

August 4, 2005

Mr. Charlie F. Holman, Manager
Environmental, Health, Safety
and Licensing
Framatome ANP, Inc.
1724 Mount Athos Road
P.O. Box 11646
Lynchburg, VA 24506-1646

SUBJECT: AMENDMENT 4 - FRAMATOME ANP, INC. (LYNCHBURG), REQUEST FOR
EXTENSION TO FNMC PLAN COMMITMENTS (TAC L31903)

Dear Mr. Holman:

In accordance with your application for license amendment dated August 2, 2005, and pursuant to Part 70 to Title 10 of the Code of Federal Regulations, Materials License SNM-1168 is hereby amended to allow a temporary 60-day time extension for computing the shipper receiver difference for the shipments listed in Enclosure 1 to your application. Our review determined that the changes were acceptable. The following temporary Safeguards Condition, SG-1.3, is being added, and is effective immediately:

SG-1.3 Notwithstanding the commitment, in Sections 2.1.2.1 and 7.1 of the Fundamental Nuclear Material Control (FNMC) Plan identified in Safeguard Condition SG-1.1, to complete and confirm shipper receiver differences within 60 days of receipt, the licensee will have an additional 60 days to fulfill the above-stated commitment relative to the six shipments identified in the August 2, 2005, application. The material from each shipment should not be processed until the shipper receiver difference evaluation for that shipment has been completed and satisfactorily resolved. This condition expires on October 7, 2005.

The temporary condition is approved pursuant to 10 CFR 70.34 based on our determination that, in view of the specific circumstances, the additional time requested was justified and warranted, and it will not reduce the effectiveness of the licensee's safeguards program.

With the exceptions of S-1 and SG-1.1, discussed below, all other license conditions remain the same. The Nuclear Regulatory Commission (NRC) noted that Safety Condition S-1 was incorrectly issued in License Amendments 2 and 3, dated September 15, 2004, and March 29, 2005, respectively. In addition, the NRC noted that Safeguards Condition SG-1.1 had an incorrect date for the current FNMC Plan. The correct date for Revision 17 of the FNMC Plan is November 10, 2004. This amendment corrects these errors in S-1 and SG-1.1.

Enclosed are copies of the revised Materials License SNM-1168 and the Safeguard Evaluation Report which includes the Categorical Exclusion from performing an environmental impact statement or environmental assessment as described in 10 CFR Part 51.20 and §51.21.

C. Holman

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If you have any questions regarding this letter, please contact Billy Gleaves of my staff at (301) 415-5848 or via e-mail to bcg@nrc.gov.

In accordance with 10 CFR 2.390 of the(NRC's) "Rules of Practice," a copy of this letter and Enclosure 1 will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/reading-room/adams.html>.

Sincerely,

/RA/

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

Docket No: 70-1201

License No: SNM-1168

Enclosures: 1. Materials License SNM-1168
2. Safety Evaluation Report

C. Holman

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DOCKET NO: 70-1201
LICENSE NO: SNM-1168
LICENSEE: Framatome ANP, Inc.
Lynchburg, VA
SUBJECT: SAFEGUARDS EVALUATION REPORT - REQUEST FOR TIME
EXTENSION TO COMPLETE SHIPPER RECEIVER INVENTORY
DIFFERENCE COMPUTATION

1.0 BACKGROUND

By letter dated August 2, 2005, Framatome ANP (FANP) requested an amendment authorizing a 60-day time extension to complete the computation of Shipper Receiver Difference (SRD) as required by their current Fundamental Nuclear Material Control (FNMC) Plan. This extension was requested for six specific shipments listed in Enclosure 1 to their letter. The request for extension was reviewed to ensure that there would be no decrease in the overall effectiveness of the licensee's safeguards program. This Safeguards Evaluation Report (SER) documents the staff's review of the license application and other supplemental information.

2.0 DISCUSSION

FANP stated in its request that this extension was necessary due to measurement equipment failures encountered by their off-site laboratory contractors. These delays mean that the analysis results for the SRDs will not be available before the 60-day commitment in Section 2.1.2.1 and 7.1 of the FANP FNMC Plan. In its request, FANP limited the extension to only six specific shipments and reported that although the SRD will not be completed in the 60-day commitment, a count revealed that all discrete items reported by the shipper were received. The NRC staff found that the request was necessary and appropriate to allow FANP to fulfill all measurement verification and reporting requirements in association with the listed shipments. However, the staff notes that the material from these six shipments should not be processed until the required SRD evaluation has been completed.

3.0 CONCLUSION

The staff concluded that the licensee's 60-day extension for completing the SRD computation for the six specific shipments (listed in Enclosure 1 of their letter) is justified and warranted, and it will not reduce the effectiveness of the licensee's safeguards program. Therefore, the staff recommended the inclusion of the following license condition, to be effective immediately upon issuance:

SG-1.3 Notwithstanding the commitment, in Sections 2.1.2.1 and 7.1 of the Fundamental Nuclear Material Control (FNMC) Plan identified in Safeguard Condition SG-1.1, to complete and confirm shipper receiver differences within 60 days of receipt, the licensee will have an additional 60 days to fulfill the above-stated commitment relative to the six shipments identified in the August 2, 2005, application. The material from each shipment should not be processed until the shipper receiver difference evaluation for that shipment has been completed and satisfactorily resolved. This condition shall automatically expires on October 7, 2005.

4.0 ENVIRONMENTAL REVIEW

The staff has determined that the requested time extension involves safeguards plans and material accountability which are categorically excluded from the requirements to prepare an environmental assessment or environmental impact statement. Therefore, in accordance with 10 CFR 51.22(c)(12), neither an environmental assessment nor an environmental impact statement are required for this action.

PRINCIPAL CONTRIBUTOR

Billy Gleaves