

May 27, 2004

Mr. Jack D. Fuller, Facility Manager
Global Nuclear Fuel - Americas, LLC
P. O. Box 780
Wilmington, North Carolina 28401

Dear Mr. Fuller:

We received your letter of October 9, 2003, as your response to U.S. Nuclear Regulatory Commission (NRC) Bulletin 2003-003 (BL-2003-003), "Potentially Defective 1-Inch Valves for Uranium Hexafluoride Cylinders," dated August 29, 2003. NRC has reviewed your response and approves, in part, your proposal for continuing to process non-GNF-A-owned cylinders with Hunt valves installed, for a period not to exceed 40 months from the date of issuance of BL-2003-003.

Consistent with NRC's recent approval of a proposal by the United States Enrichment Corporation (USEC), GNF-A may continue to receive shipments from USEC of uranium hexafluoride (UF_6)-filled cylinders, with Hunt valves installed. These shipments arise from USEC's role in utilizing the downblended UF_6 produced from highly enriched Russian uranium in the Megatons to Megawatts program. USEC has committed to shipping such UF_6 -filled cylinders with Hunt valves installed for a period not to exceed 36 months from issuance of BL-2003-003. Accordingly, NRC approves GNF-A processing of UF_6 cylinders with Hunt valves installed to the extent that such cylinders may be included in USEC shipments under the Megatons to Megawatts program. NRC understands that this will involve a prolongation of the incremental risk posed by continued use of cylinders with Hunt valves installed, but that GNF-A will be able to minimize this risk through careful implementation of the safety procedures described in its response to Requested Action **D** of BL-2003-003.

NRC understands that under GNF-A's alternative proposal, no UF_6 -filled cylinders will be shipped with Hunt valves installed beyond a 12-month transition period following issuance of BL-2003-003, but that heels cylinders with Hunt valves installed may continue to be shipped for a period of 3 to 4 years after issuance of BL-2003-003. NRC notes that shipment of

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cylinders containing only heel quantities of UF₆ (ref. Requested Action **D** of BL-2003-003) is regulated by the Department of Transportation and not NRC. Thus, NRC neither approves nor disapproves your proposal for shipping UF₆ cylinders containing only heels, with Hunt valves installed.

If you have any further questions, please contact Lance Lessler, of my staff, at (301) 415-8144.

Sincerely,

/RA/

Robert C. Pierson, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-7003

cc: Rick Boyle, DOT
S. A. Toelle, USEC

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*See previous concurrence

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