

DOCKETED
USNRC

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

'97 JUL 11 P12:41

ATOMIC SAFETY AND LICENSING BOARD PANEL

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

Before Administrative Judges:
Peter B. Bloch, Presiding Officer
Charles N. Kelber, Special Assistant

In the Matter of)	Docket No. 40-8681-MLA
)	
INTERNATIONAL URANIUM (USA))	Re: License Amendment
CORPORATION)	
)	ASLBP No. 97-726-03-MLA
(White Mesa Uranium Mill;)	
Alternative Feed Material))	

**INTERNATIONAL URANIUM (USA) CORPORATION
NOTICE OF SERVICE OF DOCUMENT
REGARDING AMENDMENT TO SOURCE MATERIAL LICENSE
(DOCKET NO. 40-8681)**

International Uranium (USA) Corporation ("IUSA"), by its undersigned counsel of record, submits this Notice of Service of Document and in support thereof states as follows:

1. Mr. Harold R. Roberts, Executive Vice President of IUSA, mailed a letter (the June 18 Letter) to the Honorable Michael O. Leavitt, Governor of the State of Utah, dated June 18, 1997. The letter concerned the amendment to the Source Materials License that is the subject of this proceeding and was part of a continuing exchange of written communications between one of the petitioners in this case (the "Great Avikan House"), the Governor, and IUSA.

2. Copies of the June 18 letter were mailed to a list of people that had received earlier letters of the Great Avikan House. The Office of the Secretary of the United States Nuclear Regulatory Commission is included in that list.

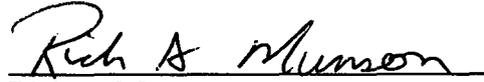
3. A staff member of the Office of the Secretary contacted the undersigned to advise of the receipt of the June 18 Letter and also advise that the June 18 Letter had not been appropriately served on all the individuals/entities shown on the official service list for this case. Staff requested that IUSA either serve the June 18 Letter in accordance with the rules governing this proceeding or direct the Office of the Secretary that the June 18 Letter should be withdrawn from the record of this proceeding.

SECY-EHD-006

DS03
18398

4. IUSA is hereby serving the June 18 Letter on all individuals/entities shown on the attached service list.

Respectfully submitted this 8th day of July, 1997.



Rich A. Munson
Attorney at Law
One Tabor Center, Suite 1000
1200 Seventeenth Street
Denver, CO 80202

Telephone:(303) 893-6996
Facsimile(303) 904-4989

Counsel for International Uranium (USA)
Corporation, Licensee

DOCKETED
USNRC

CERTIFICATE OF SERVICE

I, Rich A. Munson, hereby certify that on this 8th day of July, 1997, the original and two conformed copies of the foregoing PLEADING were mailed, postage prepaid, addressed to the following:

Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001
Attention: Rulemakings and Adjudications Staff

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

I, Rich A. Munson, hereby certify that on this 8th day of July, 1997, a conformed copy of the foregoing PLEADING was mailed, postage prepaid, addressed to the following:

Administrative Judge
Peter B. Bloch
Presiding Officer
Atomic Safety and Licensing Board
Mail Stop - T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Administrative Judge
Charles N. Kelber
Special Assistant
Atomic Safety and Licensing Board
Mail Stop - T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

John T. Hull, Esq.
Sherwin B. Turk, Esq.
Office of the General Counsel
Mail Stop - 0-15 B18
U.S. Nuclear Regulatory Commission
Washington, DC 20555

G. Leah Dever
Assistant Manager for Environmental
Management
Department of Energy
Nevada Operations Office
P.O. Box 98518
Las Vegas, NV 89193

Robert R. Pierce
Senior Attorney
Atomic Safety and Licensing Board
Mail Stop T-3 F23
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Office of Commission Appellate Adjudication
Mail Stop: 0-16 G15
U.S. Nuclear Regulatory Commission
Washington, DC 20555

President
Energy Fuels Nuclear, Inc.
1515 Arapahoe Street, Suite 900
Denver, CO 80202

Norman Begay
White Mesa Ute Citizen
Box 1138
White Mesa, UT 84511

Lula J. Katso
Westwater Navajo Community
c/o M. Hutchins
264 West 100 North
Blanding, UT 84511

Winston M. Mason
Great Avikan-House
Native American Peoples Historical Foundation
3 East Center Street, Box AVIKAN
Blanding, UT 84511


Rick A. Munson



INTERNATIONAL
URANIUM (USA)
CORPORATION

Independence Plaza, Suite 950 • 1050 Seventeenth Street • Denver, CO 80265 • 303 625 7795 (main) • 303 389 4125 (fax)

June 18, 1997

VIA OVERNIGHT MAIL

Honorable Michael O. Leavitt, Governor
State of Utah
State Capitol Building
201 State Capitol
Salt Lake City, UT 84114

