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Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 28555-001

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Reference: National Mining Association; Petition for Rulemaking
Docket No. PRM-170-5

This letter serves as International Uranium (USA) Corporation's (IUC's) comments on the National Mining Association's (NMA's) Petition for Rulemaking to Exempt Uranium Recovery Licensees from Nuclear Regulatory Commission (NRC) Part 170 and 171 fees.

IUC supports the NMA's Petition to exempt 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. IUC 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 future viability of the dwindling number of domestic UR operations (and associated disposal capacity) over the short term until uranium prices sufficiently recover, and for NRC regulatory policy initiatives to make the use of such resources ever more viable, will not result in an unreasonable burden shift to other fuel cycle licensees. It is probable that many such licensees will benefit substantially from access to more cost-effective disposal options and from the stability of having viable domestic partners and customers. This is especially true given that since NRC rules require timely decommissioning and decontamination of inactive facilities, 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 what is called for now.

The domestic UR industry's conventional mills, such as IUC's White Mesa Mill near Blanding, Utah, provide the necessary repositories for in situ leach (ISL) production and

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now, restoration wastes. They can offer recycling/disposal options to other types of generators whose wastes contain recoverable uranium and the potential in the future of direct disposal of large volume, low activity radioactive wastes. Supporting and maintaining access to such valuable resources for fuel cycle licensees (including potentially reactors) and other radioactive waste generators in the face of disappearing disposal options, is in the national public interest.

With regard to timing of the waivers, IUC notes that any waiver of annual and periodic inspection and licensing fees should be made retroactive to the start of FY-2002 (January 1, 2002), for the following reasons. First, annual and periodic inspection and licensing fees are calculated over a fiscal year period and assessed to licensees accordingly. Thus, the licensee is assessed the requisite fees using recovery rates implemented over a single fiscal year period with no overlap into the preceding or following fiscal year. As a result, IUC believes that if NRC is to waive annual and periodic inspection and licensing fees for UR licensees beginning in FY-2002, any waiver must be made retroactive to the beginning of FY-2002, so that there is consistency with the policy of assessing fees based on a single fiscal year. Making this waiver retroactive to the beginning of FY-2002 will allow UR licensees to adjust their FY-2002 budgets accordingly and also allow the FY-2003 budget to be adjusted according to the recovery rate prescribed by Congress.

In summary, in this time of increased international uncertainty regarding energy supplies, the United States needs to be able to produce its valuable nuclear energy resources and to continue to utilize them for our energy independence and our national security. For example, a stable source of domestic uranium is important to our Nuclear Navy. 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. Therefore, IUC supports NMA's petition to exempt uranium recovery (UR) licensees from NRC Part 170 and 171 fees, and requests that any waiver of annual and periodic inspection and licensing fees be made retroactive to the start of FY-2002.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron F. Hochstein', with a long horizontal flourish extending to the right.

Ron F. Hochstein
President

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