

Mr. Heyward G. Shealy, Chief
 South Carolina Bureau of Radiological Health
 Department of Health & Environmental Control
 2600 Bull Street
 Columbia, South Carolina 29201

AUG 17 1992

Dear Mr. Shealy:

This confirms our telephone discussion of August 14, 1992 with Mr. Autry of your staff. The Commission has approved the staff's plans to deny the Allied-General Nuclear Services (AGNS) application to extend the Nuclear Regulatory Commission construction permit for the Barnwell Nuclear Fuel Plant (BNFP). The Commission also instructed the staff to coordinate this action in advance with the State of South Carolina to assure South Carolina's lack of objection to bearing regulatory responsibility for assuring decommissioning.

The NRC construction permit for BNFP did not authorize the possession or use of radioactive materials at this facility, nor did NRC issue any license providing such authorization. Because of its location in an Agreement State, BNFP appropriately obtained a source material license from the State and used source material for preoperational test purposes. When NRC terminates the construction permit it thereby terminates all NRC authority over the site. The only remaining nuclear issue will be decontamination and proper disposition of any remaining source material, which will be accomplished under the State's regulations and licensing requirements. Our understanding is that the BNFP has been to a large degree decontaminated, except for small amounts of material in a few areas, and that AGNS has contracted with Chem Nuclear Systems, Inc., to monitor the safe confinement of this activity. AGNS also has a small contingent of personnel at Barnwell to oversee and control site access.

If there are any differences in these understandings, please advise A. Thomas Clark of my staff at (301) 504-3424 within the next few days. We plan to terminate the construction permit in late October.

Sincerely,

Original Signed By: *J. Cunningham*

Richard E. Cunningham, Director
 Division of Industrial and
 Medical Nuclear Safety, NMSS

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*see prior concurrence

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