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International Isotopes Inc.

July 8, 2002

Mr. Naiem S. Tanious
Office of Nuclear Materials Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Subject: NRC Workshop/Roundtable Discussion Proposed Rule: Packaging and
Transportation of Radioactive Materials. June 24, 2002 NRC Headquarters

Dear Mr. Tanious,

Let me first express my appreciation for having the opportunity to be part of the audience for the public meeting that was held June 24, 2002 at NRC Headquarters. I found the meeting very informative and well organized.

I would like to reiterate how important Issue # 8, *Grandfathering Previously Approved Packages* is to the future success of International Isotopes, Inc. (I³), as well as other small businesses that routinely transport Type B quantities of radioactive materials domestically. Although I³ applauds the efforts of the Nuclear Regulatory Commission and the Department of Transportation to grandfather previously approved packages, we find it difficult to understand why some packages with proven safety records would unjustly be phased out for domestic shipments in as little as two years after the proposed rule is issued. I³ has invested significant resources into transportation packages designed specifically for certain applications that will no longer be authorized for use should the regulations change as proposed.

Of primary concern to our Company is with regards to transporting iridium-192, used for industrial radiography. This radioisotope is an integral part of the oil and gas pipeline industry, commercial and military aircraft safety maintenance programs, and ship construction and repair. Our company is the only domestic commercial source of this radioisotope for industry. In the past, I³ has transported Ir-192 in the GE-8500, a DOT Specification Package. This specific package has been used in the United States to transport up to 10,000 curies of Ir-192 in special form without incident for past 23 years. If the proposed regulations are adopted none of these containers will be available for use and there are no other containers available in the world that meet the proposed new requirements for domestic use within the United States.

The cost of replacing these transport containers with ones meeting the proposed regulations, and having these packages reviewed and accepted by the NRC, is estimated at over a million dollars. Cost aside, however, it is unlikely that the NRC would approve any new containers before the implementation date. Therefore adoption of the new regulations will eliminate our Company's ability to provide a domestic supply of critical

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Naiem S. Tanious
Page 2
July 8, 2002

radioisotope for both U.S. commercial and military applications and will dictate that only foreign Companies import this material.

A second concern we have is that the proposed rules would essentially remove from service any and all containers that could be used to transport isotopes from the Department of Energy's Advanced Test Reactor for medical or industrial use. In order to use this rare domestic reactor source for isotope production a new transportation package would have to be constructed that would meet the Safety Series 6, 1985 criteria. The time and cost associated with the design, manufacture, testing, and approval of such a container would likely exceed the financial ability of our Company.

I³ offers the following comments regarding the proposed rule that may alleviate these concerns. These comments will also be submitted electronically at <http://ruleforum.llnl.gov>.

1. Currently approved DOT Specification Packages (such as welded Special Form inside a Type A, within a 20 WC Overpack) should be continue to be approved for domestic shipments. This suggestion is based upon the fact that packages that are currently accepted for use and proven to be safe should continue to be used until they reach the end of their useful life. The cost associated with phasing out transportation packages that have been in use safely for decades cannot be justified solely on the basis of harmonizing the regulations with the IAEA Transportation Safety Standards (TS-R-1).
2. Accept Competent Authority Certificates for foreign made Type B packages without requiring revalidation by a U.S. Competent Authority. The basis for this suggestion is that revalidation of foreign made packages for which a country has issued a Competent Authority Certificate other than the United States in accordance with TS-R-1 is a redundancy that provided no additional benefit. If the intent of the proposed rule changes is to harmonize the regulations with IAEA Transportation Safety Standards then what justification is there to revalidate foreign Competent Authority Certificates performed in accordance with the very regulations the United States is attempting to become compatible with?

Sincerely,



John J. Miller, CHP
Radiation Safety Officer

cc: Steve Laflin, President & CEO
J.J. Miller file (JJM-2002-07)