

February 12, 2015

MEMORANDUM TO: Robert Johnson, Chief
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

FROM: David Tiktinsky, Sr. Project Manager */RA/*
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

SUBJECT: MEETING SUMMARY: PUBLIC MEETING ON CONSTRUCTION
AUTHORIZATON EXTENSION AND REVISION TO THE
FACILITY INSPECTION MANUAL CHAPTER FOR MIXED
OXIDE FUEL FABRICATION FACILITY

DATE: January 15, 2015

PLACE: Hydrogen Research Center
Savannah River Research Campus
301 Gateway Drive
New Ellenton, SC 29809

ATTENDEES: See Enclosure 1

PURPOSE:
The purpose of the meeting was for the U.S. Nuclear Regulatory Commission's (NRC) to provide information to the public regarding the Construction Authorization extension and the revision to the NRC Inspection Manual Chapter (IMC) for the Mixed Oxide Quality Assurance Program for the Mixed Oxide Fuel Fabrication Facility (MOX) under construction in Aiken, South Carolina.

CONTACT: David Tiktinsky, NMSS/FCSE
(301) 287-9155

DISCUSSION:

The MOX facility is being constructed at the U.S. Department of Energy's (DOE's) Savannah River site near Aiken, S.C. The facility will be owned by DOE's National Nuclear Security Administration and will convert supplies of surplus weapons-grade plutonium into more proliferation-resistant forms by blending it with natural or depleted uranium. Converting the plutonium into MOX fuel will enable it to be used in commercial reactors to generate electricity.

The NRC issued a Construction Authorization (CA) for the facility in March 2005 and extended the project's construction deadline by an additional 10 years in November 2014. The deadline now is March 30, 2025. The NRC also changed the licensee name on the CA to CB&I AREVA MOX Services to reflect Chicago Bridge & Iron's acquisition of the Shaw Group in 2013.

The NRC revised its IMC 2630, entitled "Mixed Oxide Fuel Fabrication Facility Construction Inspection Program" in its entirety on May 9, 2014.

David Tiktinsky of the NRC opened the meeting with remarks about the purpose of the public meeting and the general schedule for the meeting.

Staff Presentations:

The NRC staff made two individual presentations at the meeting. The first presentation discussed the extension of the CA and the second presentation related to the revision to the IMC for the Mixed Oxide Fuel Fabrication Facility (MFFF). After each presentation the public was invited to ask questions of the NRC staff. Additionally, the NRC staff in attendance hosted an open house session to answer any additional public comments.

Extension of the CA for the MFFF

In this presentation the staff provided background information about MOX Services' request to extend the CA from March 30, 2015 to March 30, 2025. The basis for the request included: a) a first-of-a-kind facility and first facility of this type to be licensed under Title 10 of the *Code of Federal Regulations* Part 70; b) annual funding for construction has been less than projected; c) nuclear quality assurance requirements and a shortage of qualified vendors; d) shortage of qualified construction workers; and e) a 2-year delay between issuance of the NRC CA and the start of construction.

The NRC reviewed the environmental impact of the request to extend the CA. This review resulted in the issuance of an Environmental Assessment (EA). The staff made a finding of no significant impact in the EA. The basis for the decision was a) the proposed action does not involve any different impacts or a significant change to those analyzed in the original Environmental Impact Statement (EIS); b) the extension of the CA completion date will not have a significant effect on the quality of the human environment; and c) an EIS for the action does not need to be prepared.

The staff performed a review of the request in order to evaluate whether MOX Services had demonstrated "good cause" to extend the CA. The staff published a Confirmatory Order in the *Federal Register* on November 24, 2014, and issued a Safety Evaluation Report (SER) on November 13, 2014. The NRC concluded that MOX Services had demonstrated "good cause"

to extend the CA because: a) the extension will not expand the scope of work not already allowed in the existing CA; b) the factors for needing an extension were beyond their control and are logical; c) the time requested is reasonable based on the uncertainty of funding for construction; and d) the extension does not impact the staff's previous finding that the design basis of the principle structures, systems and components and the quality assurance program provide reasonable assurance against natural phenomena and consequences of potential accidents.

