

June 16, 2008

MEMORANDUM TO: Margie Kotzalas, Chief
MOX Branch
Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: David Tiktinsky, Sr. Project Manager **/RA/**
MOX Branch
Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: SUMMARY OF THE MANAGEMENT MEETING WITH SHAW AREVA
MOX SERVICES FOR THE MIXED OXIDE FUEL FABRICATION
FACILITY TO BE BUILT NEAR AIKEN, SC

On May 21, 2008, Nuclear Regulatory Commission (NRC) staff met with representatives from Shaw AREVA MOX Services (MOX Services) for a management meeting to discuss the status of the review of the license application to possess and use special nuclear material for the Mixed Oxide Fuel Fabrication Facility (MFFF). NRC staff and members of the public also toured the site to look at the progress of construction of the facility.

Please see the enclosed meeting summary for more details (Enclosure 1). The meeting attendance list is also enclosed (Enclosure 2). The meeting handouts can be found in Enclosures 3 - 4.

Enclosures:

1. Meeting Summary
2. List of Attendees
3. NRC meeting handout - Management Meeting Related to the Status of the License Review and Inspection Program for the MFFF
4. MOX Services meeting handout

CONTACT: David Tiktinsky, NMSS/FCSS
(301) 492-3229

cc w/o enclosures:

G. Smith, NNSA
J. Olencz, NNSA
S. Jenkins, SC Dept. of HEC
D. Silverman, Esq., MOX Services
D. Gwyn, MOX Services

A.J. Eggenberger, DNFSB
L. Zeller, BREDL
G. Carroll, Nuclear Watch South
D. Curran, Esq., Nuclear Watch South

MEMORANDUM TO: Margie Kotzalas, Chief
MOX Branch
Special Projects and Technical
Support Directorate
Division of Fuel Cycle Safety
and Safeguards

FROM: David Tiktinsky, Sr. Project Manager **/RA/**
MOX Branch
Special Projects and Technical
Support Directorate, FCSS

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SERVICES FOR THE MIXED OXIDE FUEL FABRICATION FACILITY TO BE
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SUMMARY OF THE MANAGEMENT MEETING WITH MOX SERVICES ON THE MIXED OXIDE FUEL FABRICATION FACILITY

Date May 21, 2008

Place Aiken, SC

Attendees See Enclosure 2

Purpose

This meeting had two purposes. Firstly, it provided Nuclear Regulatory Commission (NRC) management and members of the public an opportunity to participate in a site visit of the construction activities at the Mixed Oxide Fuel Fabrication Facility (MFFF). Secondly, it continued a management dialogue related to the status of license review activities with respect to the license application to possess and use radioactive material at the MFFF and the construction inspection program.

Discussion

The following is a summary of the topics that were discussed during the meeting:

The NRC staff provided background regarding the status of the licensing review including the development of requests for additional information (RAIs). RAIs for the civil structural, classified matter protection plan, and criticality safety have been sent to the applicant. RAIs for fire protection and confinement systems have been discussed with the applicant in public meetings and will be transmitted shortly.

The staff has had numerous interactions with the applicant including kickoff meetings, technical meetings, and in-office reviews. Significant numbers of these types of interactions are expected to continue for the foreseeable future. The applicant has been very cooperative in arranging and participating in in-office reviews.

The staff discussed other interactions that have been held with the applicant including quality assurance reviews, audits, and vendor inspections.

A summary of the quarterly NRC inspection reports for the periods of October 1, 2007, through December 31, 2007, and January 1, 2008, through March 31, 2008, were provided during the meeting.

The significant items from the October 1, 2007, through December 31, 2007, inspection reports included: a) the resident inspection program; b) the review of concrete specimen testing and low strength concrete in place of engineered fill; c) the review of applicant identified quality assurance (QA) items and corrective actions; d) vendor surveillance; e) the review of suppliers' oversight of subcontractors; and f) closure of inspection follow-up items.

The significant items from the January 1, 2008, through March 31, 2008, inspection reports included: a) the issuance of two violations, b) the resident inspection program, c) the continuation of the review of concrete specimen testing and low strength concrete in place of engineered fill, d) the continued review of the disposition of a non-conformance report related to concrete cracks, e) the review of piping and embedded plate installation, and f) the review of concrete quality control. Other significant activities that occurred during this time period were the observation of MOX Services' audits of two vendors.

Other licensing actions of note that were discussed in the meeting were a) the exemption that was granted to MOX Services related to the definition of a commercial grade item, b) a Part 21 notification related to reinforcing bar, c) the first annual revision of the License Application and Integrated Safety Assessment Summary, and d) the NRC strategy related to issuance of a license related to 10 CFR 70.23(a)8.

The applicant's presentation covered the following three areas: a) project organization, b) project overview, and c) project status.

The applicant discussed the organization chart for MOX Services and the status of the project. This included: a) project safety, b) concrete batch plant modifications, c) Department of Energy's (DOE) certification of Earned Value Measurement System, d) contract awards, and e) MFFF and support building construction. The applicant also presented numerous photographs showing the construction of the MFFF and support buildings. MOX Services presented a schedule of key events through July 2008.

After the business portion of the meeting, the public was provided an opportunity to ask questions of the NRC staff.

There were questions related to the MFFF construction and vendor quality assurance program and the oversight provided by NRC. The NRC stated that the agency performs inspections and audits of the implementation of the QA program as per a series of developed inspection procedures and that there is a resident inspector who oversees the construction project.

A member of the public expressed concerns related to NRC oversight of QA at the MFFF with respect to the identified violations included in the quarterly inspection report. The NRC stated that it will use a variety of tools to oversee QA at MFFF in addition to the resident inspection program, including: a) vendor QA programs, b) generic communications, c) robust oversight of the applicants vendor review program, and d) reviews of MOX Services Actions. NRC also stated that it critical for the applicant to use vendors with a strong QA program.

There were also questions related to QA lessons learned from construction activities for nuclear facilities outside of the United States. The NRC stated that it has an active program to interact with international authorities in order to understand issues that arise and bring lesson learned back to the United States.

A member of the public asked whether the issues related to reinforcing bar were uncovered by the applicant or by NRC inspectors. Additionally, there were comments related to the extent of the NRC inspection process. The NRC staff stated that the issued related to the reinforcing bar were identified by the staff during an inspection.

The NRC also stated that the inspection process is robust and includes: a) QA program reviews, b) Regional and Headquarters team inspections, and c) multi-disciplined special inspections.

There were questions related to why one of the applicant's vendors was limited to making only tank prototypes. The NRC staff stated that the issues with respect to this particular vendor were related to the proper documentation of an audit that was performed by its vendor of a subcontractor that manufactures neutron shielding material.

No regulatory decisions were made at the meeting.

The meeting was then adjourned.

May 21, 2008 Management Meeting Attendees

David Tiktinsky	NRC
Margie Kotzalas	NRC
Robert Pierson	NRC
Deborah Seymour	NRC
Mel Shanon	NRC
William Gloersen	NRC
David Stinson	MOX Services
Walt Elliott	MOX Services
Dealys Gwyn	MOX Services
Sam Glenn	NNSA
Donna Martin	MOX Services
Glenn Carroll	Nuclear Watch South
Tom Clements	Friends of the Earth
Ted Millings	SCDHEC
Dan Horner	Platts
Ed Lyman	Union of Concerned Scientists