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From: Farouk Eltawila — RES
To: Lee, Samuel — NRR
Date: 1/31/06 12:36PM
Subject: MODIFIED D-NOTE ON ANL HOT CELL

Attached is the modified D-Note along with the letter that was sent from Carl to ANL director.

CC: Baranowsky, Patrick; Meyer, Ralph; Paperiello, Carl; Wiggins, James

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Unavailability of Argonne Facility Could Threaten Cooperative Program with Industry on Criteria for LOCA and Spent Fuel Casks.

The NRC staff have been informed of the potential loss of use of a hot cell facility at a DOE laboratory (Argonne) that is being used for NRC programmatic work. Having received the Chairman's approval (12/08/05), the staff issued a new three-year statement of work for services provided by Argonne National Laboratory to complete research on high-burnup fuel with advanced cladding materials. This work supports rulemaking-related activities (10 CFR 50.46b LOCA criteria) in the Office of Nuclear Reactor Regulation and licensing activities (casks for spent fuel) in the Office of Nuclear Material Safety and Safeguards. This work is being done in cooperation with EPRI, Framatome, Westinghouse, and DOE-NE.

Some of NRC's work on irradiated fuel rods needs to be performed in the Alpha Gamma Hot Cell Facility (AGHCF) at Argonne. Because of procedural problems (DOE requirements) that we understand have been corrected, the AGHCF has been unavailable for NRC work since July 26, 2005. Although we expected the NRC work to resume in January, it was announced on January 16 that the AGHCF will no longer be available for programmatic work. Nevertheless, the facility will remain open for similar activities.

During the past two weeks, the NRC staff and some of its industry partners have been in contact with the Argonne laboratory director and his senior staff. A letter was also sent from the RES director to the Argonne National Laboratory director. Also during that time, the technical staff working on NRC's program have moved some equipment out of the AGHCF area into a shielded non-nuclear facility such that all work that does not involve irradiated UO₂ will be carried out in non-nuclear facilities. Because defueled irradiated cladding can be handled in this non-nuclear facility, the move will reduce the total amount of work for NRC in the AGHCF by about 80%. With this reduction, we are optimistic that the laboratory will be able to accommodate the balance of NRC's work in the AGHCF. We are also looking at contingency plans using other facilities, although that would result in substantial delays in anticipated regulatory activities.