

FEB 29 1988

IMUF:GHB
70-1257

MEMORANDUM FOR: C. James Holloway, Jr., Chief
License Fee Management Branch, ARM/DAF

FROM: Leland C. Rouse, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

SUBJECT: CLASSIFICATION OF LICENSE SNM-1227

Your February 17, 1988 memorandum, subject as above, raised six questions concerning the 1986 request by Exxon Nuclear (now Advanced Nuclear Fuels Corporation) for adjustment of the license category used to determine fees. Our responses are as follows:

- Q1. Does the license authorize the possession of plutonium only for storage pending disposal?
- A1. The current license authorizes the possession of 500 grams of plutonium. The only authorized use is storage because ANFC cannot transfer the approximate 250 g to a waste disposal licensee. In addition, at this time, ANFC possesses 1 mg of Pu as sealed sources for general use.
- Q2. If the response to 1. above is yes, when was the "storage only" authorization originally granted?
- A2. By letter dated February 8, 1983, ENC requested that the license be amended to include criteria for storage only of Pu waste and for the surveillance of deteriorating gloveboxes. Amendment No. 8 was issued April 1, 1983. ENC retained the possession limit for 100 kg of Pu in sealed rods but was not authorized to use such material. ENC did not possess the 100 kg of Pu but wanted to maintain the option of getting into the Pu business. Effectively, ENC could possess only the Pu on contaminated gloveboxes and equipment. ENC noted that no disposal site was available for the Pu.
- Q3. If the authorized use for plutonium includes activities other than storage only, is it in unsealed form in combination that would constitute a critical quantity as defined in §150.11?
- A3. ANFC possesses 1mg of Pu as sealed sources which can be used. ANFC is also authorized to possess up to 500 grams as Pu in waste sealed inside 55-gallon drums. ANFC actually possesses about 250 grams Pu in 32 drums pending availability of a disposal site. This material constitutes a critical mass as defined in §150.11.

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- 2 -

FEB 29 1988

Q4. Did the license ever authorize use of plutonium in unsealed form in combination that would constitute a critical quantity as defined in §150.11?

A4. Yes.

Q5. If the response to 4. above is yes, what were the dates of the authorization?

A5. We did not research the exact dates but it was well before the 1984 time-frame that ENC raised in its letter of July 11, 1986.

Q6. Do Items A., B., and C. fall within the definition of fee Category 1A or 1B of §170.31, 10 CFR 170?

A6. Category 1B appears to be the correct definition.

It is clear to us that ANFC is the victim of institutional changes which have prohibited the disposal of Pu waste. Except for decommissioning activities, ENC was out of the Pu business prior to 1981. If disposal sites were available, ENC would have been totally out of the Pu business before 1984.

If any of these responses require clarification, please contact George Bidinger of my staff.

Original Signed By:

Leland C. Rouse, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety, NMSS

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Docket 70-1257

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