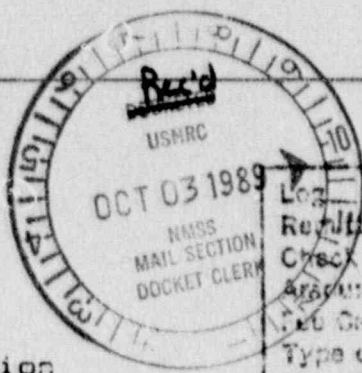
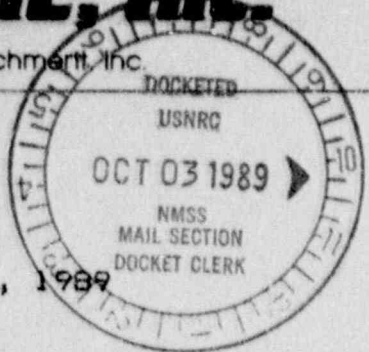


AlChemIE, Inc.

All Chemical Isotope Enrichment, Inc.



October 2, 1989

U.S. Nuclear Regulatory Commission
Mr. Robert M. Bernero, Director
Office of Nuclear Material Safety
and Safeguards
Washington, DC 20555

Log	02679-1
Re: Matter	Belson, Kite & Vance
Check No.	165
Amount	1150
Sub Category	SP
Type of Fee	SP
Date Check Rec'd.	10/10/89
Date Completed	win
By	

Re: All Chemical Isotope Enrichment, Inc. (AlChemIE) Docket No. 50-603 AlChemIE Facility 1-CPDF Construction Permit No. GCEP-1

Dear Mr. Bernero:

By this letter, AlChemIE respectfully requests an extension of the latest date of completion in the referenced Construction Permit, from the current date of November 3, 1989, to May 3, 1990, an extension period of six months. This request is necessary due to circumstances beyond the control of AlChemIE which will make it impossible for us to complete facility modifications by the November 3 date.

In support of this request, AlChemIE would show the following:

1. As the NRC is aware from previous pleadings, a controversy presently exists between AlChemIE and DOE on whether the AlChemIE-DOE Technology Transfer Agreement has been satisfied. AlChemIE feels it has, inasmuch as AlChemIE has now given to DOE a D&D bond which is in the amount of \$5.07 Million and which appears to be satisfactory in amount and form. This bond was tendered to meet the DOE D&D bonding requirement which was imposed by DOE on AlChemIE on February 28, 1989, eighteen days after the NRC awarded AlChemIE the referenced construction permit. The DOE-AlChemIE contract is in the dispute resolution process, but I cannot accurately predict when these matters will be resolved.
2. Until the contract dispute is resolved, AlChemIE cannot lease or occupy CPDF, the DOE-owned facility which is the situs of CP No. GCEP-1. The language of the lease between the parties has been agreed upon, but the lease agreement has not been signed.

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3. No harm to any party in interest should inure from the requested extension. AlChemIE has agreed not to take possession of Classified Gas Centrifuge Equipment without appropriate prior notice to NRC. The public policy benefits of this Technology Transfer effort are enormous and merit the requested extension. The actions of DOE in endeavoring unilaterally to declare the Technology Transfer Agreement terminated are in breach of the spirit and letter of the agreement and of public policy, but AlChemIE has no control over the actions of DOE and has to resolve these issues through negotiation and, perhaps, litigation.

4. DOE has an implied duty of cooperation in the furtherance of the referenced agreement, and has violated this duty. As a result, AlChemIE has been unable to occupy CPDF or to perform necessary modifications.

5. AlChemIE has requested a hearing on the NRC's pleading seeking for AlChemIE to show cause why the referenced CP should not be suspended, modified, or revoked. AlChemIE verily feels it can show good cause why the contemplated action should not be taken.

6. The requested extension is in the best interests of the American people and in furtherance of our nation's strong policy supporting Technology Transfer efforts. AlChemIE has expended significant resources and funds in the obtaining of the referenced CP, which is a business asset to the company and which is necessary for our business to proceed. The requested extension will not harm any interest and will preserve the opportunity for a valid and successful technology transfer.

7. The requested extension should provide adequate time for issue resolution between AlChemIE and DOE and also provide time for AlChemIE to perform necessary facility modifications, as agreed between AlChemIE and NRC.

8. A number of matters are pending in AlChemIE's Reorganization Action and with DOE which could resolve the issue of the necessity of the necessary CP. The NRC and AlChemIE have diligently and intelligently worked to effectuate the necessary permits for this novel Technology Transfer effort, and these efforts should be rewarded if at all possible for the benefit of all concerned.

9. AlChemIE is endeavoring to resolve