

December 22, 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: ACKNOWLEDGMENT LETTER AND LICENSE AMENDMENT 8 - FRAMATOME ANP, INC. (LYNCHBURG), REQUEST FOR EXTENSION TO FUNDAMENTAL MATERIAL CONTROL PLAN COMMITMENTS (TAC L31917)

Dear Mr. Holman:

The staff has received your application for a license amendment dated December 20, 2005, as superceded by letter dated December 21, 2005. In accordance with your application for license amendment and supplement, and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-1168 is hereby amended to allow an additional temporary 60-day time extension for computing the shipper receiver difference for the 8 shipments listed in Enclosure 1 of your application. The staff's review has determined that the proposed changes are acceptable. The following temporary Safeguards Condition, SG 1.5 has been added to your license and is effective immediately:

SG-1.5 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days to fulfill the above-stated commitment relative to the 8 receipts identified in the December 20, 2005, letter, as superceded by letter dated December 21, 2005. This extension results in the total extension granted for transaction numbers ending in 898, 899, 900, 901, 902, 903, and 904 being 120 days with the balance of transactions extended by 60 days. The material from each shipment must not be processed until the shipper receiver difference evaluation for that shipment has been completed and satisfactorily resolved. This condition expires on March 14, 2006.

This temporary safeguards 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. We note that this is the second request for an extension of the time to complete the shipper receiver difference computation for some of the receipts included in SG-1.5. In addition, we note that this is the third urgent license amendment within the last 6 months and such requests are a significant strain on staff resources. We request that Framatome ANP, Inc. evaluate its current practices and take actions necessary to reduce the need for, and urgency of, these requests.

Safety Condition S-1 has also been amended to include the date of December 21, 2005. As part of our process improvements, we are also adding text to S-1 that notes that applications listed in S-1 may be revised pursuant to 10 CFR 70.32 or 10 CFR 70.72. With the exception of S-1 and SG-1.5, all other safety conditions will remain the same. Enclosed are copies of amended Materials License SNM-1168 and the Safeguards Evaluation Report which includes the categorical exclusion from performing an environmental impact statement or environmental assessment as described in 10 CFR §§ 51.20 and 51.21.

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/reading-rm/adams.html> (the Public Electron Reading Room). Enclosure 2 to this letter contains sensitive, unclassified information, and is therefore deemed Official Use Only - Security-Related Information and will not be placed in the Public Document Room nor the Publicly Available Records component of the NRC's ADAMS document system.

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
Amendment 8

Enclosures:

1. Materials License SNM-1168
2. Safeguards Evaluation Report

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Gary S. Janosko, Chief
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CLOSES TAC L31917

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