

March 9, 2004

Mr. Steve Laflin, President
International Isotopes, Inc.
4137 Commerce Circle
Idaho Falls, Idaho 83401

SUBJECT: SUMMARY OF PRE-APPLICATION DISCUSSION CONCERNING A
PART 40 LICENSE

Dear Mr. Laflin:

This letter serves to summarize our phone conversation of February 27, 2004, concerning the fluorine extraction process you intend to apply to green salt UF-4 (depleted uranium), and the process of obtaining a 10 CFR Part 40 source material license from the U.S. Nuclear Regulatory Commission (NRC). After you described the proposed process and the facility, we advised you that an 18-month period, from the date you submit an acceptable application until the license is issued, is likely. However, if an environmental impact statement is required, an additional six months would be involved. Also, once the application is accepted for review, a Federal Register Notice would be published with an opportunity for a hearing.

We suggest that you read applicable portions of 10 CFR Parts 19, 20, 40, 51, and 71. In particular, see Sections 20.1406, 40.31, 40.32, 40.36, 40.42, 40.60, 40.65, 51.20, 51.45, and 51.60b(v). Guidance for preparing your application can be found in NUREG-1520, "Standard Review Plan for the Review of a License Application for a Fuel Cycle Facility." Most of the sections of this NUREG would apply to your application. In addition, under §40.32(c), in order to determine that your proposed facility and procedures are adequate to protect health and minimize danger to life or property, some form of emergency plan will likely be required. Therefore, consider the guidance in Regulatory Guide 3.67, "Standard Format and Content for Emergency Plans for Fuel Cycle and Materials Facilities." Your application should be accompanied by an environmental report. Guidance for preparing an environmental report is contained in Section 6 of NUREG-1748, "Environmental Review Guidance for Licensing Actions Associated with NMSS Programs."

Your electronic mail message of March 1, 2004, inquired about a general license under §40.22 for preliminary work. A general license would be applicable if your operation meets the limitation of not more than 15 pounds of source material for use or transfer at any one time, and the limit of 150 pounds of source material received in any one year. Documentation of receipt, use, and transfer of source material would need to be kept available for NRC inspection.

The NRC staff that took part in the phone call and that may be contacted for further information are: Elaine Brummett - (301) 415-6606, esb@nrc.gov; John Lusher - (301) 415-7694, jhl@nrc.gov; and Robert Nelson, Chief of the Uranium Processing Section - (301) 415-7298, ran@nrc.gov.

In accordance with 10 CFR 2.790 of the Nuclear Regulatory Commission's (NRC) "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/reading-rm/adams.html>.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

S. Laflin

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Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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DATE	3/1/04	3/2/04	3/3/04	3/5/04	3/9/04

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