



Docket No. 070-03089

May 4, 1998
L-98-004

Dr. Carl J. Paperiello
Deputy Director
Nuclear Material Safety & Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Subject: Atomic Vapor Laser Isotope Separation (AVLIS) Licensing Process License
Application Format and Content

Dear Dr. Paperiello:

AVLIS deployment is closely tied to the schedule for USEC privatization. Significant strides toward completion of privatization have been made. We are actively engaged in a process which we expect to result in a privatized USEC as soon as July 1998. This will lead to an AVLIS license application submittal in February, 1999.

To support this schedule we have begun to prepare the license application. The application is being prepared to satisfy NRC licensing requirements and guidance. Attached is our proposed format and content for the license application including the regulatory guidance we are using. We believe that this proposed application format and content facilitates efficient NRC staff review of the license application and provides a solid basis for subsequent licensing decisions. In addition, the proposed approach to clearly define inspectable and verifiable license conditions should result in a license with license conditions that are readily manageable for both USEC and the NRC.

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Dr. Carl J. Paperiello

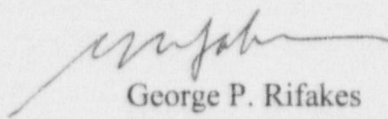
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To support our schedule for submittal of a license application, we request your concurrence with our format and content and proposed implementation of the guidance documents, as described in Attachment 1, by July 31, 1998. We look forward to working with you to achieve an efficient, predictable, and timely AVLIS licensing process. Should you require further information regarding these matters, please contact me or Rob Woolley at (301) 564-3413.

Sincerely,



George P. Rifakes
Executive Vice President

cc:

Drew Persinko

Attachment

ATTACHMENT I
PROPOSED AVLIS LICENSE APPLICATION FORMAT AND CONTENT

NRC guidance for the format and content of an AVLIS license application includes:

- 1) Regulatory Guide 3.25, Standard Format and Content of Safety Analyses Reports for Uranium Enrichment Facilities, December 1, 1974,
- 2) Regulatory Guide 3.52 Revision 1, Standard Format and Content for the Health and Safety Sections of License Renewal Applications for Uranium Processing and Fuel Fabrication Plants, November 1, 1986,
- 3) Draft Regulatory Guide 3.52 Revision 2, Standard Format and Content for the Health and Safety Sections of License Applications for Fuel Cycle Facilities, January 1995.

Each of these specify substantially different formats and contents.

Based on discussions with your staff, USEC is not planning to follow the guidance in Regulatory Guide 3.25. USEC proposes to submit a two part license application as defined in Regulatory Guide 3.52 Revision 1 structured as follows:

Part I - License Conditions - license conditions stating the performance requirements to which the licensee proposes to commit. Part I is written to permit inspection and verification of the stated performance requirements. These license conditions may not be changed without prior NRC approval.

Part II - Safety Demonstration - follows the format and content of Draft Regulatory Guide 3.52 Revision 2 dated January 1995. Although not final, USEC understands from its previous interactions with the NRC that Draft Regulatory Guide 3.52 Revision 2 represents the most recent publicly available guidance, compliance with which is most likely to produce an application that is acceptable and readily reviewable by NRC.

We plan to deviate from the Draft Regulatory Guide 3.52 Revision 2 format in that the following sections will be submitted as separate reports:

- a) a Quality Assurance Program Description will be substituted for Section 3.3, "Quality Assurance Program". The Quality Assurance Program Description was submitted to NRC as a separate report for approval in March 1997. USEC will maintain this as a separate report and refer to the report in Section 3.3 of Part II.
- b) an Emergency Plan based on the guidance provided in Regulatory Guide 3.67, "Standard Format and Content of Emergency Plans for Fuel Cycle and Materials Facilities", 1992, will be substituted for Section 9, "Emergency Management", and need only be supplied if required by 10 CFR Part 70. The emergency plan must be provided to offsite response organizations for comment 60 days before submittal (10 CFR 70.22(i)). The emergency plan is being structured as a separate report to facilitate the offsite response organizations review and comment.

ATTACHMENT 1 (CONTINUED)

- c) an Environmental Report satisfying the applicable requirements of 10 CFR Part 51 will be substituted for Section 10, "Environmental Protection". The Environmental Report will be based on draft Regulatory Guide 3.52 Revision 2 (format and content) and Regulatory Guide 4.9, Revision 1, 1975 (content only). The Environmental Report is being prepared as a separate report to facilitate NRC review and to distinguish it from the change control provisions that apply to Part II. These controls will need not apply to the Environmental Report.
- d) a Decommissioning Plan satisfying 10 CFR 70.25 per the guidance in Regulatory Guide 3.66, "Standard Format and Content of Financial Assurance Mechanisms Required for Decommissioning Under 10 CFR Parts 30, 40, 70, and 71", dated June 1, 1990, will be substituted for Section 11, "Decommissioning". The Decommissioning Plan is being prepared as a separate report to facilitate review.

The plant as described in Part II may be changed without prior NRC approval if such proposed changes are shown by evaluation to not reduce the effectiveness of the relevant programs, plans, or plant features. The evaluation process shall include performance of an integrated safety analysis, as appropriate. Changes shall require authorization by responsible management prior to implementation. A description of all changes shall be provided to the NRC at least biennially.

It is understood that Part II of the license application will be reviewed by the NRC in accordance with draft NUREG-1520, "Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility" (April, 1995).

Also included with the license application are the following plans that may be submitted early on the docket for staff review:

Fundamental Nuclear Material Control Plan - satisfies the applicable requirements in 10 CFR Parts 70 and 74. In addition, the FNMCP will be based on the guidance provided in NUREG/CR-5734, 1991.

Physical Security Plan - satisfies the applicable requirements in 10 CFR Parts 70 and 73. In addition, the PSP will be based on the guidance in Regulatory Guide 5.59, Revision 1, 1993.

Security Plan for Protection of Classified Matter - satisfies the applicable requirements in 10 CFR 70, 95, 25, and the National Industrial Security Program Operating Manual. In addition, the SPPCM will be based on the guidance in "Security Plan Standard Format and Content for the Protection of Classified Matter for NRC Licensee, Certificate Holder, and Related Organizations," 1997.