

DOCKET NUMBER: 07007015

LICENSE NUMBER: SNM-2015

LICENSEE: AREVA NUCLEAR MATERIALS, LLC
1155 F. STREET, NW, SUITE 800
WASHINGTON, DC 20004

SUBJECT: TERMINATION OF SPECIAL NUCLEAR MATERIALS LICENSE
NUMBER 2015 FOR THE EAGLE ROCK ENRICHMENT
FACILITY IN BONNEVILLE COUNTY, IDAHO (ENTERPRISE
PROJECT IDENTIFICATION NUMBER: L-2018-LIT-0003)

1.0 BACKGROUND

On December 30, 2008, AREVA Enrichment Services, LLC ([AES], a subsidiary of AREVA NC, Inc. and later doing business as AREVA Nuclear Materials, LLC [ANM]), initially submitted its license application and environmental report to the U.S. Nuclear Regulatory Commission (NRC), seeking a license to construct and operate a gas centrifuge uranium enrichment facility in the United States. Specifically, AES selected a site located at 19870 West Arco Highway, Idaho Falls, in Bonneville County, Idaho (approximately 20 miles west-northwest of the city of Idaho Falls, on the north side of State Highway 20). On April 24, 2009, AES resubmitted the application to request an enrichment capacity increase from 3.3 million separative work units (SWU) per year to 6.6 million SWU per year.

In September 2010, the NRC staff completed its review of the AES license application and, on October 12, 2011, issued Special Nuclear Materials License Number 2015 (SNM-2015) to AES to construct and operate the Eagle Rock Enrichment Facility (EREF) for a 30 year term (expiring on October 12, 2041). The results of the review were documented in the "*Safety Evaluation Report for the Eagle Rock Enrichment Facility in Bonneville County, Idaho*" (NUREG-1951, Agencywide Documents Access and Management System [ADAMS] Accession Number ML102710296).

2.0 PROPOSED ACTION

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Paragraphs 30.36(d)(2), 40.42(d)(2), and 70.38(d)(2), by letter dated May 14, 2018 (ADAMS Accession Number ML18151A476), ANM requested termination of SNM-2015 for the EREF. In its letter, ANM stated that the facility, as described in the licensing documents listed in Condition 10 of SNM-2015, has not been constructed and that no physical or principal activities authorized by the license had been conducted at the facility site. In its letter, ANM also stated that it has decided that the facility will not be constructed and, therefore, the license should be terminated.

3.0 DISCUSSION

Regulatory Requirements

Requirements for termination of the license under Sections 30.36, 40.42, and 70.38 of 10 CFR include the submission of NRC Form 314, "Certificate of Disposition of Materials," or equivalent information. The NRC staff finds that ANM met these requirements through the information submitted in its May 14, 2018, letter.

ANM's Principal Activities at the EREF

In Section 1.0 of its Safety Analysis Report, Revision 3, Chapter 1, "General Information," (ADAMS Accession Number ML11164A244), AES provided a general description and purpose of the EREF. Based on the description provided by AES, the facility's main activity/purpose was going to be the enrichment of uranium for producing nuclear fuel for use in commercial nuclear power plants. Enrichment of uranium was to be based on the gas centrifuge process. However, since the facility was never constructed, this activity never took place.

Condition 11 of SNM-2015 stated, in summary, that introduction of uranium hexafluoride (UF₆) into any module of the EREF shall not occur until the Commission completed an operational readiness review (ORR) to verify that the facility has been constructed and would be operated safely and in accordance with the requirements of the license. However, since the EREF was not constructed, no UF₆ was ever introduced. Therefore, an ORR would not be necessary.

Decommissioning Funding and Waste Management Activities

Condition 21 of SNM-2015 stated that, at least six months prior to obtaining regulated material, ANM shall provide an updated decommissioning funding plan (DFP), updated facility decommissioning cost estimate (DCE), and final copies of proposed financial assurance instruments to the NRC for review. However, since the EREF was not constructed, no regulated activities were ever conducted, and no buildings, structures, or facilities were built at the EREF site, the NRC staff concluded that ANM does not need to provide the updated DFP, DCE, and/or the proposed financial assurance instruments.

Further, as there was no construction on the EREF site and no physical or principal activities authorized by the license were ever conducted, there is no need for a site radiation survey to be conducted under 10 CFR Parts 30, 40, or 70. With no radiological contamination associated with the license, the EREF site may be released for unrestricted use pursuant to 10 CFR 20.1402.

Material Control and Accounting

The NRC staff determined that there are no material control and accounting issues or concerns that need to be addressed at the site. The EREF was not constructed and no regulated activities were ever conducted at the EREF site.

