

January 22, 2008

Mr. Dealis W. Gwyn, Licensing Manager
Shaw AREVA MOX Services
P.O. Box 7097
Aiken, SC 29804-7097

SUBJECT: SECOND REQUEST FOR ADDITIONAL INFORMATION REGARDING THE
REVIEW OF THE CLASSIFIED INFORMATION HANDLING PLAN FOR THE
MIXED OXIDE FUEL FABRICATION FACILITY LICENSE APPLICATION
REQUEST

Dear Mr. Gwyn:

We have reviewed the information in your revised "Classified Matter Protection Plan," which was submitted on August 23, 2007, in response to the staff request for additional information (RAI), dated July 10, 2007. The submittal relates to the request for a license, to possess and use, special nuclear, source, and by-product material in the Mixed Oxide Fuel Fabrication Facility (MFFF). The MFFF, which is to be located on the Department of Energy's Savannah River site in Aiken, South Carolina, will process and fabricate mixed oxide fuel for use in commercial nuclear power plants as part of the plutonium disposition program.

We have enclosed a listing of additional information that is needed by the staff in order to complete the review of the Classified Matter Protection Plan. Please revise the plan and provide us with a summary document relating how our questions were addressed and any other changes to other licensing documents that may have been necessary to incorporate the responses (e.g., license application change pages). Please provide the revised plan and change pages within 60 days of the date of this letter.

In accordance with 10 CFR 2.390 of the Nuclear Regulatory Commission's (NRC's) "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS).

ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

D. Gwyn

2

If you have any questions we would be happy to meet with you and other Shaw AREVA MOX Services staff on these issues. Please contact me at (301) 492-3229.

Sincerely,

/RA/

David Tiktinsky, Senior Project Manager
Special Projects and Technical Support
Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Enclosure: RAI

Docket: 70-3098

cc: G. Smith, NNSA A.J. Eggenberger, DNFSB
J. Olencz, DOE L. Zeller, BREDL
M. Moore, SC Dept. Of HEC G. Carroll, GANE
D. Silverman, Esq., DCS D. Curran, Esq., GANE

D. Gwyn

2

If you have any questions we would be happy to meet with you and other Shaw AREVA MOX Services staff on these issues. Please contact me at (301) 492-3229.

Sincerely,

/RA/

David Tiktinsky, Senior Project Manager
Special Projects and Technical Support
Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Enclosure: RAI

Docket: 70-3098

cc:	G. Smith, NNSA	A.J. Eggenberger, DNFSB
	J. Olencz, DOE	L. Zeller, BREDL
	M. Moore, SC Dept. Of DHEC	G. Carroll, GANE
	D. Silverman, Esq., DCS	D. Curran, Esq., GANE

DISTRIBUTION:

SPTSD r/f	MB r/f	M. Shannon, RII	W. Gloersen, RII	D. McIntyre, OPA
R. Virgilio, FSME		L. Silvius, NSIR	D. Ayres, RII	

ML080070530

OFFICE	MB	SPB	NSIR	MB
NAME	DTiktinsky	LWilliamson	DHase (email)	MKotzalas
DATE	1/10/08	1/11/08	1/ 23 /08	1/ 22 /08

OFFICIAL RECORD COPY

Second Request for Additional Information
Shaw Areva MOX Services (MOX Services) Classified Matter Protection Plan
Dated September 27, 2006 (Revision: August 23, 2007)
Docket: 70-3098

CM-1 Section 3.2, page 9

Revise the plan to include the docket number for the Mixed Oxide Fuel Fabrication Facility (MFFF) License Application (LA) that contains the Foreign Ownership, Control, or Influence (FOCI) determination.

CM-2 Section 4.0, page 13

The plan should be modified to clarify the term "typical" in the last sentence. Additionally, does MOX Services have multiple security organizations within it that would be protecting classified information? If so, the section should be revised accordingly.

