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October 29, 1996

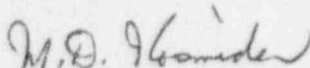
Mr. Michael Lamastra
Licensing Branch, NMSS, Mail Stop T 8-0-14
U.S. Nuclear Regulatory Commission
One White Flint North, 11555 Rockville Pike
Rockville, MD 20852-2738

Dear Mr. Lamastra:

AlliedSignal wishes to install a "Proof of Concept" pilot plant at Metropolis Works for the deconversion of UF_6 . The pilot unit will have the capability to deconvert 100 lbs./hr. of natural UF_6 to HF and U_3O_8 . The time line for design, construction, and operation is approximately 18 months. We understand that a License Amendment will be required for the pilot plant and we have questions as to whether this permitting process falls under the auspices of the NRC or the Illinois Department of Nuclear Safety.

Please give us some guidance so that we may pursue the licensing process with the appropriate agency. Timing is very important to the successful completion of this project.

Sincerely,



M. D. Kosmider
Plant Manager

MDK/sm

cc: W. Murrell
J. Wang
M. Shepherd
H. Roberts

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