

**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and the applicable parts of Title 10, Code of Federal Regulations, Chapter I, Parts 19, 20, 30, 31, 32, 33, 34, 35, 36, 39, 40, 51, 70, and 71, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. Honeywell International, Inc.	3. License Number SUB-526, Amendment 16
2. P.O. Box 430 Metropolis, Illinois 62960	4. Expiration Date June 30, 2005
	5. Docket No. 40-3392 Reference No.

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|---|---|--|
| <p>6. Byproduct Source, and/or Special Nuclear Material</p> <p>A. Natural uranium</p> <p>B. Cs-137</p> <p>C. Any licensed material between atomic numbers 1-100</p> <p>D. Depleted uranium</p> <p>E. Unirradiated uranium</p> | <p>7. Chemical and/or Physical Form</p> <p>A. Yellow cake, U<sub>3</sub>O<sub>8</sub>, UO<sub>2</sub>, UO<sub>3</sub>, UF<sub>4</sub>, UF<sub>6</sub></p> <p>B. Sealed sources</p> <p>C. Quality control samples</p> <p>D. Yellowcake, U<sub>3</sub>O<sub>8</sub>,</p> <p>E. UF<sub>4</sub></p> | <p>8. Maximum amount that Licensee May Possess at Any One Time Under This License</p> <p>A. 68 million kg (150 million lbs)</p> <p>B. 100 millicuries</p> <p>C. 1 µCi total</p> <p>D. 68 kg (150 lbs) UO<sub>2</sub>, UF<sub>4</sub>, UF<sub>6</sub></p> <p>E. 4080 kg (9,000 lbs)</p> |
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9. Authorized place of use: The licensee's existing facilities at Metropolis, Illinois.
10. Authorized use: For use in accordance with the statements, representations, and conditions in Chapters 1 through 7 of the application dated September 23, 1998, and enclosure dated October 1, 1998, and with supplements dated December 1, 1998, and March 29, December 2, and December 7, 1999, and September 5, November 30, December 19, and December 22, 2000, April 12, 2001, and January 20, 2003.
11. The licensee shall maintain and execute the response measures in the Radiological Contingency Plan (Emergency Response Plan) dated August 15, 1993, and as amended by letters dated March 19 and 30, 1999, June 12, 2000, April 7, 2004, and June 29, 2004, or as provided by the licensee consistent with 10 CFR Section 40.35(f).

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**

License Number  
SUB-526

Docket or Reference Number  
40-3392

Amendment No. 16

12. The licensee is hereby granted the special authorizations in Chapter 1, Sections 1.6.1, 1.6.2, 1.6.3, and 1.6.8.
13. The average concentration of uranium in calcium fluoride released to each commercial organization, for any consecutive 12-month period, shall not exceed 212 pCi/gram.
14. Safety features of the facility that are identified as critical to the safe operation of the process and are under the control of a distributed control system (DCS) computer interlock shall meet the following requirements. The software or computer code that contains the program for interlocks or process controllers shall be documented and maintained as part of the plant Process Safety Information and shall be subject to the licensee process modification procedure (PT-101), after licensed material is introduced into the system.
15. The Metropolis Works PSM mechanical integrity program, shall be in place before the Uranium Hexafluoride Deconversion Pilot Plant begins operation.
16. The licensee shall meet all financial assurance requirements within 30 days of the closing of ownership transfer of assets.
17. Notwithstanding the date of Amendment 13, this amendment becomes effective on the date of the closing of ownership transfer of assets.

FOR THE NUCLEAR REGULATORY COMMISSION

**/RA/**

July 28, 2004

Date: \_\_\_\_\_

By: \_\_\_\_\_

Gary S. Janosko, Chief  
 Fuel Cycle Facilities Branch  
 Division of Fuel Cycle Safety  
 and Safeguards  
 Office of Nuclear Material Safety  
 and Safeguards