



July 16, 2009
REL:09:031

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Director, Office of Nuclear Material Safety
and Safeguards
11555 Rockville Pike
One White Flint North
Rockville, MD 20852

Gentlemen:

Subject: Termination of Indemnification by the NRC Pursuant to 10 CFR 140.7(c); AREVA NP Inc. Richland Fuel Fabrication Facility; License No. SNM-1227, Docket No. 70-1257.

AREVA NP Inc. (AREVA) and its predecessor owner/operators of the Richland fuel fabrication facility have historically purchased, for a fee of \$5000 per year, indemnification from the NRC in accordance with 10 CFR 140.7(c). This practice relates to the fact that the Richland facility was once the site of a mixed oxide (MOX) fuel plant meeting the NRC's 10 CFR 140.3(h) definition of a plutonium processing and fuel fabrication plant.

The Richland MOX plant terminated its active fuel fabrication in 1975 and, after an intervening standby period, underwent formal NRC decommissioning in 1985-1986. Since that time the Richland site has not met the plutonium possession quantities set forth in 10 CFR 140.3(h)(1). However, Article VII of the governing Indemnity Agreement No. G-3 entered into in September 1977 by Exxon Nuclear Company, Inc. and the NRC maintains the agreement in effect until "all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in paragraph 4(b), Article I." Per Article I, paragraph 4(b), "the transportation of the radioactive material from the location shall be deemed to end when the radioactive material is removed from the transporting conveyance for any purpose other than the continuation of transportation or temporary storage incidental thereto."

As the NRC is aware, AREVA and its predecessors, under the terms of License No. SNM-1227, possessed and stored a number of drums of plutonium-contaminated decommissioning wastes from the MOX plant until June 24, 2008, at which time the waste drums were transported offsite to the adjacent U.S. Department of Energy (DOE) Hanford Site. The DOE accepted ownership responsibility for the wastes upon their removal from the AREVA site and has since completed all waste characterization protocols required for the DOE's ultimate transfer of the drums to the federal Waste Isolation Pilot Plant (WIPP) facility in Carlsbad, New Mexico. AREVA's recently renewed Richland site license no longer contains an authorization for onsite storage of this material.

AREVA NP INC.
An AREVA and Siemens company

2101 Horn Rapids Road, Richland, WA 99354
Tel.: 509 375 8100 - Fax: 509 375 8777 www.aveva.com

NMSSD

With the removal of the legacy MOX wastes from AREVA's site, AREVA considers the coverage under the previously noted indemnity agreement to have ended. By this letter AREVA requests that the NRC provide its timely review and feedback on this issue to allow AREVA to make appropriate follow-on risk management arrangements. If you have questions relative to this issue, please contact me at 509-375-8409.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. E. Link", followed by a large, stylized flourish or mark.

R. E. Link, Manager
Environmental, Health, Safety, & Licensing

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cc: Rafael Rodriguez
US Nuclear Regulatory Commission
6003 Executive Blvd.
Mail Stop E2C40M
Rockville, MD 20852

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