



March 25, 2010

RE: 1015-N

Federal Express Tracking No. 7933 8903 8687

Ken Kalman
US Nuclear Regulatory Commission
11545 Rockville Pike
Mail Stop 8 F5
Rockville, MD 20852

Dear Mr. Kalman,

In a letter to you from Sequoyah Fuels Corporation (SFC) dated September 24, 2009, SFC requested an amendment to its NRC License SUB-1010 to make certain changes to NRC-approved requirements without prior NRC approval. SFC proposed that a new condition (#53) be added to its license that would allow these changes to be made subject to the requirements of the proposed condition. The original proposed language is attached as Enclosure 1.

Based on subsequent discussions with you, SFC hereby withdraws the language originally proposed for Condition # 53 and offers revised language for Condition # 53 as contained in the attached Enclosure 2.

Should you have any questions concerning the revised amendment request, please contact me at (918) 489-5511,

Sincerely,

John H. Ellis
President, SFC

Robert Evans
Al Gutterman
NRC Doc Control

Enclosure 1 - Enclosure 2 from the original letter.

Enclosure 2 - (New) Change, Test and Experiment License Condition

Enclosure 1

53. The licensee is authorized to make certain changes to the NRC-approved requirements without NRC approval, if these changes are consistent with the ALARA principle and the reclamation process. All changes shall be approved by the SFC Plant Review Committee (Committee), subject to the following:

1. The licensee shall not be required to file an application for an amendment to the license when the following conditions are satisfied:
 - A. The change does not impair the licensee's ability to meet all applicable NRC regulations.
 - B. The change:
 - (i) imparts no degradation in health, safety, or environmental commitment addressed in the License,
 - (ii) has no significant adverse effect on the quality of work or reclamation objective, and
 - C. The change is consistent with the conclusions of actions analyzed in the Environmental Impact Statement, NUREG-1888 (May 2008) and the Safety Evaluation Report (April 20, 2009).

If any of these conditions are not met for the change under consideration, the licensee is required to submit a license amendment application for NRC review and approval.

2. The licensee's determinations as to whether the above conditions are met will be made by the Committee. All such determinations shall be documented. The licensee shall provide in an annual report to NRC, a description of all changes made pursuant to this condition, including a summary of the safety and environmental evaluation of each such action. As part of this annual report, the licensee shall include any pages revised pursuant to this condition. The records shall be retained until license termination. The retained records shall include written safety and environmental evaluations, made by the Committee, that provide the basis for determining whether or not the above conditions are met.

The Committee shall consist of a minimum of three individuals: President, Director Regulatory Affairs, and the Manager Health and Safety. The President shall be designated as the Committee chairman. These members shall be employed by the licensee's parent company or subsidiary of the licensee's parent company. Additional personnel may participate in Committee activities as necessary to address particular aspects or issues. The additional Committee participants may be consultants.

Enclosure 2

53. The licensee is authorized to make certain changes to the NRC-approved requirements without NRC approval, if these changes are consistent with the ALARA principle and the reclamation process. All changes shall be approved by the SFC Plant Review Committee (Committee), subject to the following:
- a. The licensee may, without obtaining a license amendment pursuant to §40.44, and subject to conditions specified in (b) of this condition:
 - i) make changes in the facility as described in License SUB-1010 (as updated),
 - ii) make changes to the approved SFC Reclamation Plan, Groundwater Monitoring Plan and Groundwater Corrective Action Plan,
 - iii) make changes in the procedures as described in License Sub-1010 (as updated), and
 - iv) conduct tests or experiments not described in License SUB-1010 (as updated).
 - b. The licensee shall obtain a license amendment pursuant to §40.44 prior to implementing a proposed change, test or experiment if the change, test, or experiment would:
 - i) result in any appreciable increase in the frequency of occurrence of an accident previously evaluated in the license application (as updated);
 - ii) result in any appreciable increase in the likelihood of occurrence of a malfunction of a structure, system, or component (SSC) important to safety previously evaluated in the license application (as updated);
 - iii) result in any appreciable increase in the consequences of an accident previously evaluated in the license application (as updated);
 - iv) result in any appreciable increase in the consequences of a malfunction of an SSC previously evaluated in the license application (as updated);
 - v) create a possibility for an accident of a different type than any previously evaluated in the license application (as updated);
 - vi) create a possibility for a malfunction of an SSC with a different result than previously evaluated in the license application (as updated);
 - vii) result in a departure from the method of evaluation described in the license application (as updated) used in establishing the final safety evaluation report (FSER) or the environmental assessment (EA) or

technical evaluation reports (TERs) or other analyses and evaluations for license amendments.

- viii) For purposes of this paragraph as applied to this license, SSC means any SSC which has been referenced in a staff SER, TER, EA, or environmental impact statement (EIS) and supplements and amendments thereof.
- c. Additionally the licensee must obtain a license amendment unless the change, test, or experiment is consistent with the NRC conclusions, or the basis of, or analysis leading to, the conclusions of actions, designs, or design configurations analyzed and selected in the site or facility Safety Evaluation Report, TER, and EIS or EA. This would include all supplements and amendments, and TERs, EAs, EISs issued with amendments to this license.
- d. The licensee's determinations concerning (b) and (c) of this condition shall be made by a Plant Review Committee (PRC). The PRC shall consist of a minimum of three individuals. One member of the PRC shall have expertise in management (e.g., Plant Manager) and shall be responsible for financial approval for changes; one member shall have expertise in operations and/or construction and shall have responsibility for implementing any operational changes; and one member shall be the radiation safety officer (RSO) or equivalent, with the responsibility of assuring changes conform to radiation safety and environmental requirements. Additional members may be included in the PRC, as appropriate, to address technical aspects such as groundwater hydrology, surface-water hydrology, specific earth sciences, and other technical disciplines. Temporary members or permanent members, other than the three above-specified individuals, may be consultants.
- e. The licensee shall maintain records of any changes made pursuant to this condition until license termination. These records shall include written safety and environmental evaluations made by the PRC that provide the basis for determining changes are in compliance with (b) of this condition. The licensee shall furnish, in an annual report to the NRC, a description of such changes, tests, or experiments, including a summary of the safety and environmental evaluation of each. In addition, the licensee shall annually submit to the NRC, changed pages, which shall include both a change indicator for the area changed, e.g., a bold line vertically drawn in the margin adjacent to the portion actually changed, and a page change identification (date of change or change number or both), to the operations plan and reclamation plan of the approved license application (as updated) to reflect changes made under this condition.