

[REDACTED]

August 2, 2006

Mr. David Culberson, Acting Licensing Manager
Safety and Regulatory
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

Dear Mr. Culberson:

We are responding to the information you provided in memoranda dated March 28, 2006, April 20, 2006, April 21, 2006, and July 13, 2006. The first two describe the radioactive materials that Nuclear Fuel Services, Inc. (NFS) proposes to import [REDACTED] while the third describes the radioactive materials that NFS proposes to import [REDACTED]. The fourth provides additional information on possible uses and disposition paths for depleted uranium, which is one of the materials proposed for import [REDACTED]. You explained that after meeting with Nuclear Regulatory Commission (NRC) staff on January 31, 2006, and reviewing 10 CFR 110 regulations, you concluded that NFS is authorized to import the materials [REDACTED] under NRC's general import license provisions found at 10 CFR 110.27, and asked whether NRC concurs with that conclusion.

[REDACTED]

Based on our review of the Memoranda, we conclude that except for the [REDACTED] and the quantities of depleted uranium, all other materials listed in Table 1 on page 2 of the March 28, 2006 Memorandum (Ref: 21G-06-0061) are authorized for import under the NRC general import license per 10 CFR 110.27(a) as long as NFS maintains its existing domestic licenses issued by NRC and the State of Tennessee which authorize receipt, possession, and/or processing/use of such materials. This conclusion regarding the general import license authorization is based on what appear to be feasible re-use pathways for the proposed imports as described in the March 28, 2006 Memorandum.

Regarding the proposed import of [REDACTED], according to your Memorandum dated April 20, 2006 (Ref:21G-06-0084), you agreed not to import this material under NRC general license unless, and until, NFS has the necessary NRC or State of Tennessee radioactive material license authorizations. As also noted in that Memorandum, NFS will make all required domestic and international notifications (including those for imports of strategic special nuclear material as required by 10 CFR 110.27), and obtain all necessary licenses, permits and other authorizations prior to shipment.

Regarding the proposed import of depleted uranium [REDACTED] absent more definitive uses for the large quantities involved, we conclude that a specific NRC license will be required to import this material as radioactive waste. Your July 13, 2006 Memorandum (Ref:21G-06-0123) describes actual uses of depleted uranium over the last 16 years [REDACTED] and most of the future projected uses described are [REDACTED]

[REDACTED]

highly uncertain. While we conclude that there is a reasonable expectation that the small quantity of depleted uranium to be imported [REDACTED] will be used and need not be considered radioactive waste requiring a specific NRC import license (see below), we cannot reach that same conclusion at this time for the quantities of depleted uranium as described in Table 1 of your March 28, 2006 Memorandum. If you can demonstrate with greater certainty that these future projected uses have or will materialize, we will consider whether a general license is appropriate.

[REDACTED]

Based on the information provided, we conclude that the radioactive materials can be imported under the NRC general license per 10 CFR 110.27(a) as long as NFS maintains its domestic licenses and is able to utilize one or more of the re-use pathways described. In particular, with respect to the depleted uranium, the conclusion is based on the small amount to be imported [REDACTED] and your demonstration that such a quantity can reasonably be expected to be used and will not have to be managed and disposed of as radioactive waste at a licensed facility.

To the extent that any of the materials imported [REDACTED] under NRC general license cannot be reused and must be managed or disposed of as radioactive waste at a licensed facility, then NFS could be found to be in violation of NRC import license regulations, since such imports would have required a specific NRC import license.

Should you have questions, please feel free to contact Ms. Janice Owens, at 301-415-3684 (jeo@nrc.gov) or Mr. Steve Dembek, at 301-415-2342 (sxd@nrc.gov).

Sincerely,

/RA/

Margaret M. Doane, Deputy Director
Office of International Programs

cc: Kevin Ramsey, NMSS
Debra Shults, TN Department of
Environment and Conservation

Docket No. 70-143
License No. SNM-124

[REDACTED]

highly uncertain. While we conclude that there is a reasonable expectation that the small quantity of depleted uranium to be imported [redacted] will be used and need not be considered radioactive waste requiring a specific NRC import license (see below), we cannot reach that same conclusion at this time for the quantities of depleted uranium as described in Table 1 of your March 28, 2006 Memorandum. If you can demonstrate with greater certainty that these future projected uses have or will materialize, we will consider whether a general license is appropriate.

Based on the information provided, we conclude that the radioactive materials can be imported under the NRC general license per 10 CFR 110.27(a) as long as NFS maintains its domestic licenses and is able to utilize one or more of the re-use pathways described. In particular, with respect to the depleted uranium, the conclusion is based on the small amount to be imported [redacted] and your demonstration that such a quantity can reasonably be expected to be used and will not have to be managed and disposed of as radioactive waste at a licensed facility.

To the extent that any of the materials imported [redacted] under NRC general license cannot be reused and must be managed or disposed of as radioactive waste at a licensed facility, then NFS could be found to be in violation of NRC import license regulations, since such imports would have required a specific NRC import license.

Should you have questions; please feel free to contact Ms. Janice Owens, at 301-415-3684 (jeo@nrc.gov) or Mr. Steve Dembek, at 301-415-2342. (sxd@nrc.gov).

Sincerely,

/RA/

Margaret M. Doane, Deputy Director
Office of International Programs

cc: Kevin Ramsey, NMSS
Debra Shults, TN Department of
Environment and Conservation

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*See previous concurrence

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