

March 19, 2004

MEMORANDUM TO: Paul H. Lohaus, Director
Office of State and Tribal Programs

FROM: Robert C. Pierson, Director */RA/*
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: TRANSITION PLAN FOR URANIUM MILLING FACILITIES TO
IMPLEMENT THE AMENDMENT TO THE UTAH AGREEMENT

I am responding to your memorandum dated March 4, 2004, that requested the status of the actions we have taken to effect a smooth transfer of the 11e.(2) byproduct material program to the State of Utah. With your memorandum, you included a copy of a draft transition plan dated August 15, 2004, that was prepared by Region IV. The attached status report addresses each of the Headquarter's actions included in that plan.

If you have any questions, please contact me or Robert Nelson, Chief of our Uranium Processing Section.

Attachment: Status Report

CONTACT: Robert A. Nelson, NMSS/FCSS
(301) 415-7298

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DISTRIBUTION:

FCFB r/f D.Sollenberger R.Weller B.vonTill
M.Fliegel T.Fredrichs J.Caverly

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*see previous concurrence

ML040780868

OFC	FCSS/FCFB	FCSS/FCFB	FCSS/FCFB	DWM	FCSS
NAME	R.Nelson*	B.Garrett*	G.Janosko	D.Gillen*	R.Pierson
DATE	3/17/04	3/17/04	3/18/04	3/15/04	3/19/04

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ACTIVITIES TO BE COMPLETED BY NRC HEADQUARTERS FUNCTIONS

1. Provide orientation to State of Utah staff responsible for licensee project management.

The Project Managers in the Uranium Processing Section have frequent interactions with the State concerning the status of the facilities and pending licensing actions. The State is consulted on all licensing actions.

2. Perform ADAMS search and copy of documents not currently available in paper format in docket file. Continue to retain hard copies of licensing documents before Agreement is signed.

This activity is underway. However, we are also exploring other means of providing this information in a more efficient manner.

3. Determine volume of records to be transferred to allow the State to provide storage space. Provide State with measurements in linear feet.

This action has been completed.

4. Establish cutoff date to terminate technical review of licensing actions received by NMSS.

Although a firm date was not established, the staff is not accepting new amendment requests that cannot be completed by April 15, 2004. The State's concurrence is received before deferring any licensing action to the State. A letter has been drafted to each licensee informing the licensee that no new licensing actions will be accepted.

5. Send letter to licensees in advance of Agreement informing them of the estimated effective date of the Agreement and the cutoff date for receipt of amendments.

This notification is included in the letter discussed in Item 4 above.

6. Estimate and place an order for shipping boxes for files.

We have coordinated with ADM. ADM is responsible for preparing and shipping all hard copy docket files. FCSS is responsible for ADAMS files. Boxes will be ordered by each organization, as needed.

7. Coordinate with Fees Management Branch refunding of fees for pending licensing actions transferred to the State.

Coordination has been ongoing since the drafting of this year's fee rule.

8. Develop plan for transfer of financial assurance documents and notify licensees in writing with instructions for transfer of surety. Perform QA audit of financial assurance files before shipment to Utah.

The letter discussed in Item 4 above includes direction to the licensees concerning the need to modify their financial assurance instruments. The financial assurance instruments that are held by the NMSS Financial Assurance Instrument Custodian (FAIC) will be mailed to the State as soon as the amended Agreement is signed. There is no need for a separate audit. In accordance with Management Directive 8.12, "Decommissioning Financial Assurance Instrument Security Program," financial assurance instruments are stored in a locked safe and inventoried twice per year. Upon removal for transfer, the FAIC will ensure that the complete file is removed and shipped and the inventory log will be updated in accordance with standard procedures.

9. Perform and submit an article to the NMSS Newsletter regarding the Agreement.

An article will be prepared as soon as the date of the Agreement is known.

10. Send letter to licensees within 30 days of Agreement informing them of expected date of Agreement.

This notification is included in the letter discussed in Item 4 above.

11. Organize and prepare files for packaging and shipment. Ensure complete and correct contents.

This action is ongoing.

12. Package in advance all non-essential portions of docket files for transfer to Utah.

This action is ongoing.

13. Contract for truck shipment of docket files to Utah.

ADM has this responsibility.

14. Package remaining files during the last week before the Agreement is to be signed.

This action is pending.

15. Provide Utah with a computer diskette with electronic copy of the licenses.

Several licenses are in the process of being amended. The diskette will be prepared after all pending licensing actions are completed. The target completion date is April 15, 2004.

16. After transfer of licenses, eliminate licenses from NRC Licensing Tracking System.

This action is pending.