



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

April 13, 2007

ALL AGREEMENT STATES, NEW JERSEY, PENNSYLVANIA, VIRGINIA

**LICENSING OF NEW URANIUM CONVERSION AND DEPLETED URANIUM
DECONVERSION FACILITIES (FSME-07-036)**

Purpose: To inform the Agreement States that the U.S. Nuclear Regulatory Commission (NRC) will regulate future major fuel cycle facilities licensed under 10 CFR Part 40, e.g., uranium conversion and deconversion facilities.

Background: In the March 22, 2007, Staff Requirements Memorandum (SRM) pertaining to the Nuclear Materials Safety and Safeguards (NMSS) program briefing to the Commission on February 22, 2007, the Commission provided direction to the staff that NRC will regulate future major fuel cycle facilities licensed under 10 CFR Part 40, e.g., uranium conversion and deconversion facilities. The SRM can be found on NRC's public web site at: <http://www.nrc.gov/reading-rm/doc-collections/commission/srm/meet/2007/m20070308b.html>. NRC staff will work with the Agreement States to make any necessary changes in Part 40 and the current Agreements, if necessary, to implement the Commission direction. We are currently working with the Office of General Counsel (OGC) to develop the mechanism to reserve regulatory authority to the NRC. The Commission also directed NRC staff to propose options for rulemaking that would require these facilities to complete an Integrated Safety Analysis similar to the current Part 70 Subpart H requirements for special nuclear material. Additional information will be provided as NRC proceeds with implementation of the Commission direction.

NRC Point of Contact: If you have any questions regarding this notice, please contact Timothy Johnson, Office of Nuclear Materials Safety and Safeguards, telephone (301) 415-7299, e-mail, TCJ@nrc.gov.

If you have any questions regarding this correspondence, please contact me or the individual named below.

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FSME-07-036

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