



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 15, 2018

Mr. David Carlson
President and Chief Operating Officer
Waste Control Specialists LLC
Three Lincoln Centre, Suite 1700
5430 LBJ Freeway
Dallas, TX 75240

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION'S ACKNOWLEDGEMENT OF
THE CHANGE OF OWNERSHIP OF WASTE CONTROL SPECIALISTS LLC

Dear Mr. Carlson:

The U.S. Nuclear Regulatory Commission (NRC) is sending this letter to Waste Control Specialists LLC (WCS) to acknowledge that, on January 26, 2018, WCS, Valhi Inc., and J.F. Lehman & Company (JFLCO) issued separate press releases announcing the completion of the sale of WCS from Valhi to JFLCO. By this letter, the NRC is informing WCS and JFLCO (the new owner of WCS) of the responsibility to continue to comply with the NRC Special Nuclear Material (SNM) Order and Order Conditions (as modified by the two NRC letters modifying the Order Conditions) or to apply for and be granted a specific NRC license (i.e., Title 10, *Code of Federal Regulations* (CFR) Part 70, "Domestic Licensing of Special Nuclear Material") to possess SNM in quantities sufficient to form a critical mass.

Section 274 of the Atomic Energy Act of 1954, as amended, provides a statutory basis under which the NRC can discontinue portions of its regulatory authority, allowing the States to license and regulate source material, byproduct material, and SNM less than a critical mass. The mechanism for the transfer of the NRC's authority to a State is an agreement signed by the Governor of the State and the NRC Chairman. In 1963, the State of Texas entered into an Agreement with the NRC and assumed regulatory authority over source material, byproduct material, and SNM less than a critical mass.

An NRC SNM Order to WCS is effective without further NRC order or proceedings when the NRC SNM Order Conditions are incorporated by the State of Texas into the WCS Radioactive Materials License #R04100. An NRC SNM Order to WCS enables the State of Texas to regulate SNM greater than a critical mass at the WCS Site under the State's radiation protection program as long as WCS complies with the NRC SNM Order to WCS.

The relevant documents related to the NRC SNM Order to WCS are available in the NRC's Agencywide Documents Access and Management System (ADAMS) under Docket No. 70-7005. To search by docket number in ADAMS, please use Docket No. 07007005.

Beginning in 2001, the NRC has issued an initial Order (see ADAMS Accession No. ML030130085 (2001 Order)) and three superseding Orders (see ADAMS Accession Nos. ML042650361 (2004 Order), ML092810374 (2009 Order), and ML14238A268 (2014 Order)) granting WCS exemptions from certain NRC regulatory requirements of 10 CFR

Part 70. Each Order permitted WCS, under specified conditions, to possess SNM in greater quantities than specified in 10 CFR Part 150 at the WCS Site in Andrews County, Texas, without obtaining an NRC license pursuant to 10 CFR Part 70. The 2014 Order Conditions were modified by two subsequent NRC letters to WCS.

The NRC letter dated September 23, 2016, responded to the WCS request to extend the possession time for storage of the LANL Waste at WCS (ADAMS Accession No. ML16097A265). The term "LANL Waste" used in the 2014 NRC SNM Order means: "transuranic waste that originated at the U.S. Department of Energy (DOE) Los Alamos National Laboratory (LANL), which are destined to be disposed of at the DOE Waste Isolation Pilot Plant (WIPP) Facility." The NRC letter dated September 26, 2017, responded to the last WCS request to modify the NRC SNM Order (ADAMS Accession No. ML17234A415).

On July 7, 2016, the NRC issued a letter to WCS (ADAMS Accession No. ML15093A222) acknowledging the changes requested in 2014 and the NRC's conclusions regarding further activities. The NRC will use the SNM Order process for a future WCS request to allow WCS to re-package (i.e., including treatment if needed) and transport the LANL Waste currently in storage on the WCS Site to the DOE WIPP Facility. WCS should consider applying for an NRC Part 70 license for any other activity with SNM greater than a critical mass.

A copy of the documents listed below are attached to this letter:

- 2014 NRC SNM Order to WCS (ADAMS Accession No. ML14238A268);
- NRC letter to WCS dated September 23, 2016 (ADAMS Accession No. ML16097A265);
- NRC letter to WCS dated September 26, 2017 (ADAMS Accession No. ML17234A415);
- and
- NRC letter to WCS dated July 7, 2016 (ADAMS Accession No. ML15093A222)

If you have any questions, then please contact Mr. Harry Felsher of my staff. Mr. Felsher can be reached at (301) 415-6559 or by e-mail at Harry.Felsher@nrc.gov.

Sincerely,

/RA/

John R. Tappert, Director
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Materials Safety
and Safeguards

Docket No. 70-7005

cc: Charles Maguire, Director
Texas Commission
on Environmental Quality

Scott State, Chief Executive Officer
Waste Control Specialists LLC
Three Lincoln Centre, Suite 1700
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D. Carlson

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DATED MARCH 15, 2018

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ADAMS Accession No.: ML18033A053

OFFICE	DUWP:PM	DUWP:LA	DUWP:BC
NAME	HFelsher	CHolston	MArribas-Colon
DATE	02/05/18	02/06/18	02/10/18
OFFICE	OGC	DUWP:DDD	DUWP:DD
NAME	KRoach (by e-mail)	MSampson	JTappert
DATE	02/28/18	03/01/18	03/15/18

OFFICIAL RECORD COPY

**Attachment #1 – 2014 NRC SNM Order to WCS
(ADAMS Accession No. ML14238A268)**

**Attachment #2 – NRC letter to WCS dated September 23, 2016
(ADAMS Accession No. ML16097A265)**

**Attachment #3 – NRC letter to WCS dated September 26, 2017
(ADAMS Accession No. ML17234A415)**

**Attachment #4 – NRC letter to WCS dated July 7, 2016
(ADAMS Accession No. ML15093A222)**