

NUCLEAR REGULATORY COMMISSION

[Docket No. 70-143]

Nuclear Fuel Services, Inc. Notice of Receipt of Amendment Request and Opportunity To Request a Hearing

I. Introduction

The U.S. Nuclear Regulatory Commission (NRC) has received, by letter dated October 11, 2002, a request from Nuclear Fuel Services, Inc., to amend its NRC Special Nuclear Materials License SNM-124, to authorize (1) processing operations in the Blended Low-Enriched Uranium Preparation Facility (BPF) and (2) minor administrative changes. The staff hereby provides notice of the request and issues a notice of opportunity to request a hearing on the amendment application.

The request is the second of three license amendment requests planned to support operations associated with downblending and conversion of high-enriched uranium materials to low-enriched uranium oxides. NFS is currently manufacturing high-enriched nuclear reactor fuel at its facility in Erwin, Tennessee. NFS is constructing a new complex at the Erwin site to manufacture low-enriched nuclear reactor fuel. NFS is requesting this amendment to authorize operations at the BPF that will prepare low-enriched uranium solutions for use in the new complex. The BPF operations will be conducted within the existing facility because that facility is already authorized to handle high-enriched material. After the high-enriched material is downblended and converted to a low-enriched uranium solution, it will be transferred from the BPF to the new complex.

The October 11, 2002, amendment application contains an Integrated Safety Analysis (ISA) Summary for two of the eleven BPF operations. By letter dated October 14, 2002, NFS provided an ISA Summary addressing the remaining nine operations in the BPF. NFS excluded nine operations from the amendment request because NRC Special Nuclear Materials License SNM-124 already authorizes these operations in another building and NFS is relocating them to the BPF. By letter dated October 10, 2002, NFS provided revisions to their Emergency Plan to incorporate BPF operations. These three submittals comprise the content of the license amendment application. NFS also submitted revisions to their Fundamental Nuclear Material Control (FNMC) Plan by letter dated May 24, 2002, and revisions to their Physical

Safeguards Plan by letter dated October 10, 2002. The FNMC Plan and Physical Safeguards Plan are being reviewed independently.

This application will be reviewed by the staff for conformance with 10 CFR parts 20, 70, 73, and 74, using NUREG-1520, "Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility" and other applicable agency regulations and guidance. If NRC approves the request, the approval will be documented in an amendment to NRC Special Nuclear Materials License SNM-124. However, before approving the request, NRC will need to make the findings required by the Atomic Energy Act of 1954, as amended, and NRC regulations. These findings will be documented in a Safety Evaluation Report and either an Environmental Assessment (EA) or an Environmental Impact Statement.

An EA, dated June 28, 2002, was issued to support the first amendment request for this project and may be looked to for additional information.

II. Notice of Availability of Amendment Request

The following documents are available for public inspection and copying at the NRC Public Document Room, U.S. Nuclear Regulatory Commission Headquarters, Room O-1-F-21, 11555 Rockville Pike, Rockville, MD 20852, or through the ADAMS computer system at <http://www.nrc.gov/reading-rm/adams.html> using the accession numbers listed below:

A. NFS License Amendment Request Dated October 11, 2002

1. Cover Letter and Attachment 1, Proposed Changes to License SNM-124 (ADAMS accession number ML022960038).
2. Attachment III, Non-Proprietary Version of ISA Summary, Part 1 of 2 (ADAMS accession number ML022960069).
3. Attachment III, Non-Proprietary Version of ISA Summary, Part 2 of 2 (ADAMS accession number ML023400228).

B. ISA Summary for BPF Processes Dated October 14, 2002

1. Cover Letter (ADAMS accession number ML023080301).
2. Attachment II, Non-Proprietary Version of ISA Summary, Part 1 of 2 (ADAMS accession number ML023090025).
4. Attachment II, Non-Proprietary Version of ISA Summary, Part 2 of 2 (ADAMS accession number ML023090170).

C. Environmental Assessment for First License Amendment Dated June 28, 2002 (ADAMS Accession Number ML021790068).

Attachments II and IV of the NFS license amendment request dated October 11, 2002, contain proprietary information and are being withheld from the public pursuant to 10 CFR 2.790. Attachment I of the ISA Summary for BPF Processes dated October 14, 2002, contains proprietary information and is being withheld from the public pursuant to 10 CFR 2.790. The Physical Safeguards Plan and the Fundamental Nuclear Material Control Plan are confidential restricted data, as defined in 10 CFR 25.5, and are not publicly available. In addition, the Emergency Plan Revisions are sensitive, homeland security information, and are not publicly available.

III. Notice of Opportunity To Request a Hearing

NRC also provides notice that this is a proceeding on an application for an amendment of a license falling within the scope of 10 CFR part 2, subpart L, "Informal Hearing Procedures for Adjudications in Materials and Operator Licensing Proceedings." Pursuant to § 2.1205(a), any person whose interest may be affected by this proceeding may file a request for a hearing. In accordance with § 2.1205(d), a request for hearing must be filed within 30 days of the publication of this notice in the **Federal Register**. The request for a hearing must be filed with the Office of the Secretary, either:

A. By delivery to the Rulemaking and Adjudications Staff of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738, between 7:45 a.m. and 4:15 p.m., Federal workdays; or

B. By mail or telegram addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Rulemaking and Adjudications Staff. Because of continuing disruptions in the delivery of mail to United States Government offices, it is requested that requests for hearing be transmitted to the Secretary of the Commission either by means of facsimile transmission to 301-415-1101, or by e-mail to hearingdocket@nrc.gov.

In accordance with 10 CFR 2.1205(f), each request for a hearing must also be served, by delivering it personally or by mail, to:

A. The applicant, Nuclear Fuel Services, 1205 Banner Hill Road, Erwin, Tennessee 37650-9718. A copy of the request for hearing should also be sent