

EXHIBIT 3

**Dr. Marvin Resnikoff, Senior Associate
Radioactive Waste Management Associates
526 West 26th Street, Rm. 517
New York, NY 10001**

February 17, 1999

SUBJECT: RESPONSE TO YOUR LETTER DATED DECEMBER 31, 1998

Dear Dr. Resnikoff:

I am responding to your December 31, 1998, letter that the Nuclear Regulatory Commission (NRC) received in late January 1999. We appreciate your continued interest, not only in the proposed Private Fuel Storage, L.L.C. independent spent fuel storage installation on the reservation of the Skull Valley Band of Goshute Indians, but also in the certification of dual-purpose cask system technologies. In a letter to the staff dated February 27, 1998, you had expressed your concerns regarding irradiated fuel cladding brittleness and dynamic loading in dual-purpose casks. Our November 19, 1998, response to you indicated that the staff had considered your concerns during the review of the Holtec International HI-STAR/HI-STORM cask systems and planned to consider them for the BNFL Fuel Solutions' TranStor cask system.

The preliminary Safety Evaluation Report (SER) and Certificate of Compliance for the Holtec HI-STAR 100 storage cask is currently available for public comment, as part of the rulemaking process required to amend 10 CFR Part 72 to include the cask as one available for general use pursuant to Subpart K. The public comment period is open until March 29, 1999. If after reviewing the SER you have additional concerns, we would appreciate your submitting comments as part of the HI-STAR 100 rulemaking. This would enable us to specifically document the resolution of your comments as they apply to the Holtec submittal. Similarly, when the TranStor rulemaking is undertaken later in 1999, your comments would be useful in that process, as well.

If you have any questions regarding the rulemaking process, please contact Mr. Earl Easton, Section Chief of the Transportation and Storage Safety Section, Licensing and Inspection Directorate, Spent Fuel Project Office. Mr. Easton can be reached at (301) 415-8520.

Sincerely,

original signed by Eric J. Leeds for /s/

**Mark S. Delligatti, Senior Project Manager
Spent Fuel Licensing Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards**