



American Potash & Chemical Corporation

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March 6, 1961

Mr. H. L. Price
Director
Division of Licensing Regulation
U. S. A. E. C.
Washington 25, D. C.

Dear Mr. Price:

This letter is a request that Section 40.13 (c)(1) "Unimportant Quantities of Source Material" of the Regulations of the Commission 10 CFR Part 40, "Licensing of Source Material", be amended to read as follows:

"Any quantities of thorium contained in (i) incandescent gas mantles; (ii) vacuum tubes; (iii) welding rods; or (iv) rare earth metals and compounds, mixtures and products containing not more than 0.25% by weight thorium, uranium or any combination of these."

thereby restoring the exemption applicable prior to February 13, 1961 to such rare earth materials.

Attached hereto is our application for this amendment which contains evidence of the irreparable damage which will be done to the rare earth industry by not restoring the long-standing exemption for rare earth materials having a thorium plus uranium content of less than 0.25% by weight. This application also shows that this damage is needless because there is no health hazard involved in the use, possession or handling of rare earth materials having a thorium content of less than 0.25% by weight. We are fully familiar with the rare earth business in the United States;

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we know of no health problems caused by the handling of these materials from 1946 to 1961 during which period the exemption was in the Commission's regulations. We know of no health problems even before 1946.

We conclude and show the following:

1. The thorium content limit of 0.05% is unnecessary from health - physics considerations.
2. The thorium content limit of 0.05% is unrealistic and impractical from a technical and analytical standpoint.
3. Licensing procedures called for under these regulations will do irreparable damage to the present and future rare earth industry by removing the rare earths from commercial application due to the requirements of Part 20. Increased capital costs, added professional fees, lengthy and costly labor negotiations, administrative burdens and probable higher wage rates will remove rare earth materials from practical commercial consideration. The result will be to cripple the rare earth industry and cause considerable unemployment.
4. A large number of consumers of rare earth materials will be subjected to licensing and regulation needlessly.
5. The licensing program and the burden on the Commission of administering it will be significantly increased.

Many of our present customers will have received within the next one to five weeks the amount of contained thorium in rare earth materials permissible under general licensing. Unless they have secured specific licenses in the meantime, we will be prohibited from shipping rare earths to them. We will also be prohibited from shipping single orders for rare earths where the contained thorium limits for single shipments are exceeded. The effect will be to suspend a major portion of our business and the business of our customers.

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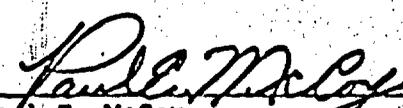
Since time is of the essence and any delay, potential or real, in the permanent restoration of the original exemption would cause us to suspend shipments of our products which are vital raw materials to many consumers in important industries, specific licensing of these consumers under Part 40 might be required almost immediately. This action would subject them to the requirements of Part 20. To avoid the Part 20 requirements, many of these consumers will suspend operations or use competing non-rare earth materials where feasible. This will prematurely and perhaps permanently cripple the rare earth industry even though the new regulations are effective only for the time required to effect the permanent restoration of the original exemption.

Therefore, inasmuch as we will be forced by the new regulations within several days to cease shipments to, and disrupt the business of, a number of our long standing and new customers, we urgently request prompt action on a temporary amendment re-instituting the exemption for rare earth materials contained in the regulations from 1946 to 1961, so that business may continue, such action being followed as soon as possible by permanent restoration of the original exemption.

If you should require further information or should you desire further discussion of this subject, please contact the writer at the above address.

Very truly yours,

AMERICAN POTASH & CHEMICAL CORPORATION

By: 

Paul E. McCoy
Manager
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