



July 25, 2016
NRC:16:019

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

AREVA Enrichment Services LLC
Eagle Rock Enrichment Facility
NRC Docket No: 70-7015
License SNM-2015

AREVA NC, Inc. d/b/a AREVA Inc.
Lucky Mc Uranium Mill
NRC Docket No. 40-2259
License SUA-672

AREVA Inc.
Export Licenses XSNM3643, XSNM3722 & XSOU8780

CB&I AREVA MOX Services, LLC
Mixed Oxide Fuel Fabrication Facility
NRC Docket No. 070-03098
Construction Authorization No. CAMOX-001

AREVA Inc.
Richland, Washington Fuel Manufacturing Facility
NRC Docket No. 70-1257
License SNM-1227
Export Licenses XSNM3747, XSNM 3551, XSNM 3697, XSNM 3741, XSOU8835 & XSOU8833

AREVA Internal Reorganization Request for NRC Consent to License Transfers

On behalf of itself and its affiliates, including AREVA Nuclear Materials LLC (currently known as "AREVA Enrichment Services LLC," or "AES" but to be renamed in connection with a planned reorganization), and its corporate parent companies, AREVA Inc. (AREVA) requests consent of the U.S. Nuclear Regulatory Commission (NRC) to the indirect transfer of control of License SNM-2015 for the Eagle Rock Enrichment Facility currently held by AES, and the direct transfer of control of License SUA-672 for the Lucky Mc Uranium Mill and Export License No. XSOU8780 from AREVA to AES, and Export License Nos. XSNM3643 and XSNM3722 from AREVA to TN Americas, LLC. AREVA also requests approval of conforming amendments to reflect the new name of the licensees, AREVA Nuclear Materials, LLC and TN Americas, LLC, which will hold the licenses to be transferred pursuant to this request for NRC consent to license transfers.

The attached license transfer application (LTA) is submitted pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and the NRC's implementing regulations in 10 CFR 40.46 & 70.36, and 10 CFR 110.51. The requested consents and approvals are necessary to support a planned internal reorganization within the AREVA family of companies in the U.S. to be implemented on October 1, 2016. The planned reorganization in 2016 does not involve any outside or third party transfers or transferees.

In the reorganization, the current ownership of AREVA will remain unchanged, and AREVA will continue to hold its special nuclear materials license and several export licenses. As such, there will be no direct or indirect transfer of control of License SNM-1227 for Richland, Washington Fuel Manufacturing Facility or of Export License Nos. XSNM3747, XSNM3551, XSNM3697, XSNM3741, XSOU8835 and XSOU8833. In addition, AREVA owns a minority, thirty percent (30%), non-controlling interest in CB&I AREVA MOX Services, LLC (MOX Services), which holds Construction Authorization No. CAMOX-001 for the Mixed Oxide Fuel Fabrication Facility. AREVA's ownership interests in MOX Services will be transferred to AES, but this will not affect CB&I's controlling seventy percent (70%) interest in MOX Services. Therefore, AREVA requests that NRC confirm that the proposed reorganization does not involve any transfer of control of Construction Authorization No. CAMOX-001 that would need NRC's prior consent pursuant to 10 CFR 70.36.

The enclosed LTA describes the planned internal reorganization, the AREVA corporate structure before and after the reorganization of the affected licenses, and addresses the criteria set forth in NUREG-1556, Volume 15 "Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses." Pursuant to the NUREG-1556 criteria, no changes are proposed in relevant personnel, licensee organization, location, facilities, equipment or procedures that relate to the licensed programs. Surveillance and decommissioning records and financial assurance for decommissioning will continue to be handled in accordance with NRC requirements. The relevant entities have agreed to adhere to applicable constraints, conditions, requirements and commitments. Figures 1 and 2 attached to the enclosed LTA show the current and post-transfer ownership of the entities holding licenses.

AREVA appreciates the NRC's prompt review of this notification. If you have any questions related to this information, please contact either Gary Peters at 434-832-3945, or by email at gary.peters@areva.com or David Royer at 434-832-3550 or by email at dm.royer@areva.com.

Sincerely,



David Royer, General Counsel
for
Gary Peters, Director, Regulatory Affairs
AREVA Inc.

