



Docket 70-1201
August 25, 2010

Document Control Desk
US Nuclear Regulatory Commission
ATT: Richard Thompson
Washington DC 20555-0001

SUBJECT: 10 CFR 70.38 Notification and Request to Postpone Initiation of Decommissioning Process

Dear Mr. Thompson:

On August 5, 2010 AREVA met with members of the NRC and the Commonwealth of Virginia Department of Health at NRC Region II in Atlanta. The purpose of the meeting was primarily to discuss AREVA's plans to move the fuel manufacturing portion of the site operations, the planned decontamination of the Special Nuclear Material (SNM) contact area and the continued by-product material handling activities.

10 CFR 70.38 Notification:

It was recognized at the meeting that the site presents a unique scenario with respect to 10 CFR 70.38, "Expiration and termination of licenses and decommissioning of sites and separate buildings or outdoor areas" because "principal activities" continue on site after the fuel operations with SNM end. The principal activities that continue will be conducted under the Commonwealth of Virginia's Program and, include the continued use of radioactive material on site including the areas predominantly used for SNM activities. As you know, the Commonwealth of Virginia is an Agreement State. The majority of the contamination control areas and floor area dedicated to work with dispersible forms of radioactive material on site are currently licensed under the Commonwealth of Virginia License.

It is AREVA's intention to cease fuel manufacturing and the use of special nuclear material associated with fuel manufacturing on or about July 2011. This notification is being provided according to 10 CFR 70.38(d)(2). AREVA will continue principal activities under the Commonwealth of Virginia License on site and likely in the fuel fabrication building.

Request to Postpone Initiation of Decommissioning Process per 10 CFR 70.38(f):

Consistent with 10 CFR 70.38(f), AREVA requests postponement of the initiation of the decommissioning process for SNM-1168. 10 CFR 70.38(f) provides in relevant part :

"The Commission may grant a request to delay or postpone initiation of the decommissioning process if the Commission determines that this relief is not detrimental to the public health and safety and is otherwise in the public interest. The request must be submitted no later than 30 days before notification pursuant to paragraph (d) of this section. The schedule for decommissioning set forth in paragraph (d) of this section may not commence until the Commission has made a determination on the request."

AREVA NP INC.
An AREVA and Siemens company

1724 Mount Athos Road, P.O. Box 11646, Lynchburg, VA 24506-1646
Tel.: 434 832 5000 - Fax: 434 832 5025 www.aveva.com

NMSSD1

The postponement of the initiation of the decommissioning process is necessary to support the continued by-product material operations and the plan to transfer residual SNM contamination to the Commonwealth of Virginia License. Note that the SNM possession limits under the Commonwealth of Virginia License will be consistent with 10 CFR 150.10 which exempts certain quantities of SNM from NRC licensing.

The site will retain the key regulatory and safety programs that have assured the safe use of radioactive material for the past 40 years and the postponement will not be detrimental to the public health and safety and is otherwise in the public interest.

AREVA has begun discussion with both the NRC and Virginia Department of Health (VDH) for the transfer of NRC licensed material to the Commonwealth of Virginia License at the cessation of fuel fabrication and after the shipment of bulk SNM from the site.

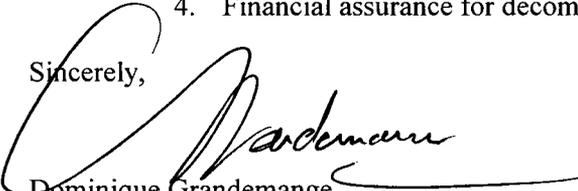
Plans and Schedule:

In principle, the VDH has agreed to the transfer of residual radioactivity, as SNM, to the Commonwealth of Virginia License when fuel manufacturing ceases. AREVA proposes to provide the following information, plans and schedule to support an NRC approval to transfer the residual material and ultimate decommissioning authority to the Commonwealth and terminate the SNM license.

By September 30, 2010, AREVA will submit a plan to the NRC for approval for the transfer of residual SNM after fuel operations, to the Commonwealth of Virginia license. The plan will include:

1. Schedule with key milestones for the run down of NRC licensed activities and termination of the SNM license along with associated plans and commitments
2. Planned end state and residual SNM contamination levels by area that will remain. This will include the waste water line formerly used for sinks, showers and the laboratory for handling slightly contaminated water prior to discharge to the wet weather stream
3. Commitment for the update of the decommissioning file
4. Financial assurance for decommission at the end of site activities

Sincerely,



Dominique Grandemange
Site Manager
AREVA NP, Inc.

cc. Mary Thomas NRC Region II
Dominick Orlando NRC HQ
Mark Roberts NRC Region I
Mike Welling VDH

EHS&L-10-005

AREVA NP INC.
An AREVA and Siemens company

1724 Mount Athos Road, PO Box 11646, Lynchburg, VA 24506-1646
Tel.: (434) 832-5205