



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 6, 1999

MEMORANDUM TO: David L. Meyer, Chief  
Rules and Directives Branch  
Division of Administrative Services  
Office of Administration

FROM: John J. Surmeier, Chief /RA/  
Uranium Recovery and  
Low-Level Waste Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: PUBLISHING FONSI IN THE FEDERAL REGISTER CONCERNING  
APPROVAL OF THE RENEWAL AND AMENDMENT OF SOURCE  
MATERIAL LICENSE SUA-1350

Attached please find one signed original, five copies, and an electronic version on a floppy diskette of the Federal Register Notice identified below for your transmittal to the Office of the Federal Register for publication.

- Notice of Finding of No Significant Impact for the proposed renewal of Source Material License No. SUA-1350 for operation and amendment for the Reclamation Plan for Kennecott Uranium Company's Sweetwater Uranium Mill Site
- Notice of Availability of Environmental Report \_\_\_\_\_
- Notice of Opportunity for Hearing on the proposed license amendment of Source Material License No. SUA-1350
- Notice of Availability of License Amendment Application for: \_\_\_\_\_
- Notice of Availability of Draft EIS for: \_\_\_\_\_

CONTACT: Elaine Brummett, NMSS/DWM  
(301) 415-6606

- Notice of Availability of Final EIS for: \_\_\_\_\_
- Notice of Issuance of Facility Operating License or Amendment \_\_\_\_\_
- Notice of Preparation of Environmental Assessment \_\_\_\_\_
- Environmental Assessment \_\_\_\_\_
- Other \_\_\_\_\_

Docket No. 40-8584  
 License No. SUA-1350

Attachments: As stated (7)

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NUCLEAR REGULATORY COMMISSION

DOCKET NO. 40-8584

KENNECOTT URANIUM COMPANY

AGENCY: Nuclear Regulatory Commission

ACTION: Final Finding of No Significant Impact  
Notice of Opportunity for Hearing

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) proposes to renew NRC Source Material License SUA-1350 to authorize the licensee, Kennecott Uranium Company (KUC), to resume commercial milling operations at the Sweetwater facility, and to approve the plan for future reclamation of the mill facility, existing and proposed new tailings impoundment, and the proposed evaporation ponds, according to the 1997 Reclamation Plan, as amended. The Sweetwater uranium mill site is located in Sweetwater County, approximately 40 miles (64 kilometers) northwest of the town of Rawlins, Wyoming. An Environmental Assessment (EA) was performed by the NRC staff in support of its review of KUC's license renewal for operation and the amendment request, in accordance with the requirements of 10 CFR Part 51. The conclusion of the EA is a Finding of No Significant Impact (FONSI) for the proposed licensing action.

FOR FURTHER INFORMATION CONTACT: Ms. Elaine Brummett, Uranium Recovery and Low-Level Waste Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Mail Stop T7-J9, Washington, D.C. 20555. Telephone 301/415-6606.

**SUPPLEMENTARY INFORMATION:****Background**

The Sweetwater uranium mill site presently is licensed by the NRC under Materials License SUA-1350 to possess byproduct material in the form of uranium waste tailings, as well as other radioactive wastes generated by past milling operations. The mill operated from 1981 to 1983, but is currently in standby status. KUC has requested renewal of the license to allow operation of the mill (includes construction of one new impoundment and up to eight evaporation ponds), and the evaluation of that request has been completed. KUC also has requested approval of the reclamation plan to stabilize the existing tailings impoundment. In addition, the plan provides for the future stabilization of proposed new tailings impoundments, reclamation of land, and decommissioning of the mill facility.

Construction of an additional five new impoundments and two evaporation ponds may be requested if the mill operates for 20 years, and the impact of this was considered in the EA. The additional impoundments would be reclaimed according to the NRC-approved plan and any change in design would require review and approval by the NRC staff.

KUC submitted the operations plan, reclamation plan, and associated information by letters dated June 11, July 3, July 23, August 1, August 20, September 18, and October 7, 1997. The mill and land decommissioning plan portion of the reclamation plan was submitted May 28, 1998. Page changes to various submitted documents and responses to NRC staff comments were provided June 10, July 1, and July 20, 1998, as well as February 3, February 25, March 25, April 21, and June 21, 1999.

### Summary of the Environmental Assessment

The NRC staff performed an assessment of the environmental impacts associated with the operations plan and reclamation plan, in accordance with 10 CFR Part 51, Licensing and Regulatory Policy Procedures for Environmental Protection. The license renewal would authorize KUC to resume operation of the mill at a maximum production rate of 4,100,000 pounds (1,859,748 kg) of yellowcake per year, and to possess byproduct material in the form of uranium waste tailings and other uranium byproduct wastes generated by the authorized milling operations. The actual resumption of operations will be conditional on: 1) the NRC review of standard operating procedures for mill operation; 2) a 90-day pre-startup notification to NRC; and 3) the completion of a pre-startup NRC inspection and resolution of any safety issues identified by the inspection. The renewed license also would approve KUC's proposed plan to stabilize and cover the tailings impoundments, and decommission the mill facility (including land and evaporation ponds). All conditions in the renewed license and commitments presented in the licensee's renewal documents are subject to NRC inspection.

In conducting its appraisal, the NRC staff considered the following: (1) information contained in KUC's 1997 license renewal and amendment requests, as revised; (2) previous environmental and safety evaluations of the facility; (3) data contained in land use and environmental monitoring reports; (4) existing license conditions; (5) results of NRC staff site visits and inspections of the Sweetwater facility; and (6) consultations with the U.S. Fish and Wildlife Service, the U.S. Bureau of Land Management, the Wyoming State Historic Preservation Officer, and the Wyoming Department of Environmental Quality. The staff evaluation of the Sweetwater operation plan and associated documents is being evaluated in a

Safety Evaluation Report, and the technical aspects of the reclamation plan are discussed separately in a Technical Evaluation Report that will accompany the final agency licensing action.

