



July 21, 2016
ACO 16-0027

ATTN: Document Control Desk
Mr. Scott Moore, Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003

Recommendation to Suspend Review of Submittal of Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility

Dear Mr. Moore:

Purpose

The purpose of this letter is to recommend the U.S. Nuclear Regulatory Commission (NRC) suspend any review of proposed changes to Chapter 10.0, "Decommissioning" of the License Application and the Decommissioning Funding Plan (DFP) for the American Centrifuge Lead Cascade Facility (Lead Cascade) submitted February 12, 2016 (Reference 1), until receipt of the Lead Cascade Decommissioning Plan (DP).

Background

On March 2, 2016 (Reference 2), ACO notified the NRC, in accordance with 10 *Code of Federal Regulations* (CFR) 70.38 (d) (2), of Centrus Energy Corp.'s decision to permanently cease operation at the Lead Cascade and to terminate the Lead Cascade's Materials License (SNM-7003) following decontamination and decommissioning activities.

Section 10.0 of the Lead Cascade License Application requires ACO to submit a DP to NRC for review and approval.

Discussion

In accordance with the guidance contained in NUREG-1757, Volume 1, *Consolidated Decommissioning Guidance, Decommissioning Process for Materials Licensees*, the DP will include an updated decommissioning cost estimate. This updated cost estimate more appropriately reflects the current expected cost of decommissioning activities. Consequently, the updated cost estimate will provide a better basis for establishing the amount of financial assurance required in the event that use of a third party to complete decommissioning was necessary.

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Action

ACO recommends that the NRC suspend review of the February 12, 2016, License Application Chapter 10.0 and DFP changes (Reference 1) and instead review the cost estimate provided with the Lead Cascade DP for the purpose of determining any required adjustment to the Lead Cascade decommissioning financial assurance.

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3250 or John Corrado at (740) 897-2887.

Sincerely,



Steven A. Toelle
Director, Regulatory Affairs

cc:

Y. Faraz, NRC HQ
T. Grice, NRC HQ
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L. Pitts, NRC Region II
O. Siurano-Perez, NRC HQ
A. Snyder, NRC HQ
M. Sykes, NRC Region II
T. Vukovsky, Region II

References:

1. Letter ACO 16-0008 from S.A. Toelle to NRC regarding Submittal of Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility, dated February 12, 2016
2. Letter ACO 16-0010 from S.A. Toelle to NRC regarding Notification of Cessation of Principal Activities at the American Centrifuge Lead Cascade Facility, dated March 02, 2016