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POLICY ISSUE
(Notation Vote)
Predecisional

June 30, 1992

SECY-92-233

For: The Commissioners

From: James M. Taylor
Executive Director
for Operations

Subject: TERMINATION OF CONSTRUCTION PERMIT FOR THE BARNWELL
NUCLEAR FUEL PLANT

Purpose: To request Commission approval of staff plans to deny the request for extension of the latest completion date for the Barnwell Nuclear Fuel Plant (BNFP), thereby terminating the construction permit.

Background: In SECY-91-021, the staff recommended termination of the construction permit associated with the Barnwell Nuclear Fuel Plant. Construction Permit CPCSF-4 for the BNFP was issued, in December 1970, to Allied-General Nuclear Services, Inc. (AGNS). In November 1976, AGNS requested an extension of the latest construction completion date of December 31, 1976. The staff had not taken action on this request nor on the subsequent requests filed by AGNS. In December 1977, the Commission terminated proceedings on all activities associated with the BNFP in connection with the termination of the proceedings of the generic environmental impact statement on the use of recycled plutonium in mixed oxide fuel (GESMO).

In the Staff Requirements Memorandum, dated April 30, 1991, the Commission directed the staff to take no action with

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respect to AGNS' requests to extend the latest construction completion date, and to inform AGNS that the Commission intends to terminate the construction permit in June 1992. By letter, dated June 3, 1991, the staff informed AGNS of the intent to terminate in June 1992.

Discussion:

The BNFP has been dormant since 1983, when the licensee, under the regulatory authority of the State of South Carolina, removed all bulk test uranium and partially decontaminated the facility. Some residual contamination remains in the facility, under State license. The licensee has removed or dismantled much of the equipment at the facility. Only the Fuel Receipt and Storage Station remains essentially intact. However, in regard to whether the facility is still a Part 50 production facility, the licensee has removed the power cabling and control panelling to most areas of the plant and has removed the shear assembly and hoists and cranes. Thus, the facility has no means to lift spent fuel into the processing area or to chop fuel. Moreover, the licensee has no staff at the site who are knowledgeable about reprocessing. In fact, actions taken by the licensee at BNFP have left the facility less capable of reprocessing than that of the Midwest Fuel Recovery Plant for which the construction permit was terminated in 1976. Thus, the staff has concluded that BNFP is not now a production facility, and no facility license is required.

Although we have communicated with the licensee about the status of the facility, there has been essentially no change in status since we presented this policy issue to the Commission in February 1991. The licensee, by letter, dated May 12, 1992, stated that there is no consideration being given to any use for the facility, and has indicated in discussions that they would not contest termination of the construction permit. Although a consortium called TRUSS, composed of Nuclear Assurance Corporation, Nuclear Fuel Services, Inc., BE Inc., and Holtec International, inquired about purchasing the facility to store spent fuel in the Fuel Receipt and Storage Station and in one of the heavily shielded high-level cells, it has not taken any action, that we are aware of, in furtherance of this interest. The staff recommends denial of the application for extension of the construction permit.

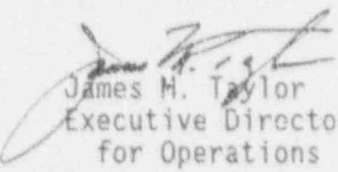
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Recommendation: That the Commission:

1. Approve staff's plans to deny the AGNS application to extend the latest completion date, which will have the effect of terminating the construction permit. The denial action will include a Federal Register notice and a letter to AGNS allowing an opportunity for a hearing.
2. Note:
 - a. That a South Carolina Agreement State license covers the residual contamination at the site and the termination of the construction permit would not affect that license.
 - b. That TRUSS might apply for a fuel storage license at Barnwell, but termination of the construction permit would not have an adverse impact on such an application.

Coordination: The Office of the General Counsel has reviewed this paper and has no legal objection.


James M. Taylor
Executive Director
for Operations

Commissioners' comments or consent should be provided directly to the Office of the Secretary by COB Wednesday, July 15, 1992.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT Wednesday, July 8, 1992 with an information copy to the Office of the Secretary. If the paper is of such a nature that it requires additional review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

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