January 5, 2012

Mr. Mark R. Chino, President
Mescalero Apache Tribe
75 Carrizo Canyon Rd.
P.O. Box 229
Mescalero, NM 88340

SUBJECT: NOTIFICATION OF THE ISSUANCE OF AND REQUEST FOR COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED INTERNATIONAL ISOTOPES FLUORINE PRODUCTS FACILITY IN LEA COUNTY, NEW MEXICO

Dear President Chino:

The U.S. Nuclear Regulatory Commission (NRC) staff is reviewing an application submitted by International Isotopes Fluorine Products, Inc. (IIFP), a wholly owned subsidiary of International Isotopes, Inc., (INIS) to construct, operate, and decommission a proposed uranium processing facility. The facility is proposed to be located within a 640-acre section in Lea County near Hobbs, New Mexico, of which approximately 40 acres would be developed. The proposed facility, if licensed, would deconvert depleted uranium hexafluoride (DUF_6) into uranium oxide compounds for long-term disposal.

As part of the review of the application, the NRC has prepared a draft Environmental Impact Statement (EIS) (NUREG-2113). The draft EIS includes an analysis of relevant environmental issues, including potential impacts on historic and cultural resources, and documents the NRC staff's preliminary determination regarding the environmental impacts from the construction, operation, and decommissioning of the proposed DUF_6 deconversion facility.

By letter dated June 29, 2010, the NRC staff notified the Mescalero Apache Tribe that it will comply with its obligations under Section 106 of the *National Historic Preservation Act of 1966*, as amended (NHPA), using the process set forth in Title 36 of the *Code of Federal Regulations* (36 CFR) 800.8(c). Pursuant to 36 CFR 800.8(c), the NRC staff is using the preparation of the EIS required by the National Environmental Policy Act of 1969, as amended (NEPA), to comply with its obligations under Section 106 of the NHPA. The NRC staff is using 36 CFR 800.8(c) in lieu of the procedures set forth in 36 CFR 800.3 through 36 CFR 800.6.

The Area of Potential Effect (APE) for archaeological resources is the 16-ha (40-ac) parcel containing the proposed facility. The APE for historic architectural resources is considered to be the area within 10 km (6 mi) of the proposed facility to account for any physical, visual, or auditory effects that the facility would have on surrounding historic resources.

An archaeological survey was conducted by an IIFP archaeological consultant in May 2009 on the entire 249-ha (640-ac). This survey consisted of systematic surface pedestrian coverage at 15-m (49-ft) intervals. The survey resulted in the identification of three isolated artifacts. No archaeological sites were identified. In accordance with Section 18-6-5 of the New Mexico Cultural Properties Act, the archaeological consultant completed a "negative survey report" to

describe the survey and record the isolated artifact occurrences. The "negative survey report' is presented in pages B-14 through B-16 in Appendix B of the draft EIS. Also, there are no historic properties eligible for listing or listed on the National Register of Historic Places within the APE as stated in the draft EIS, page 3-4 of Section 3.2, "Land Use". Therefore, the NRC staff concluded that the proposed project would have small impact on historic properties and cultural resources.

The NRC staff is enclosing the draft EIS on a compact disc (CD) for your review and comment. Pursuant to 36 CFR 800.8(c), we are requesting your comments on the draft EIS and on our conclusions regarding historic and cultural resources. Please provide any information, comments, or concerns you may have on the draft EIS during the comment period, which ends February 27, 2012. The NRC staff will address your comments in the final EIS. Comments should be submitted in writing either by mail to Cindy Bladey, Chief, Rules, Announcements and Directives Branch, Division of Administrative Services, Office of Administration, Mailstop TWB-05-B01M, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by e-mail to INIS.EIS@nrc.gov.

The NRC staff plans to hold a public meeting to discuss the contents of the draft EIS on Thursday, February 2, 2012 at the Lea County Event Center, 5101 Lovington Highway in Hobbs, New Mexico. The meeting will convene at 5:30 p.m. and will continue until 8:30 p.m. The meeting will be transcribed and will include the following agenda items: (1) a brief presentation of NRC's roles and responsibilities and the licensing process; (2) a presentation summarizing the contents of the draft EIS; and (3) an opportunity for interested government agencies, tribal governments, organizations, and individuals to provide comments on the draft EIS. Additionally, the NRC staff will host informal discussions in an open house forum 1 hour before the start of the meeting, during which members of the public may meet and talk with NRC staff members. You and other representatives of the Mescalero Apache Tribe are invited to attend.

If you have any questions or require additional information, please contact Mr. Asimios Malliakos, Project Manager, by phone at 301-415-6458, or by e-mail at Asimios.Malliakos@nrc.gov.

Sincerely,

/RA/

Larry W. Camper, Director
Division of Waste Management
and Environmental Protection
Office of Federal and State Materials
and Environmental Management Programs

Docket No.: 040-9086

Enclosure: Draft EIS (CD Copy)

cc: H. Houghten, Tribal Historic Preservation Officer

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Larry W. Camper, Director
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Office of Federal and State Materials
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Docket No.: 040-9086
Enclosure: Draft EIS (CD Copy)
cc: H. Houghten, Tribal Historic Preservation Officer
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