

August 30, 2012

MEMORANDUM TO: Christine Galster
Budget Operations Branch 1
Division of Planning and Budget
Office of the Chief Financial Officer

FROM: Matthew Bartlett **/RA/**
Conversion, Deconversion
and Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: MODIFICATION OF PART 171 FEE CATEGORY 2A(1) AND
PROGRAM CODE 11400 TO APPLY TO INTERNATIONAL
ISOTOPES FLUORINE PRODUCTS, INC.

The Fuel Cycle Safety and Safeguards's (FCSS) staff propose expansion of the definition of the Title 10 of the *Code of Federal Regulations* Part (Part) 171.16 fee category 2A(1) and Program Code 11400 to apply to the proposed International Isotopes Fluorine Products, Inc. (IIFP), uranium deconversion facility. The 2012 fee category and Program Code are written to apply to facilities that convert uranium oxides into uranium hexafluoride.

The proposed IIFP facility has requested a license to deconvert uranium hexafluoride (UF₆) into uranium oxides for disposal and commercial sale of the fluoride byproducts. Since the processes, hazards, and security requirements are similar for both UF₆ conversion and deconversion facilities, the FCSS staff believe fee category 2A(1) and Program Code 11400 should be expanded to apply to both types of facilities.

The FCSS staff propose that the Part 171.16 fee category 2A(1) be modified with the following text to read (see new underlined and italicized text):

(1) Licenses for possession and use of source material for refining uranium mill concentrates to uranium hexafluoride *or for deconverting uranium hexafluoride in the production of uranium oxides for disposal* [Program Code(s): 11400].

In addition, the description for the Program Code 11400 contained in NUREG-1556, Volume 20, Appendix G, should be modified to incorporate deconversion facilities. The short description of Program Code 11400 contained in NUREG-1556 should be modified to read as follows (see new underlined and italicized text):

Uranium Hexafluoride (UF₆) ~~Production~~ *Conversion and Deconversion* Plants.

The long description in NUREG-1556 should be modified as follows (see new underlined and italicize text):

Uranium Hexafluoride ~~Production~~ Conversion and Deconversion Plants -Program Code 11400

Uranium Hexafluoride ~~Production~~ Conversion and Deconversion Plant licenses are issued for the possession and use of uranium to allow the conversion of yellowcake and/or ore concentrates to uranium hexafluoride (UF₆) or the deconversion of UF₆ to uranium oxides for disposal. This program code does not apply to uranium hexafluoride source material used in enrichment or in processing of special nuclear material.

Conforming changes for Program Code 11400 throughout NUREG-1556 should also be implemented.

If approved, IIFP may be issued a license in the fall of 2012 and is projected to begin operations in the fall of 2013. Based on this proposed schedule, the 2013 fee rule should address deconversion facilities as described above.

For additional information on this issue, please contact Matthew Bartlett at (301)-492-3119, or via email at matthew.bartlett@nrc.gov.

Docket No. 40-9086

License No. SUB-1011

The long description in NUREG-1556 should be modified as follows (see new underlined and italicize text):

Uranium Hexafluoride ~~Production~~ Conversion and Deconversion Plants -Program Code 11400

Uranium Hexafluoride ~~Production~~ Conversion and Deconversion Plant licenses are issued for the possession and use of uranium to allow the conversion of yellowcake and/or ore concentrates to uranium hexafluoride (UF₆) or the deconversion of UF₆ to uranium oxides for disposal. This program code does not apply to uranium hexafluoride source material used in enrichment or in processing of special nuclear material.

Conforming changes for Program Code 11400 throughout NUREG-1556 should also be implemented.

If approved, IIFP may be issued a license in the fall of 2012 and is projected to begin operations in the fall of 2013. Based on this proposed schedule, the 2013 fee rule should address deconversion facilities as described above.

For additional information on this issue, please contact Matthew Bartlett at (301)-492-3119, or via email at matthew.bartlett@nrc.gov.

Docket No. 40-9086

License No. SUB-1011

DISTRIBUTION:

FCSS r/f
RJohnson, NMSS

MGuardiola, NMSS
AHoward, OCFO

KFitch, NMSS
DSollenberger, FSME

DThompson, NMSS

ML12240A111

OFFICE	FCSS/CDEB	FCSS/FMB	FCSS/CDEB
NAME	MBartlett	LAllen	PSilva
DATE	08/27/2012	08/27/12	08/30/12

OFFICIAL RECORD COPY