May 26, 2005

Mr. John H. Miller
International Isotopes, Inc.
4137 Commerce Circle
Idaho Falls, ID 83401

SUBJECT: ACKNOWLEDGMENT OF THE INTERNATIONAL ISOTOPES, INC. REQUEST FOR A LICENSE TO PROCESS DEPLETED URANIUM (TAC LU0086)

Dear Mr. Miller:

The U.S. Nuclear Regulatory Commission (NRC) received, by letter dated April 30, 2005, a request for a license to process depleted uranium for the purpose of recovering the elemental fluorine. International Isotopes, Inc. (I3) should address the following comments so that the staff can continue with the technical review of the application.

1. A Part 40 licensee is subject to the requirements listed in 10 CFR 40.64 "Reports." This section deals with completing transaction reports, yearly reporting of material status reports, and thresholds for reporting theft or diversion. Related to these requirements, there is not sufficient information in the submitted materials to make a determination in this arena.

    a. How will you comply with 40.64(a) if you are to receive and/or ship source material with foreign treaty obligations?

    b. In terms of 40.64(b), since you will be licensed to possess more than 1000 kgs of source material, state how you will comply with annual reporting requirements associated with source material with foreign obligations.

Regarding (a) and (b) above, you should contact Patricia Tana at (301) 415-8105 for assistance in setting up a reporting identification symbol (RIS) for the Nuclear Material Management and Safeguards System (NMMSS) reporting.

2. There are references in the submitted materials to sealed sources.

    a. It is not clear what those sources might be comprised of. If any of them would contain special nuclear material (plutonium or uranium enriched in U233 or U235) then there is insufficient information to determine the possible applicability of Part 70.

3. There is very little detail provided regarding fire safety

    a. Please provide a description and evaluation of fire scenarios that could result in chemical or radiological release. Staff would expect to see a HEPA filter fire, a major building fire, and localized fires that could result in fluorine release or UF4 dispersion.

b. Describe in detail, the fire suppression, detection, prevention or consequence mitigation measures associated with these scenarios.

c. Provide a commitment to applicable NFPA codes, particularly NFPA 801 "Standards for Facilities Handling Radioactive Materials" as it provides guidance for administrative controls, including a fire prevention program, general facility design, and fire protection systems and equipment. The commitment need only be to those parts applicable to the facility.

d. Provide copies of Insurance or other non-NRC fire inspection reports and any correspondence allowing deviations from fire related aspects of building codes or fire prevention codes.

I3 should provide the information requested above within 30 days from the date of this letter, or indicate why a delay is necessary. If you have any questions, please feel free to contact me by telephone at (301) 415-6334, or via e-mail to mgr@nrc.gov.

In accordance with 10 CFR 2.390 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/reading-rm/adams.html.

Sincerely,

/RA/

Michael Raddatz, Sr. Project Manager
Uranium Processing Section
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-9058

c. Provide a commitment to applicable NFPA codes, particularly NFPA 801 "Standards for Facilities Handling Radioactive Materials" as it provides guidance for administrative controls, including a fire prevention program, general facility design, and fire protection systems and equipment. The commitment need only be to those parts applicable to the facility.

d. Provide copies of Insurance or other non-NRC fire inspection reports and any correspondence allowing deviations from fire related aspects of building codes or fire prevention codes.

I3 should provide the information requested above within 30 days from the date of this letter, or indicate why a delay is necessary. If you have any questions, please feel free to contact me by telephone at (301) 415-6334, or via e-mail to mgr@nrc.gov.

In accordance with 10 CFR 2.390 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/reading-rm/adams.html.

Sincerely,

/RA/

Michael Raddatz, Sr. Project Manager
Uranium Processing Section
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-9058

DISTRIBUTION:
FCFB r/f

ML051530338

OFC	FCFB		FCFB		FCFB	
NAME	M. Raddatz		B. Garrett		R. Nelson	
DATE	05/26/2005		05/26/2005		05/26/2005	

OFFICIAL RECORD COPY