



Nuclear Fuel Services, Inc.
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AIRBORNE EXPRESS

21G-03-0277
GOV-01-55-04
ACF-03-0363

October 23, 2003

Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

- References:
- 1) Docket No. 70-143; SNM License 124
 - 2) Letter from B.M. Moore to NRC, Licensing Plan of Action to Support the Blended Low-Enriched Uranium Project at Nuclear Fuel Services, dated October 4, 2001 (21G-01-0180)
 - 3) Letter from NRC to B.M. Moore, Nuclear Fuel Services, Inc., Amendment 31 (TAC No. L31535) to Approve Integrated Safety Analysis Plan and Delete License Conditions S-28 through S-38, dated October 30, 2001
 - 4) Letter from B.M. Moore, Supplemental Environmental Report for Licensing Actions to Support the BLEU Project, dated November 9, 2001 (21G-01-0261)
 - 5) Federal Register, Environmental Assessment and Finding of No Significant Impact of License Amendment for Nuclear Fuel Services, Inc., (Vol. 67, No. 131, pp. 45555-45558), issued July 9, 2002

Subject: License Amendment Request for the Oxide Conversion Building and Effluent Processing Building at the BLEU Complex

Dear Sir:

Nuclear Fuel Services, Inc. (NFS) hereby requests an amendment to the referenced license to authorize processing of special nuclear materials in the Oxide Conversion Building (OCB) and the Effluent Processing Building (EPB) at the BLEU Complex. The request contained herein is the last of three license amendment applications needed to support operations involving the conversion of low-enriched uranium materials into oxides and treatment of process effluents in support of the Blended Low-Enriched Uranium (BLEU) Project, as described in Reference 2.

Page changes to Parts I and II of the referenced license are contained in Attachment I. Changes to portions of the referenced license concerning NFS' organization and administration, nuclear criticality safety program, decommissioning activities and emergency preparedness were not

KJM5501

required.

A summary of the proposed changes to License SNM-124 follows:

Chapter 5 – Environmental Protection: Revisions to this chapter were necessary to describe sampling and methods to assess sampling results of liquid effluents that will be discharged from the BLEU Complex to the City of Erwin - Publicly Owned Treatment Works (POTW).

Chapter 9, Section A - General Information: Minor changes were required to add the OCB (Bldg. 520) and EPB (Bldg. 530) to Figure 9.2 *Plant Layout and Property Boundaries*.

Chapter 10, Section A - Site Layout: Minor changes were required to add the OCB (Bldg. 520) and EPB (Bldg. 530) to Figure 10.1 *Plant Layout with Building Descriptions*.

Chapter 10, Section B - Utilities: This section was revised to convey the types of utilities that would be used to supply electricity, emergency power, compressed air, and water supply to the OCB and EPB.

Chapter 10, Section C – Ventilation Systems: Minor changes to this section were included to document the flow rates for the HVAC systems installed at the OCB and EPB.

Chapter 10, Section G – Ventilation – BLEU Complex: This section was revised to reference the Integrated Safety Analysis (ISA) Summary for more detailed safety related information pertaining to the ventilation systems at the OCB and EPB.

Chapter 10, Section H – Waste: Revisions to Figure 10.12 *N.F.S. Inputs to the Sanitary Waste Stream* were necessary to illustrate the inputs and sampling point for discharges to the sanitary sewer at the BLEU Complex.

Chapter 10, Section I – Fire: Minor changes were necessary to reflect fire protection equipment, systems, and measures that will be employed at the OCB and EPB.

Chapter 12, Section B – Instrumentation: A minor change was required to Figure 12.1 *Criticality Detector Locations* reflecting the placement of nuclear criticality detectors at the OCB and EPB.

Chapter 12, Section E- Exposure Control: Revisions to Figure 12.2 *Plant Areas Designated* were necessary to reflect the locations of radiological controlled areas at the BLEU Complex.

Chapter 13, Section A – Environmental Protection: This section was revised to reflect new air emission sources that will be located at the OCB and EPB. Additionally, Section 13.3.2 was revised to describe sampling of sanitary waste streams that will be discharged from the BLEU Complex to the POTW.

Chapter 15, Section 14 – Oxide Conversion Building – Building 520: A new section was

added that provides a general description of the process that will be used at the OCB. A more detailed description is provided in the ISA Summary.

Chapter 15, Section 15 – Effluent Processing Building – Building 530: A new section was added that describes the process that will be used to treat process effluents at the EPB. A more detailed description is provided in the ISA Summary.

The Safety and Safeguards Review Council has reviewed and approved these changes. For your convenience, vertical lines in the right-hand margin of affected license pages denote changes.

As required under Title 10, Code of Federal Regulations (CFR), Part 70.61, the contents of the license amendment application includes an ISA Summary (Attachment II) that was prepared in a manner consistent with Reference 3. The ISA Summary is considered proprietary information, as set forth in the enclosed affidavit; therefore, NFS requests that this information be withheld from public disclosure. A non-proprietary version of this ISA Summary suitable for public disclosure will be submitted by November 14, 2003.

A decommissioning cost estimate is included (Attachment III) for the OCB and EPB, as required under Chapter 7.2.3 of the referenced license. As discussed with your staff, NFS will institute a financial assurance instrument specified in 10 CFR 70.25(f), once the amount of financial assurance funding is deemed acceptable by the Nuclear Regulatory Commission (NRC) and prior to possessing SNM at the OCB and EPB. The decommissioning financial assurance cost estimate is considered proprietary information, as set forth in the enclosed affidavit; therefore, NFS requests that this information be withheld from public disclosure.

The drawings enclosed herewith have the following statement affixed:

"This drawing and all information contained thereon is the property of Nuclear Fuel Services, Inc. and shall not be used or disclosed for any purpose other than that for which it has been furnished without the express written consent of NFS."

Notwithstanding the language of this restriction, NFS acknowledges that reproduction and controlled distribution of submitted documents, in accordance with NRC regulations and requirements, is necessary in order for the NRC to carry out its legal and regulatory responsibilities. Further, NFS acknowledges that reproduction and controlled distribution of these drawings by a third party authorized by the NRC is allowable by this language. Therefore, it is NFS' position that the enclosed drawings may be reproduced and distributed in a controlled manner, by a third party authorized by the NRC, for NRC's purposes and use without violation of the statement above.

A Supplemental Environmental Report (Reference 4) supporting the OCB and EPB operations has been reviewed by the NRC. The NRC issued an Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the BLEU Project (Reference 5). Since NFS previously submitted information to support the NRC's environmental review of the entire BLEU Project, no additional information is contained herein.

To streamline the licensing process, NFS will submit the following additional information to the NRC under separate cover letters:

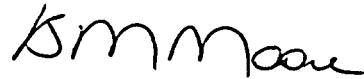
- Revisions to the Physical Security Plan for SNM (24Y-03-0030)
- Revisions to the Fundamental Nuclear Material Control Plan (30G-03-2023)
- Proposed Revisions to the NFS Emergency Plan (21G-03-0281)

NFS requests the license amendment be issued by July 1, 2004 to support our project milestones as previously discussed with the NRC. NFS appreciates the efforts of your staff in supporting the licensing of this very important project.

If you or your staff have any questions, require additional information, or wish to discuss this, please contact me, or Mr. Rik Droke, Licensing and Compliance Director at (423) 743-1741. Please reference our unique document identification number (21G-03-0277) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.



