



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 21, 2024

Scott P. Murray, Licensing Manager
Global Nuclear Fuel-Americas, LLC
3901 Castle Hayne Road
P.O. Box 780
Wilmington, NC 28402

SUBJECT: GLOBAL NUCLEAR FUEL – AMERICAS, LLC: REQUEST FOR ADDITIONAL INFORMATION TO SUPPORT REVIEW OF GLOBAL NUCLEAR FUEL – AMERICAS, LLC UPDATED FUEL FABRICATION FACILITY DECOMMISSIONING FUNDING PLAN (ENTERPRISE PROJECT IDENTIFICATION NUMBER L-2022-DDP-0002)

Dear Scott Murray:

By letter dated October 4, 2022 (Agencywide Documents Access and Management System [ADAMS] ML22277A539), Global Nuclear Fuel – Americas, LLC (GNF-A) submitted a revised decommissioning funding plan for the U.S. Nuclear Regulatory Commission (NRC) review and approval. The NRC staff informed GNF-A that the application didn't contain sufficient technical information and provided requests for supplemental information (RSIs) by letter dated April 10, 2023 (ML23089A239). GNF-A responded to the RSIs by letters dated April 26, 2023 (ML23116A184) and June 27, 2023 (ML23178A099). The NRC staff accepted the submittal for formal review via letter dated August 1, 2023 (ML23202A087).

The NRC staff has identified additional information that is needed to proceed with the formal review. The additional information, specified in the enclosure, should be provided within 30 days from the date of this letter. Prior to submitting a response, please consider holding a call with the NRC staff to discuss the new information.

Pending your response, we anticipate completing our review by August 2, 2024. This date could change depending on the findings of our technical review, urgent assignments, or other factors. We will promptly communicate any significant changes to this schedule.

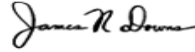
In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390, "Public inspections, exemptions, requests for withholding," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room (PDR) or from the Publicly Available Records component of the NRC's ADAMS. The NRC's ADAMS is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. The PDR is open by appointment. To make an appointment to visit the PDR, please send an email to PDR.Resource@nrc.gov or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

S. Murray

2

If you have any questions regarding this communication, please contact Jonathan Rowley at 301-415-4053, or via email at jonathan.rowley@nrc.gov.

Sincerely,



Downs, James signing on behalf
of Lav, Samantha
on 05/21/24

Samantha Lav, Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

Docket No. 07001113
License No. SNM-1097

Enclosure:
Request for Additional Information

cc: gnfa@listmgr.nrc.gov

SUBJECT: GLOBAL NUCLEAR FUEL – AMERICAS, LLC: REQUEST FOR ADDITIONAL INFORMATION TO SUPPORT REVIEW OF GLOBAL NUCLEAR FUEL – AMERICAS, LLC UPDATED FUEL FABRICATION FACILITY DECOMMISSIONING FUNDING PLAN (ENTERPRISE PROJECT IDENTIFICATION NUMBER L-2022-DDP-0002)

DOCUMENT DATE: May 21, 2024

DISTRIBUTION:

DFM r/f JRowley, DFM/FFLB, RWilliams, RII, JOrtiz, RII

ADAMS Accession No.: ML24129A183

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NAME:	JRowley	JGoodridge	KKline	JDowns for SLav
DATE:	5/9/2024	5/9/2024	5/20/2024	5/21/2024

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

Request for Additional Information
Docket No. 70-1113
Materials License SNM-1097
Updated Fuel Fabrication Facility Decommissioning Funding Plan
Global Nuclear Fuel – Americas, LLC

The following request for additional information is necessary to facilitate the Nuclear Regulatory Commission (NRC) staff's review.

DFP-1

REGULATORY BASIS

The provisions in Title 10 of the *Code of Federal Regulations* (10 CFR) Section 70.25(e)(1)(i)(A) require a licensee to provide a detailed cost estimate that reflects “the cost of. . . perform[ing] all decommissioning activities.” The provisions in 10 CFR 70.25(e)(1)(ii) requires that licensees identify and justify the key assumptions contained in the decommissioning cost estimate (DCE). NUREG-1757, volume 3, Revision 1, states that the DCE should “represent the licensee’s best approximation of all direct and indirect costs of decommissioning its facilities under routine facility conditions.” Interim Staff Guidance on Decommissioning Funding Plans for Materials Licensees (Agencywide Documents Access and Management System [ADAMS] ML19079A314) specifies that the DCE should include the costs of removing onsite inventory or demonstrate how these costs would be covered, such as “. . . an existing contract in which another party pays for packing, loading, and shipping the material to an appropriate end destination facility or licensee. The licensee should provide enough detail to adequately support the assumptions made in the DCE.”

DESCRIPTION OF ISSUE

Among its key assumptions, the DCE includes that all uranium inventory will be removed prior to the initiation of decommissioning (Page 5.1). Interim Staff Guidance on Decommissioning Funding Plans for Materials Licensees (ML19079A314) describes inventory as falling into three categories: licensee-owned, customer-owned, and in-process. Global Nuclear Fuel – Americas, LLC (GNF-A) states that its inventory consists of customer-owned and in-process materials. According to the guidance, a licensee should provide reasonable justification that it can finish processing its in-process inventory within a reasonable timeframe (e.g., 60 days). If it cannot, the licensee should include the cost of completing in-process inventory as part of its DCE. GNF-A states that its manufacturing process can be completed in a timely manner but does not provide a specific timeframe for completing these activities.

