

June 4, 2008

Mr. Michael A. McMurphy
President and Chief Executive Officer
AREVA NC INC.
One Bethesda Center
4800 Hampden Lane, Suite 1100
Bethesda, Maryland 20814

Dear Mr. McMurphy:

Thank you for your letter of April 30, 2008, expressing AREVA's interest in establishing a commercial used fuel recycling center in the United States. Early access to information like this helps the U.S. Nuclear Regulatory Commission (NRC) to fulfill its regulatory responsibilities in an effective and efficient manner. As you point out in your letter, the NRC has begun evaluating areas of the current regulatory framework that would have to be changed in order to ensure that a license review of a recycling facility would be both efficient and predictable. The NRC has reprogrammed a modest level of resources from other activities to support the initial regulatory development activities associated with licensing a recycling facility. Through an interagency agreement with the Department of Energy, the NRC has also received funding that has allowed the staff to become more familiar with reprocessing technologies, including the technologies used at AREVA's La Hague and MELOX facilities.

The NRC agrees that it would be desirable to establish an efficient and predictable process for regulating a recycling facility and will continue to explore options for obtaining the necessary resources for accomplishing this objective. Please continue to keep the Division of Fuel Cycle Safety and Safeguards (FCSS) informed of your plans and schedules for this project. The FCSS point of contact for this matter is Joseph Gitter, Deputy Director of Special Projects and Technical Support, who can be reached by telephone at (301) 492-3264.

Sincerely,

/RA/

Dale E. Klein