



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the Matter of

ALLIED-CHEMICAL CORPORATION  
Metropolis, Illinois

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)

Docket No. 0400-3392  
License No. SUB-526

ORDER TO PROTECT THE COMMON DEFENSE AND SECURITY

I

Allied-Chemical Corporation, Metropolis, Illinois, (the "licensee") is the holder of License No. SUB-526 (the "licensee") issued by the Nuclear Regulatory Commission (the "Commission" or "NRC") which authorizes the licensee to use source material in a UF<sub>6</sub> conversion plant in Metropolis, Illinois. The license was last issued on May 28, 1985 and will expire on June 1, 1990.

II

In a letter dated October 2, 1986, Governor James P. Thompson of the State of Illinois requested that the Commission enter into an Agreement with the State pursuant to Section 274 of the Atomic Energy Act, as amended. The specific authority requested includes the category, source material. An NRC staff assessment and the proposed agreement were published in the Federal Register for public comment (52 FR 2309, 2898, 3503 and 4436; correction notice at 52 FR 4569). The staff assessment noted that with respect to the Allied Chemical plant, the Commission was considering whether continued NRC regulation was necessary in the interest of the common defense and security of the United States.

III

In a letter dated November 17, 1986, the Department of Energy, ("DOE") commenting to NRC on the matter of the proposed inclusion of the NRC license to Allied Chemical among the category of source material licenses to be transferred to Illinois under a Section 274b Agreement, stated that the combination of the commercially operated uranium conversion facilities in the U.S. and the DOE operated enrichment facilities represent a complex that is an important national asset essential to maintaining the common defense and security of the United States. DOE further expressed the view that, "it would be prudent for NRC to retain its existing regulatory authority over uranium conversion facilities consistent with its charter to regulate facilities whose operation is in the national interest."

IV

Upon consideration of these facts, the Commission has determined that regulation of the Allied-Chemical conversion plant in Metropolis should be continued under NRC jurisdiction to protect the common defense and security.

V

In view of the foregoing and pursuant to Sections 161b and 274m of the Atomic Energy Act, as amended, 42 U.S.C. §§ 2201(b), 2021(m), IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT:

a. Notwithstanding the provisions of a Section 274b Agreement with the State of Illinois as approved by the Commission the NRC jurisdiction over the possession and use of source material by Allied Chemical (license SUB-526) shall be retained by the NRC, and

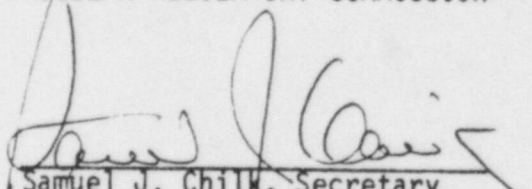
b. NRC jurisdiction over the license shall remain in effect during the term of such Section 274b Agreement unless the Commission shall determine that continued regulation by NRC is no longer needed to assure the protection of the common defense and security of the United States.

VI

Any person whose interest may be adversely affected by this order may within 30 days of the date of this order file written comments with supporting analysis with the Secretary of the Commission explaining why this order should not have been issued. The Commission will consider any comments that are filed with a view to possible modification or rescission of the order. The filing of any comments does not stay the effectiveness of this order.

Commissioner Asselstine disapproved this Order.

FOR THE UNITED STATES  
NUCLEAR REGULATORY COMMISSION\*

  
Samuel J. Chitt, Secretary  
Office of the Secretary of the  
Commission

Dated at Washington, DC this 14th day of May, 1987.

\*Commissioner Roberts did not participate in this action.

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