

May 17, 2000

Mr. David Walls
Veridian Engineering
6066 Leesburg Pike, Suite 400
Falls Church, VA 22041

Dear Mr. Walls:

I am responding to your letter of April 21, 2000, to Chairman Meserve of the U.S. Nuclear Regulatory Commission (NRC), in which you asked for any comments the NRC might have on a proposed project to test the Pulsed Fast Neutron Analysis Cargo Inspection System. As described in your letter, the system would involve the production of radioactive material, which is, in this case, tritium.

As you may know, an NRC license would be required for possession of a tritium neutron generator. In order for the NRC to grant such a license, it would first review the license application and, as part of its responsibility under the National Environmental Policy Act (NEPA), the NRC may need to prepare an environmental assessment to determine the environmental impacts of the proposed licensing action. The NRC's implementing regulations for NEPA are in Part 51 of Title 10 of the Code of Federal Regulations, specifically 51.30 for environmental assessments. If the NRC does conduct such a license application review, the environmental assessment that Veridian plans to prepare should be an important reference.

If you have any questions regarding this letter or the NRC's licensing process, please contact me or Ms. Charlotte Abrams of my staff, at (301) 415-7238.

Sincerely,

/RA/

Thomas H. Essig, Chief
Uranium Recovery and
Low-Level Waste Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

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