

## MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations (10 CFR), Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

|   |   |
|---|---|
| Licensee  |   |
| 1. International Isotopes Fluoride Products, Inc.   | 3. License Number: SUB-1011                                   |
| 2. 4137 Commerce Circle<br>Idaho Falls, Idaho 83401 | 4. Expiration Date: October 31, 2052<br>5. Docket No. 40-9086 |

6. Source and/or Special Nuclear Material and/or Byproduct Material
7. Chemical and/or Physical Form
8. Maximum amount that licensee may possess at any one time under this license
- A. Uranium (natural and depleted) and daughter products
- A.1 Physical: Solid, Liquid, and Gas
- A.2 Chemical: UF<sub>6</sub>, UF<sub>4</sub>, UO<sub>2</sub>F<sub>2</sub>, oxides and other compounds
- A. 750,000 Kilograms
9. Authorized Place of Use: The International Isotopes Fluoride Products, Inc.'s (IIFP), facility located in Lea County, New Mexico (NM) on the 640-acre section that lies , one mile north of the junction between NM Highway 483 (Arkansas Junction) and U.S. 62/180 (Carlsbad Highway) and along the east side of NM Highway 483 (NM 483).
10. The licensee shall conduct authorized activities at the IIFP facility in accordance with the statements, representations, and conditions:
- Application for Material License, U.S. Nuclear Regulatory Commission's (NRC's) Form 313 dated December 30, 2009, (Agencywide Documents Access and Management System (ADAMS) Accession No. ML100120736).
  - "License Application," Revision B submitted by letter dated May 03, 2012 (ADAMS Package Accession No. ML12123A245).
  - "Official Response to Seismic and Structural RAIs," Rev. C, September 2011, (ADAMS Accession No. ML11263A260).
  - "Emergency Management Plan," Revision B submitted by letter dated May 03, 2012, (ADAMS Accession No. ML12124A014).
  - "Security Plan" Revision B, submitted by letter dated May 03, 2012, (ADAMS Accession No. ML12124A015)
- or as they may be revised in accordance with Title 10 of the Code of Federal Regulations (10 CFR) 40.35(f), 10 CFR 70.72, or 10 CFR 95.19.

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**License Number  
SUB-1011Docket or Reference Number  
40-9086

11. The licensee shall comply with the requirements in 10 CFR Part 70, Subpart H, entitled "Additional Requirements for Certain Licensees Authorized to Possess a Critical Mass of Special Nuclear Material," consistent with the Commission's direction stated in Staff Requirements Memorandum to SECY-07-0146, "Regulatory Options for Licensing New Uranium Conversion and Depleted Uranium Deconversion Facilities." This condition shall be superseded following the effective date published in the Federal Register notice for the final 10 CFR Part 40 rule to implement Integrated Safety Analysis requirements for certain source material facilities. The requirements of 10 CFR Part 70, Subpart H shall remain in effect until IIFP has completed transition to the 10 CFR Part 40 ISA requirements, consistent with the final rule.
12. During construction of the IIFP facility, the licensee shall afford to the NRC at all reasonable times, opportunity to inspect the premises and facilities and to verify that the facility is being constructed in accordance with the requirements of the license and onsite implementing procedures.
- 13 Prior to commencing operations of the deconversion facility, IIFP shall conduct an operational readiness and management measures verification review and document the results in a report(s). The review must verify and document that items relied on for safety and their management measures have been implemented to ensure compliance with the integrated safety analysis requirements. IIFP shall provide the NRC with a copy of the Operational Readiness Review report(s). The report(s) may address the entire facility as a whole or be submitted in parts. Each part must address major subsections of the facility with clearly defined boundaries, e.g., the uranium tetrafluoride building. The report(s) for each section of the facility must be provided to the NRC no later than 60 days in advance of the start of operations involving the possession of more than 2000 kg of depleted UF<sub>6</sub> (i.e. the amount allowed for use in pre-operational testing). IIFP shall provide NRC opportunity to verify, through review and inspection, the findings of the report(s).
- 14 a. As required by 10 CFR 40.36(a) the licensee shall provide final copies of proposed financial assurance instruments and certification of financial assurance to the NRC for review at least six months before the anticipated date for obtaining radioactive material under this license. The licensee shall provide final, executed copies of the NRC-approved financial assurance instruments and certification of financial assurance to NRC at least 21 days before the anticipated date for receiving the radioactive material at the site. The amount of financial assurance provided shall be at least as great as the NRC-approved cost estimate.
- b. The licensee shall not obtain radioactive material under the NRC license, in any form, in an amount that would require financial assurance as set forth in 10 CFR 40.36, until the NRC reviews and approves the executed financial assurance instrument and certification of financial assurance.

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**License Number  
SUB-1011Docket or Reference Number  
40-9086

15. a. IIFP shall provide an updated Decommissioning Funding Plan (DFP) and updated facility Decommissioning Cost Estimate (DCE) to the NRC for review at least 6 months before the planned date for obtaining licensed material in any form, including contamination, in an amount that would require financial assurance as set forth in 10 CFR 40.36.
- b. On an annual basis, starting on the anniversary date of obtaining licensed material and for two subsequent years, the licensee shall provide an updated DFP and updated facility DCE to the NRC for review. With each annual update, if the cost estimate exceeds the amount of financial assurance provided, the licensee shall provide financial assurance in the amount of the updated cost estimate and an updated certification of financial assurance to the NRC for review and approval.
- c. All updates to the DFP and cost estimate for facility decommissioning and financial assurance instruments shall reflect current year U.S. dollars and shall encompass all current cost data—including but not limited to taking into account changes in inflation, possession limits, licensed material, labor rates, disposal and shipping rates, and site, and facility factors. All costs shall be supported by a detailed basis, be based on the costs of a third-party contractor, and shall not take credit for any salvage value that might be realized from the sale of potential assets during or after decommissioning. The total cost estimate shall include a contingency factor of at least 25 percent.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date: October 2, 2012By: /RA/

John D. Kinneman, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

UNITED STATES

COMMISSION

