

JAN 2 1981

Docket No. 70-687

MEMORANDUM FOR: Leo Rouse, Chief, Advanced Fuel and Spent Fuel Licensing Branch
Division of Fuel Cycle and Material Safety, NMSS

FROM: William O. Miller, Chief, License Fee Management Branch, ADM

SUBJECT: FEE CATEGORY ASSIGNMENT FOR LICENSE SNM-639

On November 5, 1980, we sent a letter (Enclosure 1) to Union Carbide Corp. (UCC) which informed them that, as a result of the issuance of Amendment 3 to License SNM-639 on March 26, 1979, the fee category for the subject license should have been changed from 16 to 1D. Fee Category 1D was assigned to License SNM-639 because Amendment 3 increased the possession limit from 4.6 kgs to 13 kgs of U-235 (3 kgs unirradiated and 10 kgs irradiated U-235) for use in activities other than fuel fabrication and processing. (Fee Category 16 is for those licenses which authorize from 350 grams to 5 kgs of snm).

In UCC's December 2, 1980 response (Enclosure 2) to our letter, however, they informed us that even though Amendment 3 authorized 13 kgs of U-235, they were restricted by an earlier safeguards amendment (Amendment MPP-3 dated January 30, 1979) to an aggregate quantity of less than 5 kgs of unirradiated U-235. Consequently, UCC believes that since Amendment MPP-3 effectively limits the quantity of unirradiated U-235 they may possess and use to less than 5 kgs, the fee category for License SNM-639 should be 16 instead of 1D.

Based on a further review of the license file, it appears that the safeguards amendment (MPP-3) does limit the actual amount of unirradiated U-235 which UCC may possess and use to less than 5 kgs, notwithstanding the 13 kgs authorized in Amendment 3. To assist us in determining the correct fee category for the subject license, and so that we may respond to UCC's letter, please furnish us with (1) the actual amount of U-235 UCC is allowed to possess and use under their license, (2) a description of the authorized use of the 13 kgs of U-235, and (3) your opinion as to whether there is a conflict between what the license authorizes and the safeguards amendment (MPP-3) issued January 20, 1979. In addition, during the period between March 26, 1979 and June 27, 1980, was the irradiated fuel authorized by the license for storage only?

We appreciated your assistance in this matter.

Signed C. James Holloway, Jr.

William O. Miller, Chief
License Fee Management Branch
Office of Administration

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Attachments:

- 1. Ltr 11/5/80 to UCC fm WOM11er
- 2. Ltr 12/2/80 fm UCC to WOM11er
- 3. Amend 3 to SNM-639 dtd 3/26/79
- 4. Amend MPP-3 dtd 1/30/79
- 5. 10 CFR 170

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