

UNITED STATES OF AMERICA
U.S. NUCLEAR REGULATORY COMMISSION

In the Matter of AREVA Enrichment Services, LLC, AREVA, Inc.;
EA-16-201; Docket Nos. 07007015, 0402259, 11005864, 11005211, 11006019;
License Nos. SNM-2015, SUA-672, XSNM3643, XSOU8780, XSNM3722

ORDER APPROVING CHANGE OF CONTROL OF LICENSES
AND CONFORMING AMENDMENTS

I.

Pursuant to Part 70 of Title 10 of the *Code of Federal Regulations* (10 CFR), AREVA Enrichment Services, LLC (AES), is the holder of U.S. Nuclear Regulatory Commission (NRC) special nuclear material (SNM) license SNM-2015, which authorizes the licensee to construct and operate a gas centrifuge uranium enrichment facility in Bonneville County, Idaho.

Pursuant to 10 CFR Part 40, AREVA Inc., is the holder of NRC source material license SUA-672 that pertains to the former Lucky Mc uranium mill and its existing tailings site in Fremont County, Wyoming. The site is currently in reclamation status and is in the final stages of being transferred to the U.S. Department of Energy for long-term care in accordance with Title II of the Uranium Mill Tailings Radiation Control Act and its implementing regulations in 10 CFR 40.28.

Pursuant to 10 CFR Part 110, AREVA Inc., is also the holder of NRC export licenses XSNM3643 and XSNM3722, which authorize the licensee to export SNM to South Africa and the Netherlands, respectively, in solid form. AREVA Inc. also holds NRC export license XSOU8780, which authorizes the licensee to export natural uranium to the Netherlands in the form of uranium hexafluoride.

II.

By letter dated July 25, 2016 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16207A715), as supplemented by information provided via electronic communication dated September 4, 2016 (ADAMS Accession No. ML16259A096); two letters dated August 22, 2016 (ADAMS Accession Nos. ML16239A127 and ML16239A148); letter dated August 23, 2016 (ADAMS Accession No. ML16239A157); and letter dated September 16, 2016 (ADAMS Accession No. ML16263A305), AREVA Inc. requested that the NRC consent to: (1) the indirect transfer of control of the SNM-2015 license, for the Eagle Rock Enrichment Facility (EREF) to be built in Bonneville County, Idaho. This license is currently held by AES, which, after the completion of the reorganization of the AREVA family of companies will be renamed AREVA Nuclear Materials, LLC; (2) the direct transfer of control of the SUA-672 license, regarding the Lucky Mc tailings site in Fremont County, Wyoming, from AREVA Inc., to AREVA Nuclear Materials, LLC; (3) the direct transfer of control of the XSOU8780 export license from AREVA Inc., to AREVA Nuclear Materials, LLC; and (4) the direct transfer of control of the XSNM3643 and XSNM3722 export licenses from AREVA Inc., to a new AREVA corporate entity called TN Americas, LLC. In addition, AREVA Inc. requested approval of conforming amendments to reflect the new name of the licensee for the EREF (AREVA Nuclear Materials, LLC) and for the Lucky Mc tailings site (AREVA Nuclear Materials, LLC). AREVA Inc.'s July 25, 2016, submittal also includes a request that the NRC confirm that the proposed reorganization would not involve any transfer of control of construction authorization (CA) number CAMOX-001 (for the mixed oxide (MOX) Fuel Fabrication Facility) that would need the NRC's prior consent pursuant to 10 CFR 70.36. Specifically in this regard, AREVA Inc.'s submittal states that it owns a minority, 30 percent (30%), non-controlling interest in CB&I AREVA MOX Services, LLC (MOX Services), which holds CAMOX-001. AREVA Inc.'s

ownership interests in MOX Services would be transferred to AREVA Nuclear Materials, LLC, and the submittal further states that this proposed transfer would not affect CB&I's controlling 70 percent (70%) interest in MOX Services. AREVA Inc.'s request for the NRC's consent to transfer licenses was submitted pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the AEA), and the NRC's implementing regulations in 10 CFR 40.46, 70.36, and 10 CFR 110.51.

