



7590-01-P

NUCLEAR REGULATORY COMMISSION

[Docket No. 70-7003; NRC-2018-0002]

American Centrifuge Lead Cascade Facility; American Centrifuge Operating, LLC

AGENCY: Nuclear Regulatory Commission.

ACTION: Exemption; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) issued an exemption in response to an August 22, 2017, request from the American Centrifuge Operating, LLC (ACO) for a one-time exemption from the requirement to conduct a biennial Emergency Preparedness (EP) onsite exercise. The ACO requested to postpone conducting the exercise from calendar year (CY) 2017, to the third quarter of CY 2018.

ADDRESSES: Please refer to Docket ID **NRC-2018-0002** when contacting the NRC about the availability of information regarding this document. You may access publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web site:** Go to <http://www.regulations.gov> and search for Docket ID **NRC-2018-0002**. Address questions about NRC dockets to Carol Gallagher; telephone: 301-287-3422; e-mail: Carol.Gallagher@nrc.gov. For technical questions, contact the individual listed in the FOR FURTHER INFORMATION CONTACT section of this document.

- **NRC's Agencywide Documents Access and Management System**

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Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. To begin the search, select “ADAMS Public Documents” and then select “[Begin Web-based ADAMS Search](#).” For problems with ADAMS, please contact the NRC’s Public Document Room (PDR) reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr.resource@nrc.gov. The ADAMS accession number for each document referenced (if it is available in ADAMS) is provided the first time that it is mentioned in this document.

- **NRC’s PDR:** You may examine and purchase copies of public documents at the NRC’s PDR, Room O1-F21, One White Flint North, 11555 Rockville Pike, Rockville, Maryland 20852.

FOR FURTHER INFORMATION CONTACT: Yawar H. Faraz, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; telephone: 301-415-7220, e-mail: Yawar.Faraz@nrc.gov.

SUPPLEMENTARY INFORMATION:

The following sections include text from the exemption issued to ACO.

I. Background

The ACO is the holder of License No. SNM-7003, which authorizes it to possess source, byproduct, and special nuclear material at the American Centrifuge Lead Cascade Facility (LCF). Until February 2016, ACO operated the LCF at a Department of Energy (DOE) site in Piketon, Ohio. Since March 2016, ACO has been in the process of decommissioning the LCF. The site includes other facilities that are currently operating, shutdown or undergoing decommissioning.

II. Request/Action

Section 70.22(i)(3)(xii) of title 10 of the *Code of Federal Regulations* (10 CFR), requires emergency plans submitted under 10 CFR 70.22(i)(1)(ii) to include provisions for conducting an emergency preparedness (EP) onsite exercise every 2 years. In accordance with 10 CFR 70.22(i)(3)(xii), ACO's Emergency Plan, requires that plant personnel conduct biennial EP onsite exercises. The last EP onsite exercise conducted at the LCF site was held in June 2015. By letter dated August 22, 2017 (ADAMS Accession No. ML17244A210), ACO requested that the NRC approves a one-time exemption allowing ACO to postpone the EP onsite exercise from CY 2017, to the third quarter of CY 2018.

III. Discussion

Section 70.22(i)(3)(xii) requires ACO to conduct biennial EP onsite exercises to test their response to simulated emergencies. The ACO is required to invite offsite response organizations to participate in the biennial EP onsite exercises. However, participation of offsite response organizations in biennial EP onsite exercises, although recommended, is not required. Exercises must use accident scenarios postulated as most probable for the specific site and the scenarios shall not be known to most exercise participants. Following the exercise, ACO is required to critique the exercise using individuals not having direct implementation responsibility for the emergency plan. Critiques of exercises must evaluate the appropriateness of the plan, emergency procedures, facilities, equipment, training of personnel, and overall effectiveness of the response. Deficiencies found by the critiques must be corrected. By letter dated, August 22, 2017, ACO requested postponing the date of this exercise from CY 2017 to the third quarter of CY 2018, and stated that the proposed exemption would not decrease the margin of safety at the LCF.

Pursuant to 10 CFR 70.17(a), the Commission may, upon application of any interested person or upon its own initiative, grant such exemptions from the requirements of 10 CFR part 70 as it determines are authorized by law and will not endanger life or property of the common defense and security and are otherwise in the public interest.

