

Miller, Debra

From: Bailey, Marissa
Sent: Wednesday, November 05, 2014 3:17 PM
To: Gody, Tony
Cc: Evans, Carolyn; Erlanger, Craig; Smith, Brian
Subject: LES Request for Operational Readiness Review of SBM-1005

Expires: Monday, May 04, 2015 12:00 AM

Tony,

On August 29, 2014, Louisiana Energy Services (LES) requested that Region II perform an Operational Readiness Review (ORR) and authorize initiation of feed material into Separations Building Module (SBM) - 1005. As discussed below, based on our analysis of the license and licensing basis documents (LBDs), we have determined that enrichment operations within the SBM-1005 is authorized by the current license (SNM-2010, Amendment 60).

The NMSS Division of Fuel Cycle Safety, Safeguards and Environmental Review (FCSE) is currently reviewing LES' license amendment request (LAR) 12-10, dated November 9, 2012. LAR 12-10 requests expansion of the LES facility and includes the construction and operation of SBM-1005 as one of the activities. The FCSE licensing staff has considered the issue of whether authorization of enrichment operations within SBM-1005 can be allowed under the current license and licensing basis, or if LAR 12-10 must first be approved. In our considerations, we reviewed the following documents:

- LES' original license application (also known as the Safety Analysis Report (SAR)) and environmental report (submitted December 12, 2003);
- NRC staff's Safety Evaluation Report (SER) and Final Environmental Impact Statement (FEIS), issued in support of the original application and environmental report; and
- Documents related to certain facility and LBD changes made by LES under 10 CFR 70.72 and License Condition 30.

After reviewing these documents, we have determined that the December 2003 license application (aka SAR) and environmental report, as well as the supporting staff SER and FEIS, appropriately address the construction and operation of SBM-1005. Additionally, we found that current licensing basis documents address the construction and operation of SBM-1005, except for Chapter 12 of the SAR and Chapter 4 of the Integrated Safety Analysis (ISA). It is our understanding that, under the provisions of License Condition 30, LES will modify these chapters prior to the ORR.

Thus, based on our analysis of the current license and licensing basis, we conclude that the operation of SBM-1005 is authorized contingent upon:

- Satisfactory completion of the ORR process in accordance with 10 CFR 70.32(k) and License Condition 11;
- Compliance with 10 CFR 70.25, which requires LES to have decommissioning funding in place prior to the introduction of feed into SBM-1005; and
- Revision of SAR Chapter 12 and ISA Chapter 4 to address SBM-1005 and applicable Items Relied on for Safety (IROFS) in the phased construction and operation of the site (note that these activities must be completed prior to the ORR).

Activities Not Authorized Under the Current License

The October 3, 2013, supplement to LAR 12-10, contains the following requests:

- The use of high assay tails (depleted natural uranium) as feed material for the cascade;

- An increase in the possession mass limit, for both natural and depleted uranium, from 136,120,000 kg to a new limit of 251,000,000 kg; and
- An increase in the enriched uranium possession mass limit from 545,000 kg to 2,180,000 kg.

Please note that these activities are outside the scope of the current license and LBDs and are, therefore, not authorized until the NRC staff completes the safety and environmental reviews, publishes a Finding of No Significant Impact (FONSI), and issues a license amendment and safety evaluation report documenting NRC's review and approval of these activities.

Please call me if you have any questions.

Marissa

Marissa Bailey, Director

Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission

Telephone: (301) 287-9102

E-Mail: Marissa.Bailey@nrc.gov