

From: [Bartlett, Matthew](#)
To: [Bartlett, Matthew](#)
Subject: GLE Meeting Summary Regarding Pre-Application of the License Transfer and Facility Clearance on December 21, 2017
Date: Wednesday, January 17, 2018 11:05:05 AM

GLE License Transfer Meeting Summary for December 21, 2017:

On December 21, 2017, the NRC staff met with representatives from Global Laser Enrichment (GLE) and Silex Systems Ltd. (SILEX) to discuss the proposed license transfer of majority ownership of GLE from GE-Hitachi to SILEX. GLE expects to submit the formal license transfer application to the NRC by the end of the first quarter of 2018.

The morning meeting from 10:00am – 12:00pm involved a discussion of the requirements for facility clearance and the Foreign Ownership, Control, and Influence (FOCI) review to support the proposed license transfer. GLE and SILEX (GLE/SILEX) stated that due to the 123 SILEX Agreement between the US and Australia regarding the SILEX technology, that there are other ways to handle FOCI mitigation. This is particularly true because most of the classified technology is already shared between the two countries.

NRC suggested a possible FOCI mitigation strategy would be for GLE to revise their Standard Practice Procedures Plan (SPPP) to include additional commitments to control restricted data (RD). The updated plan would need to be approved by the NRC and be augmented by additional inspections from the NRC and DOE. SILEX reiterated their desire to avoid unnecessary restrictions on the SILEX board of directors which would result in additional costs, potential delays in the license transfer approval, and the hampering of the board's ability to manage the program. GLE also plans to continue operations with the majority of existing management and staff, if the license transfer is approved.

NRC staff also informed GLE/SILEX they plan to visit Australia in 2018. During this trip they will meet with the Australian regulator to discuss SILEX's proposed purchase of majority of ownership GLE and the control of RD. GLE/SILEX recognizes the license transfer and control of RD must comply with both nation's laws and the 123 SILEX Agreement.

The participants in the morning portion of the meeting included the following individuals

NRC	GLE/SILEX
Darryl Parsons, NRC/NSIR	Pat Jenny, GLE
Keith Everly, NRC/NSIR	Ruthanne Neely, SILEX
Joe Rivers, NRC/NSIR	
Gary Langlie, NRC/OIP	
Matt Bartlett, NRC/NMSS	

The afternoon portion of the meeting from 1:00pm-2:00pm dealt with the license transfer application. GLE/SILEX discussed their plans to address the criteria in NUREG-1556,

Volume 15, Rev. 1, "Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses, Final Report." The NRC staff noted that the current Special Nuclear Material (SNM) license SNM-2019 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML12249A043) contains conditions 12, 13, and 19. These conditions allow for the financial assurance and financial qualifications to be deferred till GLE moves towards operations. These conditions can be used to inform the financial information provided in the license transfer application. The NRC staff encouraged GLE/SILEX to provide a complete story in their submittal. The application should also describe any financial qualification costs associated with the security and classified network for the test loop, which are regulated under the SNM-2019 license. GLE/SILEX also indicated their upper management structure (as described in Chapter 2 of the Safety Analysis Report, ADAMS Accession Number ML12083A027) would remain unchanged during the proposed license transfer. This needs to be clearly explained in the application.

GLE must also submit an amendment to update the portions of the license, application, and related facility plans which may be impacted by the license transfer. The GLE/SILEX submittal's should clearly describe the proposed changes to the facility and how those changes are addressed in the amendments to the licensing documents. The NRC also recommended GLE/SILEX provide an update on the liability insurance they will use if the license transfer is approved.

The participants in the afternoon portion of the meeting included the following individuals:

NRC	GLE/SILEX
Reginald Augustus, NRC/NMSS	Pat Jenny, GLE
Christopher McKenney, NRC/NMSS	Ruthanne Neely, SILEX
Shawn Harwell, NRC/NRR	
Matt Bartlett, NRC/NMSS	
Jacob Zimmerman, NRC/NMSS	
Brian Smith, NRC/NMSS	

Sincerely,

Matt Bartlett
NMSS/FCSE/ECB
Fuel Cycle Cyber Security Project Manager
301-415-7154