

Alternative A requests locations that are also located in Area 25 but are several miles to the northeast of the baseline proposal.

CONCURRENCE

RTG. SYMBOL	INITIALS/SIG.	DATE
ETD		SCHMIDHOFER 01/15/97
ST		BETTERIDGE 01/15/97
AMEM		DEVERS 01/15/97
AMTS		IZELL 01/17/97
AMBFS		POWERS 01/17/97
AMNS		FIORE 01/16/97
AMGR		VAETH 01/24/97
LANL		OGLE 01/23/97
LLNL		COOPER 01/24/97
SNL		POSEY 01/24/97
S1/SEC		1545

Alternative B requests the use of locations in Area 18. Area 18 is in the northwest part of the NTS. Use of the Area 18 site for KAC Operations would resolve all known objections raised by government users of the NTS.

Sensitivity

The baseline location in the southwest portion of the NTS is advantageous for the KAC from the standpoint that existing facilities can be modified for KAC's use, and the benefit of mature infrastructure (i.e., roads, water, power, and communications), which would provide a substantial cost savings to their program. In addition, restricted airspace at the NTS and adjoining Nellis Air Force Bombing and Gunnery Range makes the southwest portion of the NTS more desirable because the vehicle would remain in restricted airspace for a longer period of time.

DOE's Office of Civilian Radioactive Waste Management has expressed the following concerns: The location of the Kistler facility in the baseline proposal could interfere with the proposed high-level waste repository at Yucca Mountain (approximately seven miles). This is due to the potential for interfering with the Nuclear Regulatory Commission licensing process because of the proximity risk calculations associated with aerospace vehicle flights.

The satellite orbits needed by KAC's perspective clientele require north and northeast flight paths. Because of the southwest location of the requested baseline site, vehicle overflight paths are considered by several NTS users to be a concern to some facilities in the event of catastrophic failure of the vehicle.

KAC has maintained that due to the design philosophy behind the reusable vehicle, safety features and margins are more akin to a commercial airliner than an expendable vehicle. In addition, the KAC aerospace vehicle will undergo rigorous scrutiny by the Federal Aviation Administration (FAA) licensing process prior to the issuance of a license to permit the vehicle to fly. As part of the licensing process, the FAA will require that detailed hazard and safety analyses be performed that determine the probability of risk to public safety and material assets, based on siting locations. KAC has pointed out that halting the project now based solely on perception of risk would be premature. KAC has requested that DOE allow the proposal to undergo the FAA evaluation process, and requests that DOE accept the FAA determination of risk.

Determination

In accordance with the Record Of Decision for the *Environmental Impact Statement for the NTS and Off-Site Locations in the State of Nevada*, I intend to initiate a formal arrangement with the KAC to initiate activities at the NTS on February 15, 1997. In view of concerns expressed by all the NTS users, I have determined that these activities take place in Area 18

instead of Area 25. An issue paper on which I have based this determination is enclosed for your information. This formal arrangement will stipulate the conditions for KAC to operate at the NTS, including addressing protocols for assuring non-interference with DOE mission activities.

Timing

Concurrence in this authorization in a timely manner will allow the KAC to maintain their project schedule to respond to a critical marketing window in the communications satellite industry.

Please indicate your concurrence by signing below.

Victor H. Reis, Office of the Assistant Secretary
for Defense Programs

Alvin L. Alm, Office of the Assistant Secretary
for Environmental Management

Lake H. Barrett, Acting Director for the Office
Civilian Radioactive Waste Management

Terry A. Vaeth
Acting Manager

SI:DS

Enclosure:
As stated

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for Defense Programs

Alvin L. Alm, Office of the Assistant Secretary
for Environmental Management

2/14/97

Lake H. Barrett, Acting Director for the Office
Civilian Radioactive Waste Management

Terry A. Vaeth
Acting Manager

SI:DS

Enclosure:
As stated

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