

APR 02 1991

MEMORANDUM FOR: Commissioner Remick

FROM: James M. Taylor  
Executive Director  
for Operations

SUBJECT: CONSTRUCTION PERMIT CPCSF-4 FOR ALLIED-GENERAL  
NUCLEAR SERVICES, BARNWELL NUCLEAR FUEL PLANT  
(SECY-91-021) -- REQUEST STAFF OBTAIN ADDITIONAL  
INFORMATION FROM AGNS

The Office of Nuclear Material Safety and Safeguards staff has received the enclosed letter, dated March 21, 1991, from Allied-General Nuclear Services (AGNS). This letter provides the additional information requested in your memorandum, dated February 21, 1991.

Original Signed By:  
James M. Taylor  
James M. Taylor  
Executive Director  
for Operations

Enclosure:  
Letter to AGNS  
dated 2/28/91

cc: Chairman Carr  
Commissioner Rogers  
Commissioner Curtiss  
SECY  
OGC  
GPA

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Docket No. 50-332	NMSS R/F	CJenkins	JTaylor
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**AGNS**  
Allied-General Nuclear Services

March 21, 1991

Charles J. Haughney, Chief  
Fuel Cycle Safety Branch  
Division of Industrial and Medical  
Nuclear Safety  
United States Nuclear Regulatory  
Commission  
Washington, D.C. 20555

RE: Docket No. 50-332

Dear Mr. Haughney:

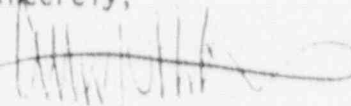
This is in response to your letter dated February 28, 1991 asking for additional information which might have a bearing on whether extension of Construction Permit No. CPCS-4, relating to the Barnwell facility, would be appropriate.

In particular, you asked what construction activities Allied-General Nuclear Services intends to pursue if the completion date is extended, and what our long-range plans are for the Separations Facility.

We do not, as of the present time, plan to pursue any additional construction activities at the site. It has been and is our hope that the site would prove to be of interest and advantage to the United States Government (probably through the Department of Energy), or to some contractor designated by the United States Government -- particularly in connection with the Government's adjoining Savannah River facility. If this proves to be the case, then we would work toward a sale and transfer of the facility to the Government, or to a contractor designated by the Government. It has been our thought that in such event the Construction Permit, in a non-terminated phase, might be useful and helpful to the Government, and that accordingly it would be advisable that the status quo with respect to the Construction Permit be maintained pending further resolution of these matters.

In connection with your consideration of this subject, we also wish to inform you that the expressions of interest in the possibilities of acquiring and using the Barnwell facility are very current. As you are aware, Westinghouse is the Department of Energy's operating contractor at the Government's Savannah River site. This month a substantial number of Westinghouse and Department of Energy personnel have made extensive tours of the Barnwell facility in connection with the consideration which, as we understand it, is at this time being given to whether the Barnwell site might advantageously fit into the Government's plans. We are not fully knowledgeable on the details of the plans which may now be under active consideration. But these facts reinforce our belief that the status quo be maintained with respect to the Construction Permit at least until the Government and Westinghouse have had an opportunity to resolve these matters.

Sincerely,



Albert F. Ritardi  
President  
Allied Chemical Nuclear  
Products, Inc.

AFR/k1b