Further, the guidance states that licensees may include the costs of packing and transporting customer-owned inventory in the DCE or list “an existing contract under which the customer is responsible for packing, loading, and shipping the material to an end destination that can accept the material under the end destination’s license.” In its supplemental information response, GNF-A states that “current fuel supply contracts require the customer to remove their uranium supplied inventory upon contract termination. Costs associated with these returns are borne by the customer, except for limited conditions where GNF-A is liable. In the unlikely event that GNF-A becomes responsible for costs associated uranium inventory removal, these costs are

Enclosure

operational in nature and are anticipated to be a small percentage of the decommissioning cost estimate. . . .In the unlikely event GNF-A became responsible to remove every customer's onsite special nuclear material inventory, the total cost to package and transport it offsite is estimated to be approximately \$5.3 million. This is less than 2% of the current decommissioning cost estimate and approximately 9% of the current estimate contingency factor. Therefore, no additional action is required."

INFORMATION NEEDED

To ensure that adequate funding is provided to cover all decommissioning activities, the NRC requests an affirmative statement that GNF-A is able to process its in-process inventory within a reasonable timeframe (e.g., 60 days). Further, the NRC requests that GNF-A provide an affirmative statement that *the entirety of its inventory* is held in contracts which require the customer to pay for the packing, shipping, loading, and transporting of the material. Finally, if there is inventory for which GNF-A may be responsible for its disposition at the time of decommissioning, the NRC requests that GNF-A incorporate into the DCE an estimate of its costs to complete any inventory in-process that cannot be completed within 60 days as well as the packing, shipping, loading, and transporting costs of these materials.

DFP-2

REGULATORY BASIS

The provisions in 10 CFR 70.25(e)(2) require that "[a]t the time of license renewal and at intervals not to exceed 3 years, the decommissioning funding plan must be resubmitted with adjustments as necessary to account for changes in costs and the extent of contamination." The provisions in 10 CFR 70.25(e)(1)(i)(A) requires a licensee to provide a detailed cost estimate that reflects "the cost of...perform[ing] all decommissioning activities." NUREG-1757, volume 3, Revision 1, section A.3.2, provides additional guidance, stating that "Triennial adjustments should be made to account for inflation, for other changes in the prices of goods and services (e.g., disposal cost increases), for changes in facility conditions or operations, and for changes in expected decommissioning procedures." NUREG-1757, volume 3, Revision 1, appendix A, section A.3.1, states that a "decommissioning estimate should contain a substantial level of detail, consistent with the guidance presented in this section, to allow the [U.S. Nuclear Regulatory Commission] to fully evaluate the adequacy of the estimate" and that "the labor estimates, material costs, and other factors of the cost estimate should have a clear and reasonable basis."

In accordance with NUREG-1757, volume 3, Revision 1, appendix A, section A.3.1.2, GNF-A divides its DCEs into labor and non-labor costs. Labor costs are estimated based on 12 categories of labor required to perform tasks within three major phases of decommissioning: planning and preparation, decontamination or dismantling of facility components, and final radiation survey.

DESCRIPTION OF ISSUE

The 2022 DCE provides updated labor cost estimates in table 6.2 through table 6.7, which list the expected level of effort of each task in workdays and the labor unit costs in dollars per workday. Non-labor costs include waste processing, groundwater treatment system costs, equipment and supplies, offsite laboratory costs, travel and per diem costs, insurance, utilities, and NRC inspections. GNF-A provides details on its waste processing cost estimate in table 6.8. Although GNF-A states that its insurance cost and labor cost estimates are based on actual insurance premiums and nuclear staffing firm rates, respectively, the DCE does not provide sources or methodology for several other of its estimates. Some of which are materially

reduced from the previous DCE submitted in 2019. These missing details prevented adequate evaluation of the estimate.

INFORMATION NEEDED

- a. To ensure adequate funding is available to cover the cost of decontaminating and dismantling facility components at the time of decommissioning, the NRC request the licensee provide additional detail on the methodology for calculating the number of craft labor hours required and the reason for the reduction in hours between the 2019 DCE and the 2022 DCE.
- b. To ensure adequate funding is available to cover the cost of waste processing at the time of decommissioning and to ensure compliance with regulatory requirements, the NRC request the licensee identify the sources of the rental, loading, transportation, and burial costs.
- c. To ensure compliance with regulatory requirements and to facilitate an adequate review of this cost estimate, the NRC request the licensee describe the methodology and sources used to estimate all non-labor costs.

DFP-3

REGULATORY BASIS

The provisions in 10 CFR 70.25(f)(2)(ii) requires that a standby trust agreement accompany a surety bond. NUREG-1757, volume 3, Revision 1, appendix A, section A.12.3, states that a notarized letter of acknowledgement should be submitted, verifying the execution of the standby trust agreement, and certifying the trustee's signature and authority to enter into the agreement.

DESCRIPTION OF ISSUE

GNF-A submitted a notarized letter of acknowledgement which is not signed or dated.

INFORMATION NEEDED

To ensure that the trust agreement is effective and certifying the trustee's signature and authority to enter into the agreement, the NRC request that the licensee submit a signed and dated notarized letter of acknowledgement in support of the standby trust agreement within 45 days of NRC approval of the DCE.

DFP-4

REGULATORY BASIS

The provisions in 10 CFR 70.25(e)(2) requires that licenses resubmit a DFP every 3 years. However, the 2022 DFP states "Every five years a more detailed review is performed and the DFP updated in accordance with the requirements of 10 CFR 70.25(e)."

DESCRIPTION OF ISSUE

The 2019 DFP correctly stated that the DFP should be reviewed every 3 years.

INFORMATION NEEDED

To ensure compliance with the regulatory requirement, the NRC request GNF-A to revise this statement to align with the regulation.