Re: Letters from your office to Great Avikan™House and from Great Avikan™House to your office dated May 23, 1997 and May 24, 1997, respectively, regarding the White Mesa Uranium Mill

Dear Governor Leavitt:

Effective May 10, 1997, International Uranium (USA) Corporation ("IUC") assumed ownership and became the licensed operator of the White Mesa Uranium Mill. As your office is aware, the White Mesa Mill is a U.S. Nuclear Regulatory Commission ("NRC") licensed facility located approximately six miles south of Blanding, Utah, in San Juan County. As discussed in a previous letter dated May 8, 1997 (copy attached), the previous owner, Energy Fuels Nuclear, Inc. ("EFN"), received an amendment to the NRC license for the Mill, which authorizes the processing of an alternate feed material known as the "Cotter Concentrate" to recover the uranium it contains. IUC is implementing the approved amendment; but, we will also continue to offer, as EFN has, to provide any additional facts that the State of Utah may require to address questions concerning this processing.

We have copies of the May 23 letter from the Office of the Governor to Mr. Mason of the Great Avikan™House, and the response from a Mr. Mason, representing the Great Avikan™House. As your letter points out, in response to public interest in this issue, EFN and United States Department of Energy ("DOE") representatives attended the May 9, 1997 meeting of the Radiation Control Board ("RCB") to present information on the reprocessing amendment. Our presentations were intended to provide the Board and interested parties with facts concerning issues which appeared, in new articles and letters, to be misunderstood. The presentation materials and fact sheets addressed the same areas of concern addressed in our May 8 letter to your office.

Based on our review of the May 24 letter from the Great Avikan™House representative to your office, it again appears that a summary of facts regarding areas of concern raised in the letter may

Michael O. Leavitt, Governor
June 18, 1997
Page 2

be helpful. Therefore, the purpose of this letter is to provide your office with factual summaries in the following areas:

1. Informational materials provided by the Department of Energy ("DOE") to the Utah Division of Radiation Control ("DRC")
2. Board comments at May 9 meeting
3. Safety of processing the Cotter Concentrate

1. **Informational materials provided by the Department of Energy ("DOE") to the Utah Division of Radiation Control ("DRC")**

The Great Avikan™ House letter suggests that the Department of Energy ("DOE") had not provided technical information to the Utah Division of Radiation Control ("DRC"). The letter also contains the statement that "The only information provided by DOE at the meeting was a seriously edited revision of their former 'secret' proposal to bring the Cotter Concentrate to Utah." In response to our request that the DOE provide a response to this issue, the DOE notes the following:

"On April 29, 1997, fact sheets were provided to the Utah DRC regarding the history of the Cotter Concentrates and overview of the Environmental Management Program at the DOE Nevada Operations Office. At the May 9, 1997 RCB meeting, information regarding radionuclide isotopic composition of the Cotter Concentrate was provided to Preston Truman, a member of the RCB. To our knowledge, this is the only additional information that we requested by any board member of the RCB."

"The NRC also provided the DRC with technical information that was the basis for the amendment application. DOE/NV has not received a request from any congressional office for information pertaining to the Cotter Concentrate."

"Presentation material provided at the RCB meeting pertained specifically to the Cotter Concentrates in regards to their shipment to the White Mesa Mill and the recently approved NRC license amendment. Presentation material provided to the Community Advisory Board (CAB) in Las Vegas (referred to as "...their former 'secret' proposal...") pertained to the Cotter Concentrate project as part of the overall DOE environmental management Site Treatment Plan which was a result of the Federal Facility Compliance Act. The Site Treatment Plan is a publicly available document that discusses all DOE mixed waste streams, which is updated on regular basis. The Cotter Concentrate has been an ongoing project that has been discussed for the last two years with the CAB. DOE/NV considered

Michael O. Leavitt, Governor
June 18, 1997
Page 3

the different audiences had different interest and concerns and therefore modified the presentation to the RCT to provide information pertinent to the amendment for processing the Cotter Concentrates."

2. Board comments at May 9 meeting

The Great Avikan™ House letter refers to the minutes of the May 9, 1997 RCB meeting as stating the "DRC board Chairman, Norman Sunderson, informed EFN and DOE that they would not be able to move the Concentrate until after the NRC had completed the "Petition process..." The Board minutes contain no such statement by any member of the Board. The copy of the Board minutes for the May 9 meeting we received (copy attached) reflect that Mr. Sunderland, the RCB Chairman, stated his expectation that the "Division should be able to advise the Board at the next meeting, what kind of action they can take". The same minutes reflect that, after brief discussion, Mr. Sinclair advised the Board that "The primary decision maker on this issue is the NRC. The state does not have delegated authority on uranium mills."