Authorized by Law

The licensee has stated that the exemption request to postpone conducting the EP onsite exercise in CY 2017, to the third quarter of CY 2018, would allow for an orderly and safe transition into the X-1020 Emergency Operations Center (EOC) and Joint Information Center (JIC), which are being renovated with new upgraded equipment. After the renovations have been completed, the licensee stated that performance testing and acceptance will be performed prior to return of EOC personnel. The EOC and JIC Cadre teams will receive training on the new equipment and software programs followed by EOC Cadre members completing a series of drills on the new systems. According to the licensee, these renovation and training activities will not be completed until the second quarter of CY 2018.

As a result, ACO is requesting an exemption from the requirements of 10 CFR 70.22(i)(3)(xii) to postpone the EP onsite exercise from CY 2017, to the third quarter of CY 2018. Section 70.17 allows the NRC to grant exemptions from the requirements of 10 CFR part 70. Granting the licensee's proposed exemption is not otherwise inconsistent with NRC regulations or other applicable laws. As explained below, the proposed exemption will not endanger life or property, or the common defense and security, and is otherwise in the public interest. Therefore, the exemption is authorized by law.

Will Not Endanger Life or Property or the Common Defense and Security

On March 2, 2016, ACO notified the NRC, in accordance with 10 CFR 70.38(d)(2), of its parent company Centrus Energy Corporation's decision to permanently cease operation at the LCF and terminate the NRC's Special Nuclear Materials License (SNM-7003) for the LCF following decontamination and decommissioning activities. ACO has removed all uranium hexafluoride (UF₆) and LCF equipment and piping from the site. As such, the licensee has stated that any significant radiological or chemical accident hazards that may have existed during LCF operations have now been removed.

The NRC staff has determined that granting the exemption would not impact the effectiveness of the emergency response capabilities of the ACO facility. The last EP onsite exercise was conducted in June 2015, and there were no issues identified which required immediate corrective action. The NRC reviewed inspections conducted during the period from October 1 through December 31, 2016, did not identify a decrease in the effectiveness of ACO's emergency response capability. Further, since this last exercise was conducted, ACO notified the NRC of its intent to cease operations and the significant radiological and chemical accident hazards have since been removed from the site. This change to the EP exercise schedule also has no impact on security issues. Therefore, the NRC staff has determined that this exemption will not endanger life or property or the common defense and security.

Otherwise in the Public Interest

Given the aforementioned renovations occurring at the EOC and JIC, the current Emergency Management program is being operated from temporary locations. Postponing the EP onsite exercise from CY 2017, to the third quarter of CY 2018 will allow for an orderly and safe transition into the renovated facilities, after renovation and

training activities are completed. Accordingly, the NRC staff has determined that this exemption is otherwise in the public interest.

IV. Environmental Considerations

The NRC staff has determined that, pursuant to 10 CFR 51.22(c)(25), the exemption request will not result in any significant: (1) hazards; (2) change in the types or significant increase in the amounts of any effluents that may be released offsite; (3) increase in individual or cumulative public or occupational radiation exposure; (4) construction impact; or (5) increase in the potential for or consequences from radiological accidents. The NRC staff has further determined that the requirements from which the exemption is sought involve the factors associated with 10 CFR 51.22(c)(25)(vi)(G) – scheduling requirements. Specifically, the proposed exemption postpones the EP onsite exercise from CY 2017, to the third quarter of CY 2018. Therefore, the exemption meets the eligibility criteria for exclusion set forth in 10 CFR 51.22(c)(25). Therefore, pursuant to 10 CFR 51.22(b), no environmental assessment or an environmental impact statement need be prepared in connection with the approval of this exemption request.

V. Conclusion

Accordingly, the NRC has determined that, pursuant to 10 CFR 70.17(a), the exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, the NRC hereby grants ACO an exemption from the requirements of 10 CFR 70.22(i)(3)(xii), to allow ACO to postpone conducting the EP onsite exercise from CY 2017, to the third quarter of CY 2018.

The NRC staff consulted with the Ohio Department of Health and the Department of Energy Oak Ridge Office prior to issuing this exemption. Neither objected to the issuance of this exemption.

This exemption became effective upon issuance of the NRC letter dated December 29, 2017 (ADAMS Accession No. ML17354A990).

Dated at Rockville, Maryland on January 5, 2018.

For the Nuclear Regulatory Commission.

Craig G. Erlanger,

Director,

Division of Fuel Cycle Safety, Safeguards, and Environmental Review,

Office of Nuclear Material Safety and Safeguards.

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