

May 8, 2003

Ms. Michelle Rehmann, Environmental Manager
International Uranium (IUSA) Corporation
Independence Plaza, Suite 950
1050 Seventeenth Street
Denver, Colorado 80265

SUBJECT: FOLLOW-UP TO JULY 27, 2000 INSPECTION VANADIUM PRODUCTS
MATERIALS LICENSE SUA-1358 -- WHITE MESA URANIUM MILL

Dear Ms. Rehmann:

On July 27, 2000, the NRC completed an inspection at your White Mesa Mill near Blanding, Utah. Although the NRC does not license the vanadium circuit at the Mill, the vanadium circuit falls within the "restricted area" and therefore is subject to NRC inspection for potential radiological exposures. The inspection revealed that some vanadium black-flake drums were contaminated with elevated levels of uranium, i.e., the "contaminated" drums of vanadium black-flake contained uranium greater than 0.05 percent by weight.

In response to this information, you committed to hold the "contaminated" drums until this issue is resolved. We received your April 18, 2001 submittal describing how you believe the contamination occurred. You also proposed additional mill procedures to ensure that all vanadium products leaving the Mill site contain less than 0.05 percent uranium and/or thorium by weight, and comply with applicable 10 CFR Part 20 requirements. We have discussed this issue with you in the interim and have kept you apprized of the staff's review.

Based on your submittal and our discussions, we agree with the proposed procedures outlined in your April 18th letter, and request that these procedures be implemented immediately. Any vanadium product that can be released based on these procedures may be shipped off-site for sale at this time, excluding the above mentioned "contaminated" vanadium black-flake drums.

As we discussed, a proposal to address the "contaminated" vanadium black-flake drums should be submitted within 30 days of this letter.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If you have any questions regarding this letter, please contact William von Till, the NRC Project Manager for the White Mesa mill, at (301) 415-6251 or by e-mail to rwv@nrc.gov.

M. Rehmann

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If you have any questions regarding this letter or the enclosures, please contact William vonTill, the NRC Project Manager for the White Mesa mill, at (301) 415-6251 or by e-mail to rvw@nrc.gov.

Sincerely,

/RA/

Susan M. Frant, Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-8681
SUA-1358

cc: W. Sinclair, UT
Tom Rice, Ute Mountain Ute Tribe
Terry Brown, US EPA Region VIII

M. Rehmann

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Sincerely,

/RA/

Susan M. Frant, Chief
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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Docket No. 40-8681
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