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CORRESPONDENCE CONTROL TICKET

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ACTION OFFICE: EDO

To: Strosnider, NMSS

AUTHOR: Christopher Pugsley

AFFILIATION: DC

ADDRESSEE: Robert Pierson

SUBJECT: Meeting with RMD Operations, LLC: letter request

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AO

ACTION: Appropriate

DISTRIBUTION: Chairman, Comrs

LETTER DATE: 05/08/2006

ACKNOWLEDGED: No

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## ***R.M.D. Operations, LLC***

May 5, 2006

United States Nuclear Regulatory Commission  
Attn: Robert Pierson, Director  
Division of Fuel Cycle Safety and Safeguards  
Mail Stop T-8-E-24  
Washington, DC 20555

Dear Mr. Pierson:

By this letter, RMD Operations, LLC (RMD) hereby requests a meeting with you and relevant members of NRC Staff on May 23, 2006 at 10:00 am to discuss the status of and schedule for the review of its application for a performance-based, multi-site license to assist community water systems (CWSs) in complying with the United States Environmental Protection Agency's (EPA's) new uranium in drinking water maximum contaminant level (MCL). Based on recent events, RMD believes that such a meeting is warranted to accelerate the review of its license application and to provide CWSs with a viable regulatory mechanism for facilitating compliance with the EPA uranium MCL and for adequately protecting public health and safety and the environment.

By way of background, approximately seven (7) months ago, RMD submitted a license application to NRC Staff requesting that it be issued a performance-based, multi-site license for uranium water treatment operations at CWS facilities. RMD's license application included a license application letter, an environmental report (ER) prepared pursuant to NUREG-1748 (*Environmental Review Guidance for Licensing Actions Associated with NMSS Programs*) guidelines, and a draft Safety Evaluation Report (SER) for NRC Staff's consideration. These license application materials included, among other things, descriptions of RMD's water treatment technology, proposed measures to protect public health and safety, decommissioning funding analyses and financial assurance mechanisms, and an evaluation of the potential application of a categorical exclusion to RMD's proposed operations under 10 CFR § 51.22(c)(14)(xvi). To date, RMD has received written confirmation that NRC Staff has received RMD's license application and oral confirmation that initial review by licensing personnel has been completed.

On May 1, 2006, RMD received a copy of the Commission's Staff Requirements Memorandum (SRM) (SRM-SECY-06-0049) in response to NRC Staff's recent request for guidance (SECY-06-0049) regarding the regulation of *licensable* source material created as a result of compliance with the EPA uranium MCL. In SECY-06-0049, NRC Staff proposed various options for addressing the regulation of uranium water treatment residuals, including the

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Mr. Robert Pierson  
May 5, 2006  
page 2

continuation of its review of RMD's license application. The Commission reviewed these proposed options and, in SRM-SECY-06-0049, among other conclusions, "approved the staff's plan to continue to review the R.M.D. Operations, LLC, license application as a multi-site service provider." In light of this statement, RMD believes that a meeting to discuss the review of its license application, along with any lingering technical or legal issues is both warranted and necessary.

RMD notes that the above-mentioned SRM suggests consultations with interested stakeholders, including Agreement States. In that regard, on February 9, 2006, RMD submitted a license application package to the State of California's Department of Health Services, Radiologic Health Branch (RHB), for a performance-based, multi-site license for uranium water treatment operations. The license application package was essentially identical to that submitted to NRC Staff. On April 21, 2006, the RHB notified RMD that its requested license had been granted and that it may commence licensed activities in the State immediately. A copy of this license is attached for your review.