Attachments:

1. License Transfer Application, "AREVA Internal Reorganization: Request for NRC Consent to License Transfers"
 - Figure 1, "Simplified Organization Chart (Current)"
 - Figure 2, "Simplified Organization Chart (Post-Transfer)"

AREVA Internal Reorganization: Request for NRC Consent to License Transfers

Pursuant to Section 184 of the Atomic Energy Act of 1954 (AEA), as amended and 10 CFR §§ 30.34(b)(1), 40.46, and 70.36, and in accordance with NUREG-1556, Volume 15 "Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses" (NUREG-1556), AREVA Inc. hereby provides prior written notification to the U.S. Nuclear Regulatory Commission (NRC) concerning a planned internal reorganization within the AREVA family of companies in the U.S. in 2016. AREVA Inc. (AREVA) requests consent of the U.S. Nuclear Regulatory Commission (NRC) to the indirect transfer of control of License SNM-2015 for the Eagle Rock Enrichment Facility currently held by AREVA Enrichment Services LLC (AES), which is to be renamed AREVA Nuclear Materials LLC, and the direct transfer of control of License SUA-672 for the Lucky Mc Uranium Mill and Export License No. XSOU8780 from AREVA to AES, and Export License Nos. XSNM3643 and XSNM3722 from AREVA to TN Americas, LLC.¹

I. Description of the Internal Reorganization

Figure 1 is a simplified Organization Chart showing the current AREVA organizational structure.² Figure 2 is a simplified Organization Chart showing AREVA organizational structure post-transfer (after the reorganization is implemented).³ AREVA NP SAS owns 100% of the shares of AREVA Inc. and AREVA SA is the top-tier parent company. By way of several corporate actions, AREVA Inc. will undertake to separate its operations into two operating companies, with AREVA retaining certain businesses and other businesses being owned and operated by AES, which will be transferred to another intermediate French parent company which is also held by AREVA SA.

The following facilities in the United States are governed by licenses held by AREVA entities as follows.

A. Richland, Washington Fuel Manufacturing Plant

AREVA Inc. holds the Part 70 Fuel Manufacturing license for the Richland, Washington Fuel Manufacturing Plant. AREVA Inc. is currently owned 100% by AREVA NP SAS which is held by AREVA SA. AREVA also holds Export License Nos. XSNM3747 XSNM3551, XSNM3697, XSNM3741, XSOU8835 and XSOU8833, which are related to the Richland, Washington operations. There is no change in control of AREVA, and therefore, no consent is required regarding these licenses.

B. AREVA Enrichment Services, LLC

¹ As a result of the planned internal corporate reorganization, AREVA Inc. is also requesting NRC concurrence that there will be no direct or indirect transfer of control of one other NRC license (the CB&I AREVA MOX Services, LLC (MOX Services) Construction Authorization), and therefore no need for prior, written NRC consent with respect to that license.

² This chart is simplified in that it only identifies the AREVA entities that hold NRC licenses and the intermediate and ultimate parent companies in the chain of ownership of these entities.

³ Again, this chart is "simplified" in the same way as the "current" organization chart.

AREVA Enrichment Services, LLC (AES) holds the Eagle Rock uranium enrichment facility license and is currently wholly-owned by AREVA Inc. AES will change its corporate name to AREVA Nuclear Materials, LLC. Following the reorganization, AES will be held by an intermediate French parent company also held by AREVA SA. It is currently planned that this entity will be New AREVA Holdings SAS, but other options are being evaluated. If another entity is identified, AREVA will inform the NRC.

The transfer of AREVA's ownership interest to the new French parent company constitutes an indirect transfer of control of AES's license, but AES is and will remain the licensee with a new name. AREVA requests that NRC consent to the transfer of these licenses and issue conforming amendments pursuant to 10 CFR 70.36 in order to reflect the new name of the licensee, AREVA Nuclear Materials, LLC.

