

From: Farouk Eltawila — RES
To: Donald Joyce — ANL
Date: 1/25/06 1:22PM
Subject: RE: Phone Call about NRC Program in AGHCF

Hi Don:

I'm the Director of the Division of Systems Analysis and Regulatory Effectiveness, in the Office of Nuclear Regulatory Research at the NRC. My Division is the sponsoring organization of the work on fuel that is being conducted at ANL. I appreciate the high technical quality and responsiveness of the Argonne Team supporting us and the industry in this important safety area. I also am concerned if the Alpha hot cell is closed; it will have significant impact on our planning. We appreciate any help to delay the closure of the hot cell till our program is complete.

>>> "Joyce, Donald" <donjoyce@anl.gov> 01/25/06 1:09 PM >>>
Dear Ralph and Farouk,

Thank you for the summary of your points.

In reading them, I clearly misspoke about the PAAA fine. I was told to expect a fine upwards of \$1M, still a record fine for the OE, putting all nuclear operations at Argonne in the spotlight for follow-on audits.

The manipulators and windows maintenance were examples of Lab support for the hot cell. Ongoing departmental support is also substantial. Nonetheless, the facility is not maintained to satisfaction of those who indemnify us, namely the DOE. Although there have not been any incidents at Argonne, continuation of past practices incurs a risk that is unacceptable to DOE.

From an accounting perspective, under-recovery of costs going forward is of course not a good thing. Please know I appreciate your position. We will have to work together on this.

Regarding different hot cell cost scenarios, my understanding is that ongoing research operations are more aggressively critiqued than shut down projects. It is true that there are tremendous ongoing maintenance and compliance costs whether we shutdown the AGHCF or continue operations. The additional costs come into play for ongoing operations where more than interim administrative controls are necessary. Time will tell us whether this is in fact how we will be treated. We expect a steady stream of auditors to Argonne in either case.

I agree that all paths forward are on the table. I am certain that several avenues will be permanently closed today during the enforcement conference and remain hopeful that others may be opened.

In summary, we all agree on the importance of the loss of coolant work to the future of the nuclear power industry. We've all worked hard to together to provide a future role for nuclear power and this is one of the most important near term aspects. We all therefore commit to exploring every opportunity for this programs success.

Don

PS: Farouk: What is your role here?

A-14

-----Original Message-----

From: Ralph Meyer [mailto:ROM@nrc.gov]

Sent: Wednesday, January 25, 2006 10:35 AM

To: Joyce, Donald

Cc: Farouk Eltawila

Subject: Phone Call about NRC Program in AGHCF

Don:

Thanks for calling with regard to NRC's letter to Dr. Rosner. Below, I'll try to summarize some of the points of our phone conversation, as you requested.

I tried to convey the importance of this program with the following points:

- + There are 103 operating plants in the U.S. that are affected by our regulation.
- + The accident we worry most about is the one that brought down TMI-2 (loss of coolant).
- + Related limits were put in NRC regulations 32 years ago and have not been changed.
- + Twice as much energy is now being squeezed out of fuel than 30 years ago.
- + High-burnup fuel is much more susceptible to damage.
- + We are nearly ready to start rulemaking with results from Argonne.
- + The quality needs to be improved with further tests, according to ACRS and NRR.

It seems to us that the safety of 103 operating reactors is of greater weight than the AGHCF.

You pointed out that:

- + The AGHCF has failed to come into compliance with DOE requirements.
- + An adequate business plan was not developed.
- + The lab is subsidizing our work by providing for repairs of windows and manipulators.
- + Cleanup compliance will cost you about \$8M this year.
- + It cost much more to stay in compliance for Operations than for Cleanup.
- + You face a \$3M fine for AGHCF violations * largest such fine ever.
- + ANL could accept the M5 fuel that was scheduled to arrive this year, but not sure what you could do with it.

I did not understand why AGHCF costs (excluding program costs) would be more for finishing the NRC work than for cleanup (including WIPP). That work also requires windows and manipulators to be functional.

I said that 6 months to defuel and test Robinson fuel already waiting in the AGHCF would be helpful if we were not allowed to complete the program (in 2008).

You said that everything was open for discussion and depended somewhat

on the outcome of today's enforcement meeting with DOE.

You also pointed out that the lab might have to ask for more money if NRC work were continued in the AGHCF. I replied that additional money from NRC was not likely, so that would probably bring EPRI and Framatome into the picture.

I understand that you plan to brief Dr. Rosner on our discussion, and that he or you will probably contact me again to try to find a way forward. I hope we can work this out.

Ralph