A notice of the proposed action was published in the *Federal Register* on September 8, 2016 (81 FR 62180), and included (1) a notice of opportunity to request a hearing, and (2) a notice of opportunity to submit written comments. No requests for a hearing were submitted in response to this notice.

Pursuant to 10 CFR 40.46 and 70.36, no license issued or granted under these provisions, nor any right thereunder, shall be transferred, assigned, or in any manner disposed of, directly or indirectly, through transfer of control of any license, to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the AEA, and gives its consent in writing.

Pursuant to 10 CFR 110.50(d), an export license may be transferred, disposed of, or assigned to another person only with the approval of the Commission by license amendment.

Pursuant to 10 CFR 110.51(a)(1), an application requesting amendment of an export license shall be filed on NRC Form 7, "*Application for NRC Export or Import License, Amendment, Renewal or Consent Request(s)*," in accordance with 10 CFR 110.31 and 110.32, and must specify the grounds for the requested amendment.

The Commission will approve an application for the direct or indirect transfer of a license if the Commission determines that the proposed transfer will not affect the qualifications of the licensee to hold the license, and that the transfer is otherwise consistent with applicable

provisions of law, regulations, and orders issued by the Commission pursuant thereto. After review of the information in AREVA Inc.'s request dated July 25, 2016, as supplemented by the information described above, and relying on AREVA Inc.'s statements and representations contained in its request, the NRC staff has determined that the proposed license transfers are acceptable and consistent with the AEA and the applicable regulations specified above. The NRC staff has further determined that requests for the proposed conforming license amendments comply with the standards and requirements of the AEA, and the NRC's regulations set forth in 10 CFR Chapter I. The transfers of control of the licenses and issuance of the conforming license amendments will not be inimical to the common defense and security, or to the health and safety of the public, or the environment, and all applicable requirements have been satisfied. This Order, and the findings set forth above, are supported by an NRC staff safety evaluation report (SER), which is available in ADAMS under Accession No. ML16264A306.

III

Accordingly, pursuant to Sections 161b, 161i, and 184 of the AEA (42 U.S.C. 2201(b), 2201(i), and 2234); and 10 CFR 40.46, 70.36, and 110.51(a)(1), IT IS HEREBY ORDERED that AREVA Inc.'s application regarding the transfers of control of the licenses, as described herein, be approved, subject to the following conditions:

1. Within 30 days after the transfer of the license for the EREF has been completed, AES (i.e., AREVA Nuclear Materials, LLC after the reorganization is completed and implemented) must report to the NRC any changes affecting foreign ownership, control or influence issues. AES (to be re-named AREVA Nuclear Materials, LLC) holds a facility security clearance and is required, pursuant to 10 CFR 95.19, to update or affirm its standard practice procedures plan every 5

years. This update is due in March 2017.

2. To ensure that the NRC is timely notified of the transfers' completion, at least one (1) business day prior to closing AREVA Inc. shall inform the Director, Office of Nuclear Material Safety and Safeguards, in writing, of the date of closing of the indirect transfer of the SNM-2015 license for the EREF, the direct transfer of the SUA-672 license for the Lucky Mc mill tailings site, and the direct transfers of the export licenses XSNM3643, XSNM3722, and XSOU8780.

IT IS FURTHER ORDERED that the conforming license amendments regarding the license transfers shall be issued after the above conditions have been satisfied, and such amendments will be effective at the time the proposed transfer of licenses is completed.

IT IS FURTHER ORDERED that, should the pending corporate restructuring not be completed by January 1, 2017, this Order shall become null and void, provided, however, that the Director, Office of Nuclear Material Safety and Safeguards, may relax or rescind, in writing, any of the above conditions upon a demonstration of good cause by AREVA, Inc.

This Order is effective upon issuance.

For further details with respect to this Order, see the initial application dated July 25, 2016; AREVA Inc.'s subsequent submittals dated August 22, 2016, August 23, 2016, September 4, 2016, and September 16, 2016; and the SER that supports this action. These documents are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Room O1-F21, 11555 Rockville Pike (first floor),

Rockville, MD 20852, and available online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. For problems with ADAMS, please contact the NRC's PDR reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland, this 30th day of September 2016.

For the Nuclear Regulatory Commission.

/RA/

Marc L. Dapas, Director,
Office of Nuclear Material Safety
and Safeguards