CM-3 Section 6.1, page 15

a) In the second sentence of the first paragraph, it states, "After the granting of the initial Department of Energy (DOE) clearance, MOX Services assigned personnel shall be submitted to the NRC Division of Security for equivalent access authorization." Please clarify. Does it mean existing DOE clearances will be sent to the Nuclear Regulatory Commission (NRC) for verification or does it mean although initially granted by DOE, the NRC will issue new clearances and renew clearances when required for persons holding an existing DOE clearance?

b) NRC "Division of Security" should be "Division of Facilities and Security." (Comment applies to entire document.)

c) Delete all references to "U" clearances. The scope of the plan is governed by 10 CFR Part 25.1 and 10 CFR Part 95.1." "U" clearances are related to access to material under 10 CFR Part 11. While someone with a "Q" clearance meets the criteria for a "U" clearance, the converse is not true.

CM-4 Section 6.6, page 17

Delete reference to "U clearance. (See CM-5)

CM-5 Section 8.4, page 22

a) Section 8.4.1 does not address all of the items stated in Section 8.4.1 of the NRC-provided "Standard Practice Procedures Plan Standard Format and Content for the Protection of Classified Matter for NRC Licensees, Certificate Holder, or Other Activities as the Commission May Determine (SPPP)." Specifically, the requirement that the number of persons knowing the combinations be minimized and the description of how the requirements will be met are missing. The plan should be revised accordingly.

Enclosure

b) In Section 8.4.3, the responsibility for changing combinations is delegated to the security container custodian to “ensure combinations are changed as required.” However, there is no description of the oversight process as stated in Section 8.4.2 of the NRC-provided SPPP Standard Format. The plan should be revised accordingly.

c) Section 8.4.3 should be revised to reflect the clearance requirements for personnel changing combinations and how the requirements will be met.

CM-6 Section 11.0, page 27

Section 11 does not address specific security education requirements of Section 11.0.a – 11.0.g of the NRC provided SPPP Standard Format, such as FSO training, initial and refresher security briefings and derivative classifier training. The plan should be revised accordingly.

CM-7 Section 12.0, page 28

a) Section 12.0 does not reflect the NRC-provided SPPP Standard Format. The licensee plan refers to Section 6 of its plan for personnel clearances but does not address “need-to-know” or the requirement for NRC-approved storage discussed elsewhere in the plan. In addition to Section 6, the plan should reference the other sections of the plan that address Section 12 requirements of the NRC-provided SPPP Standard Format. The plan should be revised to annotate where compliance with the SPPP format can be found.

b) Delete reference to “U clearance. (See CM-5)

c) Second paragraph states a specific classified mailing address (CMA) will be determined at a later date. Section 3.0, pgs. 6 & 7, already list CMAs for the MFFF. Please clarify.

CM-8 Section 13.0, page 30

The plan should be revised to include a discussion of how MOX Services will address the items stated in Section 13 of the SPPP Standard Format (e.g., Derivative Classifier Training).

CM-9 Section 14.3.4, page 34

The plan states, “Only designated/authorized individuals are allowed to carry classified matter into or out of the PA... Upon exit from the PA, hand carried items are searched for classified information.” The plan should be revised to address the following items.

a) What if classified material is in a closed area or restricted area not in the Protected Area (PA)? Section 10 of the plan discusses establishment of restricted or closed areas and implies that closed areas may be outside the PA. One of the sections should be modified to remove ambiguity. In this context, PA is a DOE term, not an NRC term. Remove the reference to PA and replace with CAA or Controlled Access Area.

b) In this section of the plan it should be stated who determines what individuals are

designated/authorized to carry classified matter. Additionally, how does the person doing the searches know if the individual is approved and how will persons doing the searches be trained to recognize classified information when they see it? The plan should state how these items will be addressed.

CM-10 Section 14.4, page 34

The last bullet does not require the date of the material as stated in the NRC-provided SPPP Standard Format.

CM-11 Section 17.3, page 41

Add "derivative" between "authorized" and "classifier."

CM-12 Section 19.0, page 43

Since the NRC is the Cognizant Security Agency (CSA), change CSA to NRC.

CM-13 Section 20.0, page 44

Details for compliance are vague. Who assigns the "designated individual?" How long do they have to retrieve it? How will the licensee determine if anything's missing? The Plan should be revised to provide details on how classified information will be retrieved following suspension or revocation of access.