The results of the staff environmental review are documented in an EA placed in the docket file. Based on its review, the NRC staff has concluded that there are no significant environmental impacts associated with the proposed action.

### Conclusions

The NRC staff has examined actual and potential impacts associated with the operation of the mill, site decommissioning, and reclamation of the tailings impoundments, and has determined that the requested renewal of Source Material License SUA-1350 will: (1) be consistent with requirements of 10 CFR Part 40, Appendix A; (2) not be inimical to public health and safety; and (3) not have long-term detrimental impacts on the environment. The following statements summarize the conclusions resulting from the staff's environmental assessment, and support the FONSI:

1. An acceptable environmental and effluent monitoring program is in place to monitor effluent releases and to detect if applicable regulatory limits are exceeded. Radiological effluents from facility operations have been and are expected to remain below the regulatory limits;
2. Mill tailings and process liquid effluents from the mill circuit will be discharged to a multi-lined impoundment with a leak detection system;
3. The licensee will conduct site decommissioning and reclamation activities in accordance with NRC-approved plans; and

4. Present and potential health risks to the public and risks of environmental damage from the proposed mill operation, decommissioning, and reclamation were assessed. Given the remote location, requirements in place, licensee's inspection and radiation safety programs, area of impact, and past activities on the site, the staff determined that the risk factors for health and environmental hazards are insignificant.

Because the staff has determined that there will be no significant impacts associated with approval of the license renewal (and associated amendments), there can be no disproportionately high and adverse effects or impacts on minority and low-income populations. Consequently, further evaluation of Environmental Justice concerns, as outlined in Executive Order 12898 and NRC's Office of Nuclear Material Safety and Safeguards Policy and Procedures Letter 1-50, Revision 1, is not warranted.

#### Alternatives to the Proposed Action

The proposed action is to renew NRC Source Material License SUA-1350, for operation of the mill, subsequent decommissioning of the facility, and reclamation of the tailings impoundments, as requested by KUC. Therefore, the principal alternatives available to NRC are to:

1. Approve the license renewal request as submitted; or
2. Renew the license with such additional conditions as are considered necessary or appropriate to protect public health and safety and the environment; or
3. Deny the renewal request.

Based on its review, the NRC staff has concluded that the environmental impacts associated with the proposed action do not warrant either the limiting of KUC's future operations or the

denial of the license amendment. Additionally, in the TER prepared for this action, the staff has reviewed the licensee's proposed action with respect to the criteria for reclamation, specified in 10 CFR Part 40, Appendix A, and has no basis for denial of the proposed action. Therefore, the staff considers that Alternative 1 is the appropriate alternative for selection.

#### FINDING OF NO SIGNIFICANT IMPACT

The NRC staff has prepared an EA for the proposed renewal of NRC Source Material License SUA-1350. On the basis of this assessment, the NRC staff has concluded that the environmental impacts that may result from the proposed action would not be significant, and therefore, preparation of an Environmental Impact Statement is not warranted.

The EA and other documents related to this proposed action are available for public inspection and copying at the NRC Public Document Room, in the Gelman Building, 2120 L Street N.W., Washington, DC 20555.

#### Notice of Opportunity for Hearing

The Commission hereby provides notice that this is a proceeding on an application for a licensing action falling within the scope of Subpart L, "Informal Hearing Procedures for Adjudications in Materials and Operators Licensing Proceedings," of the Commission's Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders in 10 CFR Part 2 (54 FR 8269). Pursuant to § 2.1205(a), any person whose interest may be affected by this proceeding may file a request for a hearing. In accordance with § 2.1205(c), a request for a hearing must be filed within thirty (30) days from the date of publication of this FEDERAL REGISTER notice. The request for a hearing must be filed with the Office of the Secretary either:

(1) By delivery to the Rulemakings and Adjudications Staff of the Office of the Secretary at One White Flint North, 11555 Rockville Pike, Rockville, MD 20852; or

(2) By mail or telegram addressed to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Rulemakings and Adjudications Staff.

Each request for a hearing must also be served, by delivering it personally or by mail to:

(1) The applicant, Kennecott Uranium Company, P.O. Box 1500, Rawlins, WY 82301;

(2) The NRC staff, by delivery to the Executive Director of Operations, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852; or

(3) By mail addressed to the Executive Director for Operations, U.S. Nuclear Regulatory Commission, Washington, DC 20555.

In addition to meeting other applicable requirements of 10 CFR Part 2 of the Commission's regulations, a request for a hearing filed by a person other than an applicant must describe in detail:

(1) The interest of the requestor in the proceeding;

(2) How that interest may be affected by the results of the proceeding, including the reasons why the requestor should be permitted a hearing, with particular reference to the factors set out in § 2.1205(g);

(3) The requestor's areas of concern about the licensing activity that is the subject matter of the proceeding; and

(4) The circumstances establishing that the request for a hearing is timely in accordance with § 2.1205(c).

Any hearing that is requested and granted will be held in accordance with the Commission's "Informal Hearing Procedures for Adjudications in Materials and Operator Licensing Proceedings" in 10 CFR Part 2, Subpart L.

Dated at Rockville, Maryland, this 6 day of August 1999

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script that reads "John J. Surmeier". The signature is written in black ink and is positioned above the typed name and title.

John J. Surmeier, Chief  
Uranium Recovery and  
Low-Level Waste Branch  
Division of Waste Management  
Office of Nuclear Material Safety  
and Safeguards