



PDR

JUL 9 1979

Department of Energy  
Washington, D.C. 20461

Mr. Lee V. Gossick  
Executive Director for Operations  
Nuclear Regulatory Commission  
Washington, D. C. 20555

Dear Mr. Gossick:

The Department of Energy requests a prompt approval of the proposed amendments to the Code of Federal Regulations which would allow the sale of metal scrap contaminated with de minimus quantities of enriched uranium and Technetium-99.

Currently, large quantities of valuable scrap metals are stored at DOE's three uranium enrichment plants in Tennessee, Kentucky and Ohio which cannot be sold because the metals are slightly contaminated with enriched uranium and Technetium-99 and the CFR's do not allow the unrestricted sale of the smelted metals. The bulk of this scrap has been generated in recent years through the DOE's Cascade Improvement and Cascade Upgrading Programs which began in 1971 and 1974, respectively. The following quantities of various types of scrap, having the estimated market values indicated, will be stored at the enrichment plants by the end of FY 1981 when the programs are scheduled to be completed.

<u>Type of Scrap</u>	<u>Quantity (lbs)</u>	<u>Estimated Current Market Value</u>
Iron	70,000,000	\$ 3,500,000
Nickel	18,600,000	35,000,000
Copper	2,500,000	1,600,000
Aluminum	9,600,000	2,208,000
...		\$ 42,308,000

As a result of a DOE (ERDA) request dated February 12, 1974, from Mr. F. K. Pittman, Director, Division of Waste Management and Transportation to Mr. L. Rogers, Director, Directorate of Regulatory Standards, the NRC staff began pursuing the establishment of amendments to 10 CFR Parts 30 & 70 which would exempt smelted metal containing de minimus quantities of enriched uranium and Technetium-99 from existing licensing requirements and enable the Government to sell the CIP/CUP material. The NRC has made progress on this matter. A draft environmental statement concerning the proposed rule change, which was

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prepared under the direction of the NRC by Battelle, Pacific Northwest Laboratories, has recently been completed.

The DOE is in agreement with the basic conclusion of the Battelle report in that the Department does not believe any significant adverse environmental impacts will result from sale of the material. In addition, we are anxious for the rule change to be accomplished expeditiously since substantial benefit would accrue to the Federal Government through the sale of this valuable scrap and also since scarce natural resources would be returned to use in the commercial sector.

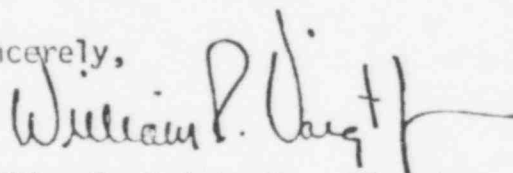
DOE officials have recently been advised by the NRC staff that the steps outlined below are currently planned for completing this action:

1. The draft environmental statement will be reviewed in-house, revised and then issued for Commissioners consideration by September 1, 1979.
2. After consideration by the Commissioners the proposed rule change will be published in the Federal Register and a period of 45 days allowed for public comment.
3. Review of comments and publishing of the final rule will then take place.

In view of the substantial benefits which will be realized through approval of this rule change and the minimal environmental consequences that are involved, DOE is requesting that NRC expedite this approval process.

The staff of the Department is available to provide any additional assistance required.

Sincerely,



William R. Voigt, Jr., Director  
Office of Uranium Resources  
and Enrichment

cc: William E. Mott, Director, Environmental  
Control Technology, ASEV