



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

FEE

Docket No. 70-1257

MEMORANDUM FOR: Leland C. Rouse, Chief, Fuel Cycle Safety Branch  
Division of Industrial and Medical Nuclear Safety, NMSS

FROM: C. James Holloway, Jr., Chief  
License Fee Management Branch, ARM/DAF

SUBJECT: CLASSIFICATION OF LICENSE SNM-1227

By letter dated July 11, 1986, copy enclosed, Exxon Nuclear requested that we review the license fee categories assigned to the subject license. Also enclosed is a copy of our July 31, 1986 memorandum to William Crow requesting his review of Exxon's letter in order to determine if the license is correctly classified for fee purposes. Since we did not receive a response to our July 31, 1986 memorandum, Doug Weiss of this office contacted George Biddinger on February 27, 1987, to request a meeting to discuss the issues raised by Exxon. Mr. Biddinger indicated that a meeting was not necessary since the plutonium was "clearly for storage only".

However, after reviewing the license documents, including the renewal issued September 10, 1987, we find that further clarification is needed. Therefore, we would appreciate receiving from you or your staff information on the following:

1. Does the license authorize the possession of plutonium only for storage pending disposal?
2. If the response to 1. above is yes, when was the "storage only" authorization originally granted?
3. If the authorized use for plutonium includes activities other than storage only, is it in unsealed form in combination that would constitute a critical quantity as defined in §150.11?
4. Did the license ever authorize use of plutonium in unsealed form in combination that would constitute a critical quantity as defined in §150.11?
5. If the response to 4. above is yes, what were the dates of the authorization?

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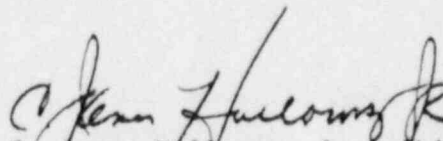
Leland C. Rouse, Chief

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6. Do Items A., B., and C. fall within the definition of fee Category 1A or 1B of §170.31, 10 CFR 170?

The information requested above is needed in order to determine the fee categories for the current license and the appropriate fees for previous licensing actions.

We are anxious to resolve this matter as soon as possible in order to respond to Exxon's July 11, 1986 letter and to make any necessary adjustments in the fees that have been paid. Therefore, we would appreciate a response at your earliest convenience.

  
C. James Holloway, Jr., Chief  
License Fee Management Branch  
Division of Accounting and Finance  
Office of Administration and  
Resources Management

Enclosures:

1. Exxon Nuclear Ltr dtd 7/11/86
2. Memo dtd 7/31/86 to Bill Crow