

From: Johnson, Robert
Sent: Thursday, December 08, 2011 6:19 PM
To: lcomodica@aol.com
Cc: Ramsey, Kevin
Subject: RE: NFS's Loss of Liability Insurance -- Questions

Dear Ms. Modica,

I am responding to your e-mail to Tony Gody dated December 1, 2011 (below), that contained questions related to "NFS's Loss of Liability Insurance." Please find the responses to your questions provided below, in order they were presented.

1. "Since the document was found on ADAMS, we're assuming that someone in the NRC prepared these "Questions and Answers Regarding Nuclear Fuel Services Loss of Liability Insurance". But is that a safe assumption? Do you know (or can you find out) who asked -- an NRC official? NFS? a member of the public? a public-interest group? -- and who answered -- an NRC official? NFS? -- these questions?"

The Q&A file was prepared by staff from the Office of Nuclear Material Safety and Safeguards, in consultation with other NRC offices. Licensing staff were asked if the lack of a liability insurance policy violated any regulatory requirements. We do not recall exactly where the question originated.

2. "And can you tell us why NFS lost the liability insurance that had been provided by American Nuclear Insurers? If not, can you point me toward the ADAMS documents that were used to compose "Questions and Answers Regarding Nuclear Fuel Services Loss of Liability Insurance"?"

We do not know the details of the business decision. Since we concluded that liability insurance is not required by NRC regulations, we did not review the status of the insurance coverage. The only documents used by NRC staff to prepare the Q&A file were the Atomic Energy Act and related NRC regulations and rulemaking documents.

3. "Finally, why was this document prepared? Is it the NRC's modus operandi to produce these Q&A documents during the licensing process?"

It is standard practice to prepare questions and answers regarding topics that may be raised by stakeholders. We documented how we decided that NRC regulations concerning liability insurance did not apply to NFS. This file was not released to the public immediately because it addressed a sensitive financial matter not subject to NRC oversight.

I appreciate your continued interest in ensuring public safety and protecting the environment around the NFS facility. Hopefully these responses help to answer your questions on the "NRC Questions and Answers Regarding Nuclear Fuel Services Loss of Liability Insurance." If you have any questions concerning this email, please contact Kevin Ramsey, of my staff, at (301) 492-3123 or via e-mail to Kevin.Ramsey@NRC.Gov.

Thanks,

Robert K. Johnson, Branch Chief
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From: Gody, Tony
Sent: Thursday, December 01, 2011 5:22 PM
To: Linda Cataldo Modica
Cc: Ehrhardt, Frank; Kinneman, John; Ramsey, Kevin
Subject: RE: NFS's Loss of Liability Insurance -- Questions

The best I can do in the short term is forward your questions to the right NRC organization which I believe is the Division of Fuel Cycle Safety and Security in NRC Headquarters. Let me know if you have any problems and I will get more involved.

Sincerely,

Tony Gody, Director
Division of Fuel Facility Inspection
Region II
(404) 997-4700

From: Linda Cataldo Modica [<mailto:lcmodica@aol.com>]
Sent: Thursday, December 01, 2011 4:32 PM
To: Gody, Tony
Subject: NFS's Loss of Liability Insurance -- Questions

Tony,

Attached is ML11325A106, a one-page document that, according to ADAMS, is dated November 16, 2011. However, there is no date or attribution to any NRC office on the document.

Since the document was found on ADAMS, we're assuming that someone in the NRC prepared these "Questions and Answers Regarding Nuclear Fuel Services Loss of Liability Insurance". But is that a safe assumption? Do you know (or can you find out) who asked -- an NRC official? NFS? a member of the public? a public-interest group? -- and who answered -- an NRC official? NFS? -- these questions?

And can you tell us why NFS lost the liability insurance that had been provided by American Nuclear Insurers? If not, can you point me toward the ADAMS documents that were used to compose "Questions and Answers Regarding Nuclear Fuel Services Loss of Liability Insurance"?

Finally, why was this document prepared? Is it the NRC's modus operandi to produce these Q&A documents during the licensing process?

Hope you can answer these questions, and, if you can't, you'll forward these questions to the appropriate NRC official, or inform me that I'll need to resubmit these questions to NRC through a FOIA request.

Thanks very much,
Linda.

Linda Cataldo Modica, Chair
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