The NRC also made two administrative changes to the CA. The first was a name change from Shaw AREVA MOX Services to CB&I AREVA MOX Services. This change was not the result of any direct or indirect change of control or other change in management, operation or security. The second administrative change was a removal of the list of submittals incorporated by reference in Attachment A of the CA. All commitments, representations and statements made in the referenced documents have been incorporated into the CA request, Environmental Report, and license application to possess and use radioactive material.

Public Discussion:

At the end of each presentation the NRC staff gave the public an opportunity to ask the staff questions. Additionally, at the end of the meeting, the staff held an open house to address any remaining questions from members of the public. The following is a summary of the questions that the staff addressed at the meeting. It should be noted that some members of the public made general comments both for and against the MOX facility which did not result in a question to the staff. Some of these comments were outside of the scope of the public meeting and are not addressed below.

1. Questions asked by members of the public during discussion of CA extension and associated administrative changes.
 - a. Explain the good cause standard basis for extending the CA.

Answer provided: As outlined in the staff's SER and confirmatory order to MOX Services, the NRC evaluated the justification provided by MOX Services in their request for an extension of the CA. The determination of "good cause" was based on a combination of factors and the staff's determination that the reasons provided were beyond their control, are logical, and that the time requested is reasonable based on the uncertainty of funding for construction.

- b. What percentage of time was spent on document review versus onsite review of the CA request extension?

Answer provided: The purpose of the review of the CA extension request was to determine whether MOX Services had demonstrated "good cause" to extend the CA. Although this specific action was based on reviewing documentation, the NRC staff frequently visits the site and has a resident inspector who is on site daily.

- c. What analysis was performed to substantiate the agency's decision for granting the CA extension? Where is the analysis documented?

Answer provided: The staff documented its basis for extending the CA in a SER dated November 13, 2014.

- d. Where in the CA request review is the cost of the project considered?

Answer provided: The evaluation of project costs is not within the jurisdiction of the NRC. The NRC's regulatory responsibility is related to nuclear safety and security.

- e. Statement: Unknown variables, such as the length of construction should not be a reason to extend the CA.

Answer provided: The NRC evaluated all of the factors presented by the applicant in order to evaluate whether "good cause" has been provided to extend the CA. The evaluation was documented in the staff's order and SER related to the time extension for the CA.

- 2. Questions asked by members of the public during discussion of Revision 1 to NRC IMC 2630, "Mixed Oxide Fuel Fabrication Facility Inspection Program."

- a. What is the projected MFFF construction completion date?

Answer provided: The construction completion date for the MFFF is dependent on factors outside of the control of the NRC. The NRC's regulatory responsibilities related to nuclear safety and security will be performed during construction and operation (assuming a license is granted to possess and use special nuclear material). The NRC has no information regarding the completion date of construction of the MFFF.

- b. Due to a misinterpretation of the regulations, MOX Services made over 18,000 design changes that were not reported to the NRC. What is the status and what progress has NRC made in reviewing the 18,000 design changes?

Answer provided: The NRC has reviewed the changes made by MOX Services as part of the review of their annual updates to the Integrated Safety Analysis Summary and the license application. Additionally, the staff has performed an inspection of the change process in 2013 and 2014.

- c. One member of the public had concerns with CB&I contractor issues at both Vogtle and V.C. Summer. How are those contractor issues being addressed at the MFFF?

Answer provided: The NRC staff performs programmatic and specific technically oriented inspections. Additionally, the NRC has a resident inspector at the MFFF. In its most recent applicant performance review, the staff found that MOX Services overall MFFF construction activities were conducted in a manner that was consistent

with the Commission's rules and regulations and no areas were identified as meeting the definition of an area needing improvement in accordance NRC Inspection Manual 2630.

