

September 20, 2012

Ms. Barbara O'Neal
Erwin Citizens Awareness Network
P.O. Box 1151
Erwin, TN 37650

SUBJECT: RESPONSE TO WRITTEN COMMENTS PROVIDED AT PUBLIC MEETING ON
AUGUST 30, 2012

Dear Ms. O'Neal:

We have completed our review of the written comments you provided at the public meeting on August 30, 2012, regarding the renewal of the license for Nuclear Fuel Services. Responses to the questions you asked are enclosed.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390 of the U.S. Nuclear Regulatory Commission's (NRC's) "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from 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 Kevin Ramsey of my staff at 301-492-3123, or via e-mail at Kevin.Ramsey@nrc.gov.

Sincerely,

/RA/

Robert K. Johnson, Chief
Fuel Manufacturing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-143
License No. SNM-124

Enclosure:
As stated

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| DATE | 9/14/12 | 9/19/12 | 9/17/12 | 9/20/12 |

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Response to Questions Received from Barbara O'Neal on August 30, 2012

Question 1: Does the Nuclear Fuel Services, Inc.'s (NFS), Emergency Plan address sinkholes?

Response: The NFS Emergency Plan addresses natural phenomena. It establishes emergency action levels for declaring an emergency and notifying local officials when natural phenomena of any kind affect the site. NFS would respond to a sinkhole using the Emergency Plan procedures for natural phenomena.

Question 2: In the U.S. Nuclear Regulatory Commission's (NRC's) inspection report dated April 30, 2012 (Agencywide Documents Access and Management System [ADAMS] Accession Number ML12122A186), it appeared that NFS could not provide design documents for some buildings regarding seismic design, wind design, and flood plain concerns. Will the NRC take another look at these issues and add sinkholes—not just for NFS, but for all of your licensed facilities?

Response: NFS is required to maintain records of the design basis for its buildings. Some records could not be located while the inspectors were at the site. NFS committed to locate the records and have them available when the inspectors returned. NRC inspectors will follow up on this issue during a future inspection.

In response to the reactor accidents in Japan, the Commission is considering the need to change building design requirements for non-reactor facilities like NFS. To date, the Commission has not directed the staff to change any design requirements for non-reactor facilities.

Question 3: Is there any chance NRC will re-look at this Environmental Assessment and this period of license renewal in light of the new information and the obvious need for accident scenarios involving sinkholes?

Response: The NRC staff has no plans to revisit the Environmental Assessment or the license renewal. NFS has programs to evaluate new information from unexpected events and determine the need for changes and additional controls. NRC inspectors are monitoring the results of the evaluation. We don't expect the consequences of a sinkhole to be worse than the consequences already evaluated for earthquakes, tornados, fires, and floods.

Question 4: Who, specifically, are these Federal agencies who have committed the taxpayers to this clean-up? And while we would like to trust what NFS says, what say you NRC?

Response: The agencies are the U.S. Department of Energy (DOE), Office of Naval Reactors and the DOE Y-12 Site Office. Both of these offices have signed contracts with NFS for services. These contracts include clauses which commit the offices to fund the cost of decommissioning facilities associated with the contracted work. Letters from contracting officers confirming their intent to provide the funds when needed are discussed and referenced in Chapter 10 of the Safety Evaluation Report for the license renewal. The document transmitting the information is available in the NRC's ADAMS Accession Number ML11286A112. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Enclosure

Question 5: How does NRC plan to enforce the commitments in the License Application, especially in the major problem areas of Management Measures and Configuration Management?

Response: Condition S-1 of the License states that the radioactive material specified in the License is authorized only for use in accordance with statements, representations, and conditions in the application. If NFS fails to comply with this requirement, a violation of Condition S-1 will be cited and appropriate enforcement action will be taken.