C. Lucky Mc Mill Tailings Site

On June 27, 2013, the NRC issued an "Order Approving Transfer and Change of Control and License Amendment of SUA-672, Pathfinder Mines Corporation, Lucky Mc Tailings Site (Docket No. 40-2259)." Under that Order, the NRC approved the direct transfer of control of this license from PMC to AREVA NC Inc. Subsequently, as part of the AREVA reorganization in the fall of 2013, AREVA NC Inc. was dissolved, and AREVA Inc. became the licensee. The Lucky Mc licensed area has already been reclaimed and title has already been conveyed to the U.S. Department of Energy (DOE), in accordance with Federal law. The only remaining item is for the long term surveillance fee for Lucky Mc to be agreed upon, and once that is done, conceivably in the near future, that license will be terminated. AREVA now intends to transfer the license to AES which will hold the license until the license is terminated and the DOE assumes the NRC "general license" under 10 CFR § 40.28. AREVA requests NRC consent to this transfer of the Lucky Mc license pursuant to 10 CFR 40.36, and requests that NRC issue a conforming amendment to reflect the new name of the licensee, AREVA Nuclear Materials, LLC.

D. Export Licenses to Be Transferred to AES

AREVA holds Export License Nos. XSNM3643, XSNM3722 and XSOU8780,⁴ and it has identified that these licenses are associated with activities that will be transferred to AES and its planned subsidiary to be named TN Americas, LLC. Therefore, AREVA requests that NRC consent to the transfer of these licenses and issue conforming amendments pursuant to 10 CFR 110.51 in order to reflect the new name of the licensees, AREVA Nuclear Materials, LLC (Export License No. XSOU8780) and TN Americas, LLC (Export License Nos. XSNM3643 and XSNM3722).

E. MOX Fuel Fabrication Facility

AREVA owns a minority, thirty percent (30%), non-controlling interest in CB&I AREVA MOX Services, LLC (MOX Services), which holds Construction Authorization No. CAMOX-001 for the MOX Fuel Fabrication Facility. AREVA's ownership interests in MOX Services will be

⁴ NRC has also issued Export Licenses Nos. XSNM3698 and XSNM3746 in the name of Transnuclear Inc., a business which has become part of AREVA. These licenses do not expire until December 31, 2016 and March 31, 2017, but the activities contemplated by these licenses have been completed, and the licenses are no longer in use. As such, no action is necessary with respect to these licenses.

transferred to AES, but this will not affect CB&I's controlling seventy percent (70%) interest in MOX Services. Therefore, AREVA requests that NRC confirm that the proposed reorganization does not involve any transfer of control that would need NRC's prior consent pursuant to 10 CFR 70.36.

II. NUREG-1556 Criteria

NUREG-1556 sets forth the criteria that the NRC uses to determine if consent to a license transfer is required pursuant to AEA Section 184 and the referenced NRC regulations. For the licenses set forth above that require such consent, the NUREG-1556 criteria are addressed below. In this regard and as discussed above, the following license transfers are being brought to the attention of NRC:

- Indirect transfer of control of NRC License No. SNM-2015; and
- Direct transfer of control of NRC License No. SUA-672 for the Lucky Mc facility and of NRC Export Licenses XSNM3643, XSNM 3722 and XSOU8780.

The following information applies to all of the above-referenced licenses.

1. Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.

A complete description of the transaction is provided in Section I above. As described in Section I, the AES licensee name for the Eagle Rock Facility will change from AREVA Enrichment Services, LLC to AREVA Nuclear Materials, LLC. The new licensee for the Lucky Mc facility and for Export License No. XSOU8780 will also be AREVA Nuclear Materials, LLC. The new licensee for Export License Nos. XSNM3643 and XSNM3722 will be TN Americas, LLC.

Contact names and telephone numbers are as follows:

- For AREVA Nuclear Materials, LLC and TN Americas, LLC:
Tom Pennington
7475 Wisconsin Ave., Suite 1100
Bethesda, MD 20814
Tom.Pennington@areva.com
301-841-1690
- For AREVA Inc.:
David Royer
3315 Old Forest Road
Lynchburg, VA 24501
dm.royer@areva.com
434-832-4937

Currently, the ultimate parent of the NRC-licensed entities is AREVA SA, a company organized under the laws of France, and the intermediate parent of AREVA Inc. is AREVA NP SAS, a company organized

under the laws of France.⁵ After the planned internal reorganization, AREVA SA will remain the ultimate parent and sole owner of AREVA NP SAS and New AREVA Holdings SAS, the new intermediate parent company of AREVA Nuclear Materials, LLC. Existing controls over access to classified or other protected information will remain in place. As described below, there will be no changes in the relevant AREVA or existing licensee personnel. Accordingly, the planned internal reorganization, and associated transfers of control of the licenses will not be inimical to the common defense and security.

