



Global Nuclear Fuel

NRC-2018-0159
SUNSI Review Complete
Template = ADM-013
E-RIDS=ADM-03
ADD= Kenneth Kline, Sarah
Achten

COMMENT (3)
PUBLICATION DATE:
8/21/2018
CITATION 83 FR 42319

Global Nuclear Fuel

Scott P. Murray
Manager, Facility Licensing

3901 Castle Hayne Road
P.O. Box 780
Wilmington, NC 28402
USA

T (910) 819-5950
scott.murray@ge.com

M180193

October 4, 2018

Ms. May Ma
Office of Administration
Mail Stop: TWFN-7-A60M
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: GNF-A Comments on Draft Decommissioning Funding Plan Interim Staff
Guidance

References: 1) NRC License SNM-1097, Docket 70-1113
2) Federal Register, August 1, 2018 (83 FR 37529) Docket ID NRC-2018-0159

Dear Ms. Ma:

Global Nuclear Fuel-Americas, LLC (GNF-A) appreciates the opportunity to comment on NRC's "Draft Interim Staff Guidance (ISG) on Decommissioning Funding Plans (DFP) for Material Licensees" (Reference 2). We are concerned that the draft ISG will have a significant impact on material licensees issued pursuant to 10 CFR Parts 30, 40, and 70.

Specifically, the language in the draft ISG significantly expands the scope of DFP submittals beyond current regulatory requirements to include removal of licensed material inventory as part of the decommissioning cost estimate (DCE). The regulatory basis for this scope expansion has not been articulated or justified by NRC staff or in the ISG. In addition, the draft ISG Section 1 "DCE Reflecting Current Facility Conditions" appears to redefine the term "decommission" by significantly expanding the term residual radioactivity to include licensed material inventory without a clear regulatory basis or defined concern.

For Part 70 licensees, special nuclear material (SNM) inventory disposition is a licensed operation that must be performed prior to declaring per 10 CFR 70.38(d) that a licensee has permanently ceased principle activities. A licensee or its contractor would not plan on ceasing activities and enter a decommissioning phase and cannot attempt to terminate the license until the inventory quantities of licensed material is removed from the site. As a result, a licensee only needs to provide financial assurance for the cost of decommissioning the licensed materials that it plans on being present at the end of principle activities, namely contamination and residual radioactivity.

Existing inventory of SNM is neither contamination, residual radioactivity or waste, but rather is inventory that has been or will be used in routine fuel manufacturing activities during normal operations. This includes feed stock material, in-process or production material and finished goods material. Inventory quantities of SNM such as this will be removed as part of a normal licensed activity or transferred for use at another facility prior to commencing decommissioning.

Costs to pack and transport this material prior to entering site decommissioning are operational expenses and not legitimate decommissioning activities consistent with the definition of decommissioning in 10 CFR 70.4. To include such costs in the decommissioning cost estimate would be contrary to 10 CFR 70.25(h) requirements that financial assurance funds be used only for decommissioning activities. It also is contrary to Financial Accounting Standards for accounting and reporting asset retirement obligations.

With this draft ISG, NRC staff has inserted additional unnecessary information requirements regarding arrangements for licensed material inventory disposition prior to decommissioning. For example, the draft ISG indicates a licensee must provide additional information to:

- 1) Provide a justification in the DFP narrative to demonstrate how the inventory removal costs are covered and if an existing contract is in place to cover these costs, OR
- 2) Include these amounts in the decommissioning cost estimate including a detailed breakdown to package, load and ship the material offsite.

This additional information is not required by any current rulemaking. None of the current NRC decommissioning assurance requirements (30.35, 40.36, 50.75, 70.25, or 72.30) require decommissioning cost estimates to include costs or a discussion regarding licensed material inventory (not waste) disposition.

Nor was licensed material inventory disposition discussed at any time during the prior decommissioning planning rulemaking (Proposed rule FRN dated 1/22/08 and final rule FRN dated 6/17/11).

Nor is a change to licensed material inventory one of the eight events to be considered during a routine DFP update (i.e. 70.25(e)(2)).

While NRC's guidance for reviewing 10 CFR Part 70 DFPs is NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance - Financial Assurance, Recordkeeping, and Timeliness" (ML No. ML16307A014). Page A-22, states, in part:

"...the site-specific cost estimate must assume that the decommissioning work should represent the licensee's best approximation of all direct and indirect costs of decommissioning its facilities under routine facility conditions." The assumption that routine facility conditions will prevail at the time of decommissioning implies that the cost estimate need not consider a worst-case decommissioning scenario; and inventories of materials and wastes at the time of decommissioning will be in amounts that are consistent with routine facility conditions. As such, inventory that may be present due to routine operations must be considered in DFPs"

The Foreword of NUREG-1757 also states:

"This NUREG is not a substitute for NRC regulations and compliance with it is not required."

As a result, the addition of routine operation inventory in the DFPs, as discussed in NUREG-1757, Vol. 3, Rev. 1, is providing requirements above and beyond those explicitly stated in 10 CFR Part 70.25(e).

Use of an ISG is a wholly inappropriate method to implement additional decommissioning funding plan requirements. If NRC believes this additional information is required, it should be codified by rulemaking not an ISG.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott P. Murray". The signature is fluid and cursive, with the first name "Scott" and last name "Murray" clearly legible.

Scott P. Murray, Manager
Facility Licensing

cc: Marc Dapas, NMSS, NRC
Brian Smith, NMSS/FCSE, NRC
Jacob Zimmerman, NMSS/FCSE, NRC
John Tappert, NMSS/DUWP, NRC
Chris McKenney, NMSS DUWP, NRC
Mark Lesser, R-II/DFFI, NRC
SPM 18-048