

July 27, 2006

Mr. Charlie Holman
Manager, Environmental, Health
Safety and Licensing
AREVA NP, Inc.
P.O. Box 11646
Lynchburg, VA 24506-1646

SUBJECT: PLANNED REORGANIZATION OF THE NUCLEAR REGULATORY
COMMISSION OFFICE OF NUCLEAR MATERIAL SAFETY AND
SAFEGUARDS AND THE OFFICE OF STATE AND TRIBAL PROGRAMS

Dear Mr. Holman:

The U.S. Nuclear Regulatory Commission (NRC) is merging the Nuclear Materials Safety and Safeguards (NMSS) Divisions of Industrial, Medical and Nuclear Safety and Waste Management and Environmental Protection with the Office of State and Tribal Programs (STP) to create a new Office of the National Materials Program . Concurrently, we are consolidating the roles of the NMSS Divisions of High-Level Waste Repository Safety, Spent Fuel Program Office, and Fuel Cycle Safety and Safeguards (FCSS) into a reorganized Office of NMSS. Additional information will be available on the NRC web site as organizational details are developed. This reorganization is scheduled to take effect on October 1, 2006.

NMSS and STP currently support the agency's mission to protect public health and safety by regulating a diverse range of activities involving the use and handling of radioactive materials, including: uranium recovery, conversion, enrichment and fuel fabrication; medical, industrial, academic, and commercial uses of radioactive materials; transportation, including certification of transport containers, spent fuel storage, safe management and disposal of low-level and high-level radioactive waste; and management of decommissioning of reactor and materials facilities. The intent in reorganizing now is to ensure that our organizational structure will enable us to meet the safety and regulatory challenges presented by: evolving technologies associated with the above activities, the projected increase in needed nuclear fuel to support proposed new reactor plant operations here and abroad, and new regulatory responsibilities that may arise from the Nation's Global Nuclear Energy Partnership.

Parallel with the above outlined reorganization, FCSS will acquire responsibility for Material Control and Accountability from the Office of Nuclear Security and Incident Response. While this change may result in some changes in organizational structure within FCSS, it will not affect your interface with me or other Project Managers. The consolidation of roles in the reorganized NMSS is intended to sharpen the organizational focus and provide more effective

support of Project Managers in conducting regulatory and safety reviews in response to your needs and requests. One of our most important objectives is to maintain our focus on the safety of existing facilities while we conduct regulatory and safety reviews of new technologies and facilities.

If you have any questions, feel free to contact me by phone at (301) 415-8103 or via email to BMR@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

M. Breeda Reilly, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-1201
License No.: SNM-1168

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