3. Safety of processing the Cotter Concentrate

The Cotter Concentrate is 10 to 15 times richer in terms of uranium content than the ores that are typically processed at the White Mesa Mill. Accordingly, an obvious question is whether the material can be safely processed at the Mill. As noted in the EFN letter to your office of May 8, prior to submitting a request for this license amendment, EFN conducted an analysis of this issue and concluded that the Cotter Concentrate does not present any unique or extraordinary safety issues. As described in the following subsection, the NRC, in approving our request for an amendment, agreed that the material can be processed without posing additional risk or impacts to the environment, EFN's employees, or public health and safety. In addition, the safety of this processing was reviewed and confirmed independently by a Certified Health Physicist.

Health Physics and Radiation Safety

Keith J. Schiager, Ph.D., a Certified Health Physicist, reviewed the potential health and environmental impacts that may be associated with the processing of the Cotter Concentrate. In addition to his current position as Director Emeritus of the Radiological Health Department at the University of Utah, Dr. Schiager has served as President of both the American Academy of Health Physics and the Health Physics Society. His service on scientific advisory committees includes the International Radiation Protection Association, National Academy of Sciences, National Council on Radiation Protection and Measurements, and the U.S. Environmental Protection Agency Science Advisory Board.

Michael O. Leavitt, Governor
June 18, 1997
Page 4

Based on Dr. Schiager's review of the amendment request submitted to the NRC by EFN; Amendment 1 and the Technical Evaluation Report prepared by the NRC; additional data on gamma ray spectrometry; and his personal communication with EFN radiation safety staff, Dr. Schiager stated that "The available data demonstrate conclusively that this material has no potential to increase any radiation risk to the general public or to the environment", and concluded that "Energy Fuels Nuclear, Inc. is taking all of the appropriate radiation safety precautions to protect their employees, the public and the environment". In his letter report, these conclusions were supported by, among others, the following observations:

- Once the uranium is removed from the Cotter Concentrate the remaining material, commonly called "tails", is placed in EFN's lined "tailing cells", which are impoundments which have been constructed and maintained in strict compliance with all applicable regulatory requirements as established by the EPA and the NRC. Approximately 420 tons of uranium-bearing material are estimated to contain approximately 240 to 270 Curies of radioactivity; the 3.9 million tons of mill tailings already present in the tailing ponds contain approximately 8,200 Curies. Dr. Schiager reports: "Both in terms of volume and in terms of radioactivity content, the uranium-bearing material represents a small contribution to the existing tailings."
- "The very low concentration of radium-226 indicates that the addition of this material to the existing tailings pile will have absolutely no effect on radon emissions from the pile."
- "The extraction of uranium for the weapons program is not unique to the Belgian Congo ore, from which the Cotter Concentrate was derived. Essentially all of the uranium mills in the Colorado Plateau and, in fact, in the entire country, processed uranium for the weapons program. Thus, there is nothing particularly unique or hazardous about the Cotter Concentrate when compared with other uranium feed materials. However, because the physical form of this material is different from a raw ore in that it has been previously milled and submitted to extraction processes, extra precautions are planned, and have been approved, for transporting, handling, processing, and disposing of byproduct material after extracting uranium from the Cotter Concentrate."

In reviewing EFN's license amendment application, the NRC reports that the staff evaluated the application on the basis of the three criteria listed above under item (2) above, and also concluded that "the processing of this material will not result in (1) a significant change or increase in the types or amounts of effluents that may be released off site; (2) a significant increase in individual or cumulative occupational radiation exposure; (3) a significant construction impact; or (4) a significant increase in the potential for or consequences of radiological accidents".

Michael O. Leavitt, Governor
June 18, 1997
Page 5

We hope this information is helpful, and will be happy to provide your staff with supporting data or documentation in any of the areas described above. Should your office desire any additional information in these or any other areas, please call me at 303.389.4160 or Michelle Rehmann at 303.389.4131.

Sincerely,



Harold R. Roberts
Executive Vice President

MRR/tay
Attachments

Michael O. Leavitt, Governor
June 18, 1997
Page 6

cc: D. Bird (Parsons, Behle & Latimer)
Susan Groves (Ute Mountain Ute Tribe)
Colleen T. O'Laughlin (U.S. DOE)
Paul J. Liebendorfer (State of Nevada)
Norman Begay
Winston M. Mason (Great Akikan™House)
Members of Utah's Congressional Delegation
Bob Linnell (State of Utah)
Robin Riggs, Esq. (State of Utah)
Charles Johnson, Chief of Staff (State of Utah)
Dianne Nielson (State of Utah)
Wil Numkena (State of Utah)
Office of the Secretary (U.S. NRC)
James P. Park (U.S. NRC)
William J. Sinclair (State of Utah)
Preston Truman
R. C. Wycoff (U.S. DOE)