

April 16, 2010

Mr. David W. Turner, Manager
Vallecitos Nuclear Center
6705 Vallecitos Road
Sunol, CA 94586

SUBJECT: NON-ACCEPTANCE OF GE-HITACHI NUCLEAR ENERGY AMERICAS LLC'S
RENEWAL APPLICATION FOR SPECIAL NUCLEAR MATERIALS LICENSE
SNM-960 (TAC NO. L32961)

Dear Mr. Turner:

By letter dated February 24, 2010, GE-Hitachi Nuclear Energy Americas LLC submitted an application for renewal of Special Nuclear Materials (SNM) License SNM-960 to the Nuclear Regulatory Commission (NRC). The existing License SNM-960 expires on June 30, 2010.

The NRC has conducted a preliminary review of your renewal application and has determined that the application does not contain the information required by Title 10 *Code of Federal Regulations* (10 CFR) 70.22(a)(7). Pursuant to § 70.22(a)(7), an application must include a description of the equipment and facilities that will be used by the applicant to protect health and minimize danger to life or property, such as handling devices, working areas, and shields. Without this information, the staff would be unable to determine, under § 70.23(a)(3) and (4), whether the proposed equipment, facilities, and procedures are adequate to protect health and minimize danger to life or property.

A summary of the NRC's concerns resulting from its review of the above-referenced application is as follows: 1) areas of the Vallecitos site that are covered by SNM-960 are not adequately described in the renewal application (e.g., Building 103 (metallurgy, chemistry and ceramics laboratory), Building 105 (test reactor and laboratories), Building 107 (hazardous chemical storage), Building 349 (Liquid Waste Evaporator Plant), the Hillside Waste Storage Bunker); 2) other descriptive information contained in the application lacks the details necessary to complete a technical review (e.g., typical actions taken when spent fuel comes on the site, is analyzed, and is eventually moved to the Hillside Storage Bunker); and 3) descriptions of systems (e.g., relation of the supply and exhaust sides of the ventilation system to maintain pressure gradients) also lacks sufficient detail. The NRC is unable to accept your license renewal application for a detailed technical review until these deficiencies are addressed. An example of the information that the NRC staff would need to begin a technical review can be found in Appendix B of the Vallecitos application dated March 1989.

This letter does not constitute a final determination on the renewal application. The February 24, 2010, application meets the requirement for a timely renewal as stated in § 70.38(a). Unless GE Hitachi chooses to withdraw its renewal application, the existing License SNM-960 will remain in timely renewal beyond the expiration date of June 30, 2010, until the Commission makes a final determination to deny the renewal application or otherwise states an expiration date. In any revised submittal, GE Hitachi may want to make reference to the February 24, 2010, renewal application, stating that the latter submission is a revision of the former one.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of the NRC's Agencywide Document Access Management System (ADAMS). ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact Christopher Ryder of my staff at (301) 492-3189 or via e-mail at christopher.ryder@nrc.gov.

Sincerely,

/RA/

Daniel H. Dorman, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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Daniel H. Dorman, Director
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