



Rio Algom

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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Attn: Rulemakings and Adjudication Staff

Subject: Comments of Rio Algom Mining LLC on the National Mining Association's (NMA) Petition for Rulemaking to Exempt Uranium Recovery Licensee's from Nuclear Regulatory Commission (NRC) Part 170 and 171 fees.

Dear :

Rio Algom Mining LLC operates three licensed uranium recovery facilities in Wyoming, New Mexico and Utah. These facilities include an operating in-situ recovery facility and two conventional milling facilities, one in standby and one undergoing decommissioning activities. I am writing on behalf of Rio Algom Mining LLC to support the NMA's Petition to exempt the uranium recovery (UR) licensees from NRC Part 170 and 171 fees. Specifically, NMA petitioned the NRC to conduct a rulemaking to establish the basis and timeframe for waiving the assessment of all annual and periodic inspection and licensing fees of NRC UR licensees or, in the alternative, to establish the basis for waiving fees associated with a 10 CFR Part 41 rulemaking proceeding. Rio Algom agrees with NMA's assertion that maintenance of a viable domestic UR industry, including specifically maintenance of its substantial waste disposal capacity, as an important component of a viable domestic nuclear fuel cycle is demonstrably "in the public interest" of the United States of America.

It is important to note at the outset that assuring the viability of the dwindling number of domestic UR operations (and associated disposal capacity) over the short term (until uranium prices recover), and for NRC regulatory policy initiatives to make the use of regulatory options to help maintain that viability, will not result in an unreasonable burden to other fuel cycle licensees. It is probable that many such fuel cycle licensees will benefit substantially from access to more cost-effective disposal options and from the added stability of having viable domestic partners and customers. This is especially true given that NRC rules require timely decommissioning and decontamination of inactive facilities, and significant volumes of low level radioactive waste will be created by such activities. The disposal capacity for such wastes is either disappearing, or can be procured only at exorbitant prices. Therefore, waiver of NRC licensee fees and aggressive actions to expand the use of existing UR recycling/disposal capacity are needed now.

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The domestic UR industry's conventional mill tailing sites can provide the necessary repositories for in situ leach (ISL) production and now reclamation wastes. They can offer recycling/disposal options to other types of generators whose wastes contain recoverable uranium and the needed capacity for direct disposal of large volume, low activity radioactive wastes. Supporting and maintaining access to such valuable resources for fuel cycle licensees and other radioactive waste generators in the face of disappearing disposal options, is in the national public interest.

Rio Algom currently recovers uranium using the in-situ solution mining process which is more cost efficient and has a low environmental impact when compared to other conventional mining and milling processes. Rio Algom, in response to depressed uranium prices, has had to significantly reduced production levels and place facilities on standby. At the same time, in spite of those reductions, the fees paid to NRC have been increasing and have become a significant portion of the direct costs associated with all of its operations. From 1996 to 2000, Rio Algom has seen its NRC fees increase from \$107,120/year to over \$500,000/ year for the three licensed facilities. From 1996 to 2001, Rio Algom has paid over \$1.33 million to NRC on these three licensed facilities.

In this time of increased uncertainty regarding energy supplies, the United States needs to be able to produce its nuclear energy resources and in support of energy independence and our national security interests. Failure to act now and for the relatively short period necessary for the industry to stabilize would be a grave error if it leads to the loss of such valuable resources

Sincerely,



William Paul Goranson, P.E.
Manager, Radiation Safety, Regulatory
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CC: Katie Sweeney, NMA