

December 15, 2003

Mr. Peter Hastings
Licensing Manager
Duke Cogema Stone & Webster
P.O. Box 31847
Mail Code FC12A
Charlotte, NC 28231-1847

SUBJECT: MIXED OXIDE FACILITY AGREEMENT STATE LICENSING

Dear Mr. Hastings:

Because the mixed oxide (MOX) fuel fabrication facility would, if it is built and is licensed to operate, possess and use source material for blending with plutonium in the fabrication of MOX fuel, we reviewed the issue of Agreement State jurisdiction as it applies to licensing the MOX plant. Section 202 of the Energy Reorganization Act of 1974 gives the U.S. Nuclear Regulatory Commission (NRC) licensing authority for the facility, which is proposed to be located at the Savannah River Site in South Carolina, an Agreement State. Consequently, regulatory jurisdiction for the MOX fuel fabrication facility complex is entirely the responsibility of NRC. In this regard, you have indicated to us that some of the source material used for blending would be stored in the Secured Warehouse Building. Because the Secured Warehouse Building would be an integral part of the MOX fuel fabrication facility, NRC would exercise sole jurisdiction over the possession and use of depleted uranium in this area in addition to the other MOX fuel fabrication activities.

If you have any questions, please contact me at 301-415-6522.

Sincerely,

/RA/

Andrew Persinko, Senior Nuclear Engineer
Special Projects and Inspection Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-3098

cc: J. Johnson/DOE
H. Porter/SC Dept. of HEC
J. Conway/DNFSB
L. Zeller/BREDL
G. Carroll/GANE
D. Curran
D. Silverman

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