2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.

As a result of the planned reorganization, there will be no changes in personnel or duties that relate to the licensed program for any of these licensees, including Radiation Safety Officers, authorized users or any other persons identified on the licenses or license application as having responsibility for radiation safety or authorized to use licensed material, including the AREVA and licensee Boards of Directors. Though the Lucky Mc license is being transferred directly to AES, the new licensee will not make any changes to the current personnel. There will be no new training required, because there will be no new personnel.

3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

As a result of the planned reorganization, there will be no changes in organization, location, facilities, equipment or procedures that relate to the licensed program for any of these licenses.

4. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.

The surveillance programs for these licenses are up to date and are expected to be up to date at the time that control is to be transferred. All required surveillances have been performed, documented and reviewed, as required.

5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

AES, as an existing NRC licensee that will retain its license for the Eagle Rock Enrichment Facility, will continue to retain decommissioning records in accordance with NRC requirements. Decommissioning records for PMC's Lucky Mc site will be transferred to AES. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

AES will have full responsibility for the decommissioning of its sites, including any contaminated facilities and equipment. AES will assume full responsibility for the Lucky Mc license, including payment of the long term surveillance fee, when agreed upon.

⁵ Under French law an SA or Société anonyme is comparable to corporation under U.S. law, and an SAS or Société anonyme is comparable to a limited liability company.

6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

AES, the transferee for PMC's Lucky Mc license and Export Licenses XSNM3643, XSNM3722 and XSOU8780, will abide by all constraints, conditions, requirements and commitments of the transferor. This commitment includes open inspection items and enforcement actions as applicable.

7. Financial Assurance for Decommissioning, Reclamation and Long Term Surveillance, As Applicable.

- a. AES will continue to comply with the requirements relating to financial assurance for decommissioning in License Condition 21 of License SNM-2015, as amended.
- b. With respect to the Lucky Mc license, the current financial surety arrangement consists of an Irrevocable Standby Letter of Credit issued to AREVA NC Inc. on behalf of PMC in the amount of \$834,954 in favor of the NRC. Pursuant to the NRC's June 27, 2013 Order, upon closing of the Ur-Energy transaction discussed above, AREVA NC Inc. provided "written proof that an Irrevocable Letter of Credit in the amount of \$834,954 or an amount equal to the most recent NRC-approved financial assurance cost estimate, whichever is greater, and a standby trust has been established to satisfy the requirements of 10 CFR 40, Appendix A, Criterion 9, for the future decontamination and decommissioning of the Lucky Mc facilities. The Letter of Credit shall be continuously maintained in an amount approved by the NRC for the purpose of complying with 10 CFR 40, Appendix A, Criterion 9, until a replacement is authorized by the NRC." This was provided by letter dated December 17, 2013, which also indicated that the closing of the transfer would be December 20, 2013 (ADAMS Accession No. ML13360A264). See NRC Letter dated June 26, 2014 (ADAMS Accession No. ML14079A512).

Conclusion

For the reasons stated above, AREVA respectfully requests written NRC consent to the indirect transfer of control of License SNM-2015 for the Eagle Rock Enrichment Facility currently held by AES, and the direct transfer of control of License SUA-672 for the Lucky Mc Uranium Mill and Export License No. XSOU8780 from AREVA to AES, and Export License Nos. XSNM3643 and XSNM3722 from AREVA to TN Americas, LLC. AREVA also requests approval of conforming amendments to reflect the new name of the licensees, AREVA Nuclear Materials, LLC and TN Americas, LLC, which will hold the licenses to be transferred pursuant to this request for NRC consent to license transfers. In order to support AREVA's schedule for implementation of the proposed reorganization on October 1, 2016, AREVA requests that NRC issue the requested consents and approvals no later than September 25, 2016.

Figure 1: SIMPLIFIED ORGANIZATION CHART (CURRENT)



