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March 11, 2005

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Subject: SFPO Review of HI-STORM 100 CoC License Amendment Request #3

Reference: 1. USNRC Docket No. 72-1014 (HI-STORM 100)
2. Holtec Letter 5014561 from E. Rosenbaum, dated 22 February 2005

Dear Sir:

We appreciate the in-depth technical acceptance review that the SFPO has been performing on our third HI-STORM 100 System CoC amendment request (Reference 2). In light of the innovative nature of the underground overpack included in this amendment request, we understand the necessity of the SFPO performing a comprehensive acceptance review.

We have also appreciated the opportunities that the SFPO has given us to interact with the Staff during the acceptance review process. Together with our own proactive development work during the past two months, these interactions have led us to conclude that significant enhancements can be made in the design of the underground overpack. The enhancements that we have identified would lead to improvements in the areas of radiation shielding, seismic response, decommissioning, and compatibility with a wide range of soil conditions.

We therefore request that the SFPO suspend any further review of this amendment request (except for the ongoing technical resolution effort on residual thermal issues) for approximately 10 weeks. During this 10-week period we plan to update the proposed FSAR in the amendment requests to include the underground overpack design enhancements, as well as additional information to minimize the extent of RAIs. One small technical item that has arisen in the past three months and requires a CoC amendment will also be added to the request during this period.

Because the present regulatory guidance documents (i.e., NUREG-1536) did not envision an underground overpack of the type we have proposed, we have suffered from a lack of precedent on the extent of treatment required in the FSAR for interfaces between the overpack and other SSCs such as the surrounding subgrade and the support foundation. A letter from the SFPO that provides their input in these and related areas, based on the Staff's review of our current submittal materials (Reference 2), would help us in our SAR update effort. We would be most grateful if the SFPO would share such information with us.

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In the spirit of minimizing (and hopefully eliminating) RAIs, we also request a meeting with the SFPO in approximately six weeks time to share the proposed design enhancements and FSAR changes. We would expect to submit the updated amendment request documentation about 4 weeks after such a meeting.

Our company remains committed to supporting the SFPO to the extent necessary to support a draft SER issuance in this calendar year. We appreciate the technical efforts that the SFPO has exerted thus far and hope that we will continue to receive a similar level of engagement in the coming months to certify what we consider to be a technology milestone in the dry storage industry.

We thank you for your cooperation in this matter.

Sincerely,

Evan Rosenbaum, P.E.
Project Manager, LAR 1014-3
Docket No. 72-1014

Approval:

Stefan Anton, Dr.-Ing.
Licensing Manager

emcc: Mr. Christopher Regan, NRC