



State of Utah
Department of
Environmental Quality

Richard W. Sprott
Executive Director

Division of Radiation Control
Dane L. Finerfrock
Director

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

August 2, 2007

Attn: Mr. James L. Lynch
State Agreements Officer
U.S. Nuclear Regulatory Commission, Region III
2443 Warrenville Road, Suite 210
Lisle, Illinois 60532-4352

Dear Mr. Lynch:

This is in response to the Integrated Materials Performance Evaluation Program (IMPEP) Draft Report, dated July 13, 2007. This report documents the review of the Utah Agreement State program conducted June 11-15, 2007. We appreciate the opportunity to provide corrections and comments for your consideration:

Page 5, paragraph 3: the statement is made that *most* of the inspection reports are reviewed by the Section Manager. This should be changed to *all* reports are reviewed by the Section Manager.

Page 5, paragraph 4: the statement is made at the end of the paragraph that inspection closure letters are normally signed by the *Division Director*. This should be changed to the *Executive Secretary of the Utah Radiation Control Board*.

Page 6, paragraph 6: reference is made to Division Director for signature. A completed licensing action is signed by the Executive Secretary of the Utah Radiation Control Board.

Page 9, paragraph 3: in the opening sentence a statement is made that the Division *failed to perform on-site investigations*. It is correct that we did not perform on-site investigations; however, we *first* determined that an on-site investigation was *unnecessary*.

Page 10, paragraph 2: there is typographical error in the second to last sentence.

Page 14, last paragraph: the last sentence states the Health Physics Support Section Manager reviews all inspections and *issues enforcement letters...* . The *Executive Secretary of the Utah Radiation Control Board signs and issues the enforcement letters, etc.*

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Mr. James L. Lynch, State Agreements Officer
U.S. Nuclear Regulatory Commission, Region III

Page 16, paragraph 4: the name *International Uranium Corporation* should be replaced with *Denison Mines (USA) Corp.*

Appendix E, page E.1, File No. 3: The investigation date should be recorded as 11/03/04. This is documented in the FY 2005 Abnormal Occurrence Report to Congress and at NMED report #040780.

Appendix E, page E.2, File No. 12: Under comments, we suggest the statement, "This was an Oklahoma licensee performing services in Utah under reciprocity," be added.

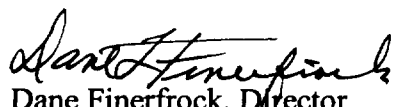
Finally, we understand the recommendations found on Page 20 of the Draft IMPEP report. The following is offered regarding the recommendations:

#1. We have reviewed and amended our Administrative Procedures to include a form that documents the Division's deliberations regarding the decision whether or not to perform an on-site investigation for incidents.

#2. In order to implement a more comprehensive inspection program for the uranium mill recovery facilities, the Division hired a person to fill the vacancy in that program. This will enable to Division to meet its inspection goals. Additionally, the Executive Director of the Department of Environmental Quality approved hiring additional staff for the Health Physics Support Section. We are currently recruiting a health physicist for that position. The hiring and training of the new staff will provide additional resources for the mill inspection program.

We appreciated the thoroughness of the IMPEP review and the openness in which it was conducted. Please express our appreciation to the team members.

Sincerely,


Dane Finerfrock, Director
Division of Radiation Control

Cc: Richard W. Sprott, Executive Director, DEQ