B. Marie Moore
Vice President
Safety and Regulatory

JSK/lsn
Attachment
cc:
Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
Atlanta Federal Center
61 Forsyth Street, SW
Suite 23T85
Atlanta, GA 30303

Mr. Daniel Rich
Senior Resident Inspector
U.S. Nuclear Regulatory Commission

Mr. William Gloersen
Project Inspector
U.S. Nuclear Regulatory Commission
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Suite 23T85
Atlanta, GA 30303

ENCLOSURE

AFFIDAVIT

I, **B.M. Moore**, Vice President of Safety and Regulatory at Nuclear Fuel Services, Inc. (NFS), make the following representations that to the best of my knowledge and beliefs:

- 1. The following documents which Nuclear Fuel Services, Inc. (NFS) wishes to have withheld from public disclosure, are:

Attachments II and III to NFS letter B. M. Moore to Director, NMSS, dated October 23, 2003 (21G-03-0277), in their entirety.

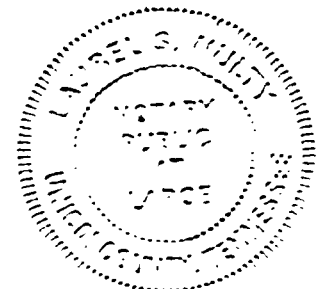
- 2. The information contained in the documents cited in 1 above has been held in confidence by Nuclear Fuel Services, Inc. (NFS) in that it is of a privileged and confidential commercial nature.
- 3. The information contained in the documents cited in 1 above is the intellectual property of Nuclear Fuel Services, Inc. (NFS) and as such is customarily held in confidence by Nuclear Fuel Services, Inc. (NFS) or its contractor. Nuclear Fuel Services, Inc. (NFS) has customarily submitted privileged and confidential information of this type to the Nuclear Regulatory Commission (NRC) and to its predecessor, the Atomic Energy Commission (AEC), in confidence.
- 4. The information contained in the documents cited in 1 above has not been made available to public sources by Nuclear Fuel Services, Inc. (NFS), nor has Nuclear Fuel Services, Inc. (NFS) authorized that it be made available.
- 5. The public disclosure of the information contained in the documents cited in 1 above is likely to cause substantial economic harm to Nuclear Fuel Services, Inc. (NFS).

BMMoore 10/23/03
B. Marie Moore Date
 Vice President
 Safety and Regulatory

I certify the above named person appeared before me and executed this document on this the 23rd day of October, 2003.

Samuel S. Ault
Notary Public

My commission expires: 02/04/2007



ENCLOSURE


AFFIDAVIT

I, **John M. Flaherty**, Plant Manager BLEU Complex at Framatome ANP, Inc. (FANP), make the following representations that to the best of my knowledge and beliefs:

1. The following documents which Framatome ANP, Inc. (FANP) wishes to have withheld from public disclosure, are:

Attachment II and III to Nuclear Fuel Services, Inc. letter B. M. Moore to Director, NMSS, dated October 23, 2003 (21G-03-0277), in their entirety.

2. The information contained in the documents cited in 1 above has been held in confidence by FANP and are of a privileged, proprietary and confidential commercial nature.
3. The information contained in the documents cited in 1 above is the intellectual property of FANP and as such is customarily held in confidence by FANP or its contractor. FANP has customarily submitted privileged and confidential information of this type to the Nuclear Regulatory Commission (NRC) and to its predecessor, the Atomic Energy Commission (AEC), in confidence.
4. The information contained in the documents cited in 1 above have not been made available to public sources by FANP, nor has FANP authorized that it be made available.
5. The public disclosure of the information contained in the documents cited in 1 above is likely to cause substantial economic harm to FANP.

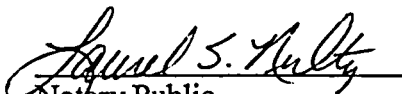


John M. Flaherty
Plant Manager, BLEU Complex
Framatome ANP, Inc.

10/23/03

Date

I certify the above named person appeared before me and executed this document on this the 23rd day of October, 2003.



Notary Public

02/04/2007

My Commission Expires



Attachment I
Page Changes to SNM-124

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Attachment II

ISA Summary
(Proprietary Version)

Attachment III

Decommissioning Cost Estimate
(Proprietary Information)