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ShawPittman

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January 21, 2000

OFFICE OF
ADMINISTRATIVE
ADJUDICATION

Administrative Judge G. Paul Bollwerk, Chairman
Administrative Judge Jerry R. Kline
Administrative Judge Peter S. Lam
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

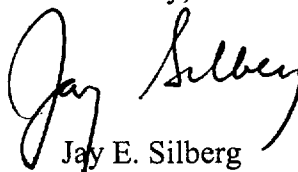
**Re: In the Matter of Private Fuel Storage, L.L.C., Docket No. 72-22-ISFSI,
Status of TranStor Storage Cask License Application**

Dear Sirs:

I am writing to inform the Board of the January 10, 2000, letter from BNFL Fuel Solutions ("BFS"), the vendor for the TranStor storage cask, to the Office of Nuclear Material Safety and Safeguards. In the letter, attached hereto, BFS requests that the NRC cease review of the TranStor storage system license application and return the application. BFS further states that it will address all issues identified in the NRC's review and advise the NRC of its plans for resubmitting its license application at a future date.

Because Private Fuel Storage ("PFS") has selected the TranStor storage system as one of its two suppliers of storage systems, PFS is currently evaluating the effects of BFS's letter. Upon assessing those effects, after consultation with BFS, PFS will notify the Board of any impacts on its license application and the current adjudicatory hearing.

Sincerely,



Jay E. Silberg

Enclosure

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U.S. Nuclear Regulatory Commission
January 21, 2000
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cc: Office of the Secretary
Catherine L. Marco, Esq.
Sherwin E. Turk, Esq.
Susan F. Shankman
John Paul Kennedy, Sr., Esq.
Diane Curran, Esq.
Denise Chancellor, Esq.
Richard E. Condit, Esq.
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BNFL Fuel Solutions Corporation
3600 Glen Canyon Road
Scotts Valley, CA 95066
Tel: (831) 438-6444
Fax: (831) 438-5206

January 10, 2000
BFS/NRC 00-002
Docket Nos. 72-1023
File No. SNC-209

Director, Office of Nuclear Material Safety and Safeguards
US Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Subject: TranStor™ Storage License Application

Dear Sir,

BNFL Fuel Solutions (BFS) has been continuing to work toward completion of the certification of the TranStor™ storage system since the acquisition of Sierra Nuclear Corporation in 1998. While there are issues which still remain open, we believe that we have made significant progress toward this goal. Recent developments, most notably the inadequate performance of the basket coating during the initial spent fuel loading at Trojan in early July 1999, have resulted in additional issues which are now impairing the progress toward our goal.

In recent meetings and discussions with NRC, it is clear that NRC shares our concern relative to the findings of the investigation of the coating event by the independent Event Review Team (ERT) and the generic implications of those findings. We want to take the necessary time and apply the effort required to fully address these issues.

In order to apply the resources that we believe are necessary to adequately address the coatings issue BFS respectfully requests that NRC cease review of the TranStor™ storage system license application and return the application to BFS in its entirety.

BFS appreciates the efforts that NRC staff has expended in review of the TranStor™ storage system application, and will address all issues identified by NRC, as well as those identified in our review of the ERT findings and recommendations, and our ongoing work on coatings. BFS will advise NRC of our plans for resubmittal of the TranStor™ storage system application at a future date.

US Nuclear Regulatory Commission

BFS/NRC 00-002

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BFS also respectfully requests that the meeting currently scheduled for January 11, 2000 be canceled.

If you have any questions please call Bob Quinn at 831-430-5220 or me at 703-218-3010.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Scott Dam". The signature is fluid and cursive, with a long horizontal stroke at the end.

A. Scott Dam
Acting President
BNFL Fuel Solutions