Information Security and Protection of Classified Matter

The NRC staff determined that there was no classified matter possessed, or classified information handled, by ANM at the site because the EREF was not constructed, no regulated activities were ever conducted, and no buildings, structures, or facilities were built. Therefore, there are no concerns regarding appropriate disposal or transfer of classified matter or classified information handling that need to be addressed.

The NRC staff notes that on March 20, 2012, AES was issued a non-possessing facility security clearance (FCL) for the EREF pursuant to 10 CFR Part 95. With the termination of the SNM-2015 license, this FCL, which was later transferred from AES to ANM via NRC-approved transfer of control of SNM-2015 (see Order Number EA-16-201, dated

September 30, 2016 - ADAMS Accession Number ML16264A317), and all personnel security clearances associated with it, should also be terminated.

Environmental Considerations

ANM seeks to terminate the EREF license for which construction never commenced and nuclear material was never procured or brought on site. Terminating a license is a licensing action that would ordinarily require an environmental assessment under 10 CFR 51.21, unless a categorical exclusion (CATX) in 10 CFR 51.22(c) applies and no special circumstances under 10 CFR 51.22(b) exist. Actions listed in 10 CFR 51.22(c) were previously found by the Commission to be part of a category of actions that “does not individually or cumulatively have a significant effect on the human environment.”

The CATX identified in 10 CFR 51.22(c)(20) includes:

Decommissioning of sites where licensed operations have been limited to the use of –

- (i) Small quantities of short-lived radioactive materials;
- (ii) Radioactive materials in sealed sources, provided there is no evidence of leakage of radioactive material from these sealed sources; or
- (iii) Radioactive materials in such a manner that a decommissioning plan is not required by 10 CFR 30.36(g)(1), 40.42(g)(1), or 70.38(g)(1), and the NRC has determined that the facility meets the radiological criteria for unrestricted use in 10 CFR 20.1402 without further remediation or analysis.

This CATX captures decommissioning activities at sites where contamination from radioactive material is determined to be nominal. In the case of EREF, no associated radiological contamination exists because construction never commenced and nuclear material was never procured or brought on site. As a result, a decommissioning plan for this site is not required by 10 CFR 30.36(g)(1), 40.42(g)(1), or 70.38(g)(1), and the site meets the radiological criteria for unrestricted use in 10 CFR 20.1402 without further remediation or analysis. Further, no special circumstances under 10 CFR 51.22(b) apply. The factors listed in 10 CFR 51.22(c)(20) are consistent with the circumstances here because there is no environmental impact associated with terminating the EREF license, which is even less than the nominal impacts anticipated by the CATX. Therefore, application of the CATX to the termination of the EREF license is warranted. Consequently, in accordance with 10 CFR 51.22(c)(20), an environmental assessment is not required for the termination of SNM-2015.

Amendment Request for Administrative Change of SNM-2015

During the review of ANM's license termination request, the NRC staff noted a discrepancy between ANM's current corporate address and the address specified in SNM-2015. Condition 2 of SNM-2015 described ANM's address as 11140 Rockville Pike, Suite 500, Rockville MD 20852. However, in its license termination request, the return address was 1155 F Street, NW, Suite 800, Washington DC 20004.

The NRC staff contacted ANM via telephone about this discrepancy. ANM stated that the Rockville MD address was its former corporate address. ANM then stated that their former corporate office location in Rockville MD was closed and that the corporate office was moved to the new address at 1155 F Street, NW, Washington DC. Therefore, the NRC staff requested that ANM submit a license amendment request for an administrative change to SNM-2015 to

correct their corporate address and noted that the amendment had to be made before the SNM-2015 license could be terminated. Subsequently, by letter dated August 15, 2018 (ADAMS Accession Number ML18227A161), ANM submitted its request to amend SNM-2015 to correct this. The NRC staff evaluated ANM's August 15, 2018, request and, as a result, Condition 2 of SNM-2015 was revised to reflect ANM's new corporate address.

4.0 CONCLUSION

As discussed above, the NRC staff has determined that the ANM termination request for SNM-2015 meets the categorical exclusion criteria set forth in 10 CFR 51.22(c)(20) and that the unrestricted use criteria pursuant to 10 CFR 20.1402 are met.

The NRC staff determined that no associated radiological contamination exists because construction never commenced and nuclear material was never procured or brought on site. The NRC staff concludes that terminating the ANM SNM-2015 materials license for the EREF does not represent an increased risk to public health and safety and the environment and that a sufficient basis exists to terminate the license. Therefore, the NRC staff recommends that SNM-2015 for the EREF be terminated as requested by ANM.

PRINCIPAL CONTRIBUTOR

O. Siurano, Office of Nuclear Material Safety and Safeguards

ADAMS Accession Number: ML18192C140