

**PRELIMINARY FINDINGS OF KENNECOTT URANIUM COMPANY'S RESPONSES
TO THE U.S. NUCLEAR REGULATORY COMMISSION'S REQUEST FOR ADDITIONAL
INFORMATION REGARDING THE LICENSE RENEWAL REQUEST FOR THE
SWEETWATER URANIUM PROJECT**

Kennecott Uranium Company (KUC) requested a license renewal of the Source Material License SUA-1350 for a 10 year term for the Sweetwater Uranium Project, Sweetwater County, Wyoming (KUC, 2014). KUC responded (KUC, 2016) to the U.S. Nuclear Regulatory Commission's (NRC) second request for additional information (RAI) (NRC, 2016), regarding KUC's Source Material License Renewal Request. The response was provided in two documents: The first includes the responses to NRC's RAI (Telesto, 2016a), and the second is a supplement to the Environmental Report (ER) (Telesto, 2016). Further clarification is needed for the following items pertaining to the ER and KUC's responses to NRC's RAIs.

1. The no-action alternative in the ER is not properly defined nor described, and the impacts are not properly discussed.

The No-Action Alternative is not properly defined nor addressed in the ER. Section 2.0 of the ER defines the no-action alternative as "Function in a standby of operations." NUREG-1748 (NRC, 2003) states, in part, that the no-action alternative is a discussion of the results from a lack of action (i.e., status quo or the existing state). In other word, KUC does not taking any action and allow the license to expire. NUREG-1748 also states, in part, that for the no-action alternative, the proposed action would not take place. For Sweetwater Uranium Project, the proposed action is the license renewal request. The no-action alternative could also be that the NRC rejects the license renewal application request. As a result, the license is not renewed, and KUC's license would have expired as of November 25, 2014. Therefore, under the no-action alternative the Sweetwater Uranium Project would not be able to remain in a standby condition.

2. The proposed action in the ER is not properly defined nor described, and the impacts are not properly discussed.

The proposed action is defined in Section 2.0 of the ER as "Resume licensed active milling operations." For Sweetwater Uranium Project, the proposed action is the license renewal request. Since the no-action alternative needs to be properly defined, the proposed action also needs to be properly redefined. The ER shall define and describe the proposed action and its impacts.

3. The alternatives in the ER considered are not properly defined nor described, and the impacts are not properly discussed.

Section 2.2 of the ER discusses other alternatives along with decommissioning and that decommissioning is the last step to be performed by the two alternatives as described in Section 2.0 of the ER (i.e., standby of operations or resume licensed active operations). Since the no-action alternative and proposed action need to be properly defined, the alternatives would need to be revised to be consistent with the no-action alternative and the proposed action. The ER shall define and describe the alternatives and their impacts.

Enclosure

4. The comparison of the predicted environmental impacts of the proposed action and alternatives is not discussed in the ER nor presented correctly.

Section 2.4 "Comparison of the Predicted Environmental Impacts" of the ER should present the impacts of the proposed action and alternatives. The section does not discuss the comparison of the impacts for the proposed action and alternatives including the No-Action Alternative. See guidance in NUREG -1748 which states the applicant/licensee should present the impacts of the proposed action and alternatives in a summary chart or table.

5. The public and occupational health impacts section of the ER does not discuss reasonably foreseeable accidents.

Section 4.12, "Public and Occupational Health Impacts" of the ER should include a discussion on reasonably foreseeable accidents having a potential for releases to the environment and the analysis of the dose consequences from these accidents. See NUREG-1748 for guidance.

6. Provide references used in the ER and the responses to NRC's RAIs.

Provide references from which data was obtained or conclusions drawn for use in the preparation of the ER, the responses to RAIs (e.g., Telesto, 2009, Telesto, 2015a, and Telesto 2015b), and other documents prepared for the NRC's environmental review. References should be posted in the NRC Agencywide Documents Access and Management System as publicly available documents.

References:

KUC, 2014, Kennecott Uranium Company - Sweetwater Uranium Project - Docket Number: 040-8584, Source Materials License No.: SUA-1350 - Request for a Renewal Source Material License SUA-1350 for a 10 Year Term, July 24, 2014, ADAMS Accession No.: ML14251A115.

KUC, 2016, Kennecott Uranium Company, Sweetwater Uranium Project, Docket Number: 40-8584, Source Material License No.: SUA-1350, License Renewal Request Response to Requests for Additional Information (RAI), June 2, 2016, ADAMS Accession No.: ML16160A411.

NRC, 2003, Environmental Review Guidance for Licensing Actions Associated With NMSS Programs—Final Report, NUREG–1748, Washington, DC, August 2003, ADAMS Accession No.: ML032450279.

NRC, 2016, Second Request For Additional Information Regarding Kennecott Source Material License Application Request, Sweetwater Uranium Project, Sweetwater County, Wyoming, ADAMS Accession No.: ML16028A179.

Telesto, 2016, Telesto Solutions Inc., Supplement to Licensee's Environmental Report, Sweetwater Uranium Project, Docket Number: 40-8584, Source Material License SUA-1350, prepared for Kennecott Uranium Company, June, 2016, ADAMS Accession No.: ML16160A440.

Telesto, 2016a, Telesto Solutions Inc., Responses to NRC Requests for Additional Information, February 12, 2016, Sweetwater Uranium Project, Docket Number: 40-8584, Source Material License SUA-1350, prepared for Kennecott Uranium Company, February 12, 2016, ADAMS Accession No.: ML16160A409.