- d. Another member of the public commented on the presenter using the term "if" a license is issued versus "when" the license is issued. Her question was, has the NRC ever denied a license?

Answer provided: If a licensee/applicant cannot demonstrate that all regulatory requirements are met, the NRC will deny issuing a license. The NRC also stated that in many cases an applicant will choose to withdraw an application rather than receiving a format rejection from the NRC.

Action Items:

No regulatory decisions were made at the public meeting.

Enclosures:

1. Attendees list
2. NRC presentation handouts

with the Commission’s rules and regulations and no areas were identified as meeting the definition of an area needing improvement in accordance NRC Inspection Manual 2630.

- e. Another member of the public commented on the presenter using the term “if” a license is issued versus “when” the license is issued. Her question was, has the NRC ever denied a license?

Answer provided: If a licensee/applicant cannot demonstrate that all regulatory requirements are met, the NRC will deny issuing a license. The NRC also stated that in many cases an applicant will choose to withdraw an application rather than receiving a format rejection from the NRC.

Action Items:

No regulatory decisions were made at the public meeting.

Enclosures:

- 1. Attendees list
- 2. NRC presentation handouts

DISTRIBUTION:

CHuffman, RII WGloersen, RII D.Seymour, RII CHair, OGC JWeil, OCA
RHannah, RII MConley, OPA KMorrissey, FSCE

ML15034A423

OFFICE	FMB/FCSE	FCSE	FMB/FSCE	FMB/FCSE
NAME	DTiktinsky	TBrockington	RJohnson	DTiktinsky
DATE	02/9/15	02/11/15	02/12/15	02/12/15

OFFICIAL RECORD COPY

cc:

Mr. Scott Cannon, Federal Project Director
NA-262.1
P.O. Box A
Aiken, SC 29802

Mr. Joseph Olencz, NNSA/HQ
1000 Independence Ave., SW
Washington, DC 20585

Mr. Peter Winokur, Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Ave., NW, Suite 700
Washington, DC 20004

Susan Jenkins
Division of Radioactive Waste Management
Bureau of Health and Environmental Control
2600 Bull St.
Columbia, SC 292011

D. Silverman
Morgan, Lewis, & Bockius
1111 Penn. Ave., NW
Washington, DC 20004

Diane Curran
Harmon, Curran, Spielberg & Eisenberg,
LLP
1726 M St., NW
Suite 600
Washington, DC 20036

G. Carroll
Nuclear Watch South
P.O. Box 8574
Atlanta, GA 30306

L. Zeller
Blue Ridge Environmental Defense League
P.O. Box 88
Glendale Springs, NC 28629

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

Meeting Attendee List

Deb Seymour	NRC/RII	
Chad Huffman	NRC/RII	
W.B. Gloersen	NRC RII	
Dealis Gwyn	MOX Services	
Stephen Geodes	Examiner.com	
Robert Johnson	NRC/FCSE	
Tom Clements	SRS Watch	
Suzanne Rhodes		
W.N. Keisler	Numic Corp	
Keisuke Yoshimura	Kyodo News	Yoshimura.Keisnke@kyodonews.jp
Carroll Phillips	CB&I	
Dr. Rose A Hayes	CAB-SRS	roseahayes@aol.com
Doug Yates	MOX Services	
Lilly Yates	MOX Services	
Rodney Whitley	MOX Services	
Chris Diacson	George Group	chris@georgegroupllc.com
Michael Durkee		
Greg Mason	DHEC	
Ernest Chaput	citizen	esandc@prodigy.net
Chip Heter	MOX Services	
John Pavechlio		
Chint Wolfe	CNTA	cnta@bellsouth.net
Glenn Carroll	Nuclear Watch South	atom.girl@nonukesvall.org
Mark Gober	CB&I	
Joanne Steele	Nuclear Watch South	
Betsy Rivard	Nuclear Watch South	betsy.rivard@gmail.com
Charles Utley	BREDL	bredlutley@gmail.com
Mary Mewborn		