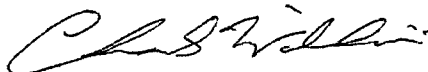
In light of the issuance of this license and given that California has a sophisticated Agreement State radiological protection program and that it is likely that the State of California will have a significant number of affected CWSs, this California license provides NRC with substantial evidence that RMD's proposed licensing approach will be acceptable to other Agreement States. California's acceptance of RMD's proposed licensing approach suggests that, as mentioned in SECY-06-0049, NRC Staff could consider a "year-round reciprocity" requirement allowing Agreement State and NRC recognition of this licensing approach. A "year-round reciprocity" requirement could help to assure timely compliance with EPA's mandated uranium MCL and to simplify the licensing process to preserve valuable NRC, State, and licensee resources. Since NRC Staff has noted that expenditure of NRC Staff resources is a potential "disadvantage" associated with several proposed options in SECY-06-0049, the development of an option utilizing RMD's current State of California license will be a primary discussion topic.

As further evidence of the acceptance by Agreement States of RMD's licensing approach, I offer that, after an encouraging pre-application meeting, RMD is finalizing a license application to the New Jersey Department of Environmental Protection/Bureau of Environmental Radiation, also under a multi-site, performance-based format. Additionally, the State of New Mexico was simply waiting for the issuance of the California license in order to review and structure a license issued to RMD in a similar format.

For the reasons described above and because RMD already has been engaged by two CWS facilities (with uranium treatment systems currently operating) and is in final negotiations with several other CWS facilities in *non*-Agreement States for uranium water treatment, expedited review of its license application is appropriate and necessary. As a result, RMD meeting with you and members of NRC Staff hopefully can establish an expedited timeline for review of RMD's license application and can resolve any outstanding issues. Please do not hesitate to contact me or Duane Bollig at (303) 424-5355 or my Washington, DC counsel, Anthony J. Thompson, Esq. or Christopher S. Pugsley, Esq., at (202) 496-0780 regarding this

Mr. Robert Pierson  
May 5, 2006  
page 3

meeting. Thank you for your time and consideration in this matter, and we look forward to our meeting with you on May 23, 2006.



Charles S. Williams  
President, R.M.D. Operations, LLC

CC: Chairman Nils J. Diaz, Chairman, United States Nuclear Regulatory Commission  
Commissioner Jeffrey S. Merrifield, United States Nuclear Regulatory Commission  
Commissioner Edward McGaffigan, Jr. United States Nuclear Regulatory Commission  
Commissioner Gregory B. Jazcko, United States Nuclear Regulatory Commission  
Commissioner Peter B. Lyons, United States Nuclear Regulatory Commission  
Luis A. Reyes, Executive Director of Operations, United States Nuclear Regulatory Commission  
Gary S. Janosko, Chief, Fuel Cycle Facilities Branch, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards  
William von Till, Chief, Uranium Processing Section, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards  
Michael Raddatz, Senior Project Manager, Uranium Processing Section, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards

**CHAIRMAN - Meeting with RMD Operations, LLC: Letter Request**

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**From:** "Christopher Pugsley" <cpugsley@athompsonlaw.com>  
**To:** <rcp@nrc.gov>  
**Date:** 05/08/2006 10:35:14 AM  
**Subject:** Meeting with RMD Operations, LLC: Letter Request  
**CC:** <chairman@nrc.gov>, <cmrmerrifield@nrc.gov>, <cmrmcgaffigan@nrc.gov>, <pbl@nrc.gov>, <jkr@nrc.gov>, "Michael Raddatz/NRC/Washington DC" <mgr@nrc.gov>, <rwv@nrc.gov>, <gsj@nrc.gov>, <larl@nrc.gov>, "Betty Garrett" <BSG@nrc.gov>

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Dear Mr. Pierson:

Please find attached a copy of RMD Operations, LLC's letter requesting a meeting with you and members of your staff on May 23, 2006 at 10am. Please do not hesitate to contact me if you have any questions. Thank you.

Christopher S. Pugsley, Esq.  
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**Subject:** Meeting with RMD Operations, LLC: Letter Request  
**Creation Date** Mon, May 8, 2006 10:34 AM  
**From:** "Christopher Pugsley" <cpugsley@athompsonlaw.com>

**Created By:** cpugsley@athompsonlaw.com

**Recipients**

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**ReplyRequested:** No