

April 15, 2014

Ms. Connie D. Bayless, Contracting Officer
U.S. Department of Energy
National Nuclear Security Administration Production Office
P.O. Box 2050
Oak Ridge, TN 37831

SUBJECT: IMPROVEMENTS IN DECOMMISSIONING STATEMENT OF INTENT FOR
NUCLEAR FUEL SERVICES

Dear Ms. Bayless:

We have reviewed your letter dated September 4, 2013, and we have informed Nuclear Fuel Services that we will accept it as a decommissioning funding instrument for Materials License Number SNM-124. Our review found that the letter met the requirement in Title 10 of the *Code of Federal Regulations* Section 70.25(f)(4), that it contains a cost estimate and a statement indicating that funds for decommissioning will be obtained when necessary. However, our guidance suggests that the letter should be signed by a higher level official. Specifically, NUREG-1757, Volume 3, Appendix A, Section A.11, states that the signatory of a statement of intent should have the authority to request and obtain decommissioning funds from the appropriate funding body when necessary. For your agency, we believe this would be a senior official such as the Chief Financial Officer. Our guidance is available at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1757/>.

The purpose of this letter is to request an improved statement of intent signed by such an official. The model language for the statement is as follows:

As *[insert title]* of the U.S. Department of Energy (DOE), I exercise express authority and responsibility to request funds from the U.S. Congress for decommissioning activities associated with operations authorized by U.S. Nuclear Regulatory Commission Materials License No. SNM-124. This authority is established by *[insert reference to documents governing control of funds]*. Within this authority, I intend to request that funds be made available, when necessary, to decommission the Nuclear Fuel Services facility in Erwin, TN. I understand that the cost estimate for decommissioning activities under the DOE/TVA Interagency Agreement DE-SA09-01SR18976 is \$8,076,000.

If the documents governing control of funds are not publicly available, please include a copy of the documents in your response. If you have any questions, please contact Kevin Ramsey of my staff at 301-287-9116, or by e-mail at kevin.ramsey@nrc.gov.

Sincerely,

/RA/

Robert K. Johnson, Chief
Fuel Manufacturing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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

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