

December 22, 2010

Mr. Scott Murray, Manager
General Electric-Hitachi Nuclear Energy
Mail Code 84
3901 Castle Hayne Road
Wilmington, NC 28401

SUBJECT: LETTER DATED DECEMBER 17, 2010, REGARDING THE LICENSE
APPLICATION RENEWAL AND THE DECOMMISSIONING FUNDING PLAN

Dear Mr. Murray:

In a letter (Reference 1) dated November 29, 2010, we outlined deficiencies in the application for a license renewal (Reference 2) dated September 30, 2010, and requested a revised application and an explanation of how the application meets Title 10 of the *Code of Federal Regulations* (10 CFR) 70.22 (a)(7) and (8) to be submitted by December 29, 2010. In a letter (Reference 3) dated November 18, 2010, we outlined deficiencies in the decommissioning funding plan (DFP) and cost estimate and requested a resubmittal by December 18, 2010.

General Electric-Hitachi (GEH) responded in a letter (Reference 4) dated December 17, 2010, requesting that responses to both U.S. Nuclear Regulatory Commission (NRC) letters be "held in abeyance until there is a thorough management review and agreed upon plan forward." GEH requested a meeting with NRC management, technical, and legal personnel to engage in a structured and methodical discussion of the issues raised by the NRC to date. As stated in your letter, the NRC management and technical staff have met on several occasions to discuss deficiencies in the application. Our letters previously discussed and documented the requirements for both the contents of an application per 10 CFR 70.22 and the requirements for the staff to approve an application per 10 CFR 70.23(a).

Your December 17, 2010, letter does not adequately respond to our letters requesting a revised application and a revised DFP with a cost estimate. We again request that GEH respond to our letters and resubmit both a revised renewal application and DFP with a cost estimate. If additional time is needed to respond, please submit a request and provide a justification. Both the license renewal application and the DFP can be addressed in the same letter.

In accordance with 10 CFR 2.390 of the NRC's "Rule 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 component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact me at 301-492-3137 or via email to Brian.Smith@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Acting Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-754
License No. SNM-960

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

Mr. James Ross
General Electric-Hitachi
1299 Pennsylvania Ave., NW
Suite 900
Washington, DC 20004

References

1. Letter from B. Smith, NRC, to D. Turner, GE-Hitachi, "September 30, 2010, Renewal Application For Special Nuclear Materials License SNM-960," November 29, 2010. ADAMS Accession Number ML103130054.
2. Letter from D. Turner, Vallecitos Nuclear Center, "License Renewal Application for Vallecitos Nuclear Center," September 30, 2009. ADAMS Accession Number ML092740523.
3. Letter from C. Ryder, NRC, to S. Murray, GE-Hitachi, "Updated Decommissioning Closure Plan And Cost Estimate: GE Hitachi Vallecitos Facility," November 18, 2010. ADAMS Accession Number ML103080149.
4. Letter from S. Murray, GE-Hitachi, to M. Tschiltz, NRC, "License Renewal Application for Vallecitos Nuclear Center," December 17, 2010. ADAMS Accession Number ML103510555.

If you have any questions regarding this matter, please contact me at 301-492-3137 or via email to Brian.Smith@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Acting Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-754
License No. SNM-960

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