NRC FORM 374

U.S. NUCLEAR REGULATORY COMMISSION

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. AREVA NP, Inc.	3. License Number SNM-1227, Amendment 49
2. 2101 Horn Rapids Road Richland, WA 99352-0130	4. Expiration Date: November 30, 2006
	5. Docket No.: 70-1257 Reference No.

6. Byproduct Source, and/or Special Nuclear Material	7. Chemical and/or Physical Form	8. Maximum amount that Licensee May Possess at Any One Time Under This License
A. Uranium enriched in U-235	A. Any	A. 350 g U-235
B. Uranium enriched up to 5.00 wt % U-235	B. Uranium compounds	B. 75,000 kg U-235
C. Plutonium	C. Sealed sources and standards	C. 1 mg Pu and not more than 1.5 millicuries
D. Plutonium	D. PuO_2-UO_2 stored waste	D. 500 g Pu

9. Authorized place of use: The licensee's existing facilities at Richland, Washington.

Enclosure 1

NRC FORM 374A U.S. NUCLEAR REGULATORY COMMISSION	
MATERIALS LICENSE **SUPPLEMENTARY SHEET**	License Number SNM-1227
	Docket or Reference Number 70-1257
	Amendment No. 49

10. This license shall be deemed to contain two sections: Safety Conditions and Safeguards Conditions. These sections are part of the license, and the licensee is subject to compliance with all listed conditions in each section.

FOR THE NUCLEAR REGULATORY COMMISSION

Date: 7/9/07

By: /RA/
Gary S. Janosko, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

NRC FORM 374A U.S. NUCLEAR REGULATORY COMMISSION

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License Number
SNM-1227

Docket or Reference Number
70-1257

Amendment No. 49

SAFETY CONDITIONS

S-1 Authorized use: For use in accordance with the statements, representations, and conditions of Part I of the licensee's application dated October 28, 1996, and supplements dated January 28, February 21, March 12, March 18, May 1, June 9, July 30, August 4, August 13, August 28, and September 29, 1997; February 6, April 23, May 29, November 13, and December 15, 1998; January 21, May 27, July 21, August 6, October 11, November 10, November 18, November 24, and December 17, 1999; April 13, April 26, May 3, June 15, and December 14, 2000; January 30, April 18, June 15, August 15, and December 3, 2001; February 28, March 7, and April 25, 2002; June 18, October 9, (Amendment Application and RAI response), October 29, and November 17, 2003; March 1, March 3, March 19, April 1, April 9, April 28, June 22, June 25, and July 7, 2004; April 11, April 25 , December 6, and December 19, 2005; March 8, March 17, March 27, 2006, and October 20, 2006; February 28, 2007.

S-2 The licensee shall maintain and execute the response measures in the Emergency Plan, Revision 25, dated October 29, 2003; or as further revised by the licensee consistent with 10 CFR 70.32(i).

S-3 Notwithstanding Section 6.5 of Part I of the license dated October 28, 1996, new uranium hexafluoride (UF_6) cylinders purchased by SPC shall conform to ANSI N14.1 or to the tinning requirements specified in NRC's Certificate of Compliance No. 9196 for Model UX-30 packages.

S-4 The licensee shall not process alcohol rags through the Modular Extraction/Recovery Facility.

S-5. Before processing in the Solids Processing Facility (SPF) filtrate tank, the licensee shall assure through periodic sampling of the lagoons and independent sampling of the SPF feed tank, which is before the SPF filtrate tank, that the enrichment is not more than 4.0 wt.% U-235.

NRC FORM 374A U.S. NUCLEAR REGULATORY COMMISSION	
MATERIALS LICENSE **SUPPLEMENTARY SHEET**	License Number SNM-1227
	Docket or Reference Number 70-1257
	Amendment No. 49

SAFEGUARDS CONDITIONS

Section 1.0 - Material Control & Accounting

SG-1.1 The licensee shall follow Sections 0.0 through 8.0 (with all pages designated as Version 2.0 of E07-01-001) of the Fundamental Nuclear Material Control Plan. This Plan may be further revised in accordance with, and pursuant to, the provisions of 10 CFR 70.32(c) or 70.34.

SG-1.2 Notwithstanding Chapter 0.0 of the Plan identified by Condition SG-1.1, which commits to meeting all Affirmation Statements contained in NUREG-1065 (Rev. 1), the licensee is hereby granted a limited exception from the first Affirmation contained in Section 4.3 of NUREG-1065 in that receipt of returned fuel rods and/or fuel assemblies (that were originally fabricated at the licensee's facility and whose SNM encapsulation has not been compromised) need not be measured if the original fabrication values are booked as receipt values.

SG-1.3 A special shutdown, cleanout physical inventory shall be initiated whenever:

(i) a loss/theft indication involving an SNM quantity equal to or greater than the licensee's Detection Quantity (as defined in Section 8.2.7 of the Plan identified by Condition SG-1.1) cannot otherwise be resolved within 60 days of the initial recognition of such indication, and

(ii) a Regulatory ID (as defined in Section 5.13 of the Plan identified in Condition SG-1.1) equals or exceeds the licensee's Detection Threshold Quantity (as defined in Section 8.2.7 of the Plan identified by Condition SG-1.1).

Whenever a special inventory is required by either (i) or (ii) above, all unsealed and unencapsulated SNM items that are on hand at the time that such a situation is determined to exist, shall be measured (even if previously measured) for SNM content.

SG-1.4 Operations involving special nuclear materials which are not described in the Plan identified in Condition SG-1.1 shall not be initiated until an appropriate safeguards plan has been approved by the appropriate safeguards licensing authority of the Nuclear Regulatory Commission.

SG-1.5 Deleted by Amendment 41, May 2004. This Condition expired August 22, 2003.

NRC FORM 374A U.S. NUCLEAR REGULATORY COMMISSION	
MATERIALS LICENSE **SUPPLEMENTARY SHEET**	License Number SNM-1227
	Docket or Reference Number 70-1257
	Amendment No. 49

Section 2.0 - Physical Protection For SNM of Low Strategic Significance

SG-2.1 The licensee shall follow the Physical Protection Plan entitled "Physical Protection Plan for SNM for Low Strategic Significance, Revision 3.0 for AREVA NP, Inc.'s Richland, Washington Fuel Fabrication Facility," dated October 20, 2006; and as it may be further revised in accordance with the provisions of 10 CFR 70.32(e).

SG-2.2 The licensee shall ensure that the UO_2 Building is locked when unoccupied.

Section 3.0 - International Safeguards

SG-3.1 The licensee shall follow, as applicable, Codes 2 through 7 of Transitional Facility Attachment No. 1a dated May 1, 1986, to the US/IAEA Safeguards Agreement.

SG-3.2 Notwithstanding the requirements of 10 CFR 75.11(d) to submit facility data on forms supplied by the Commission (including IAEA DIQs), the licensee may submit required data in the Advanced Nuclear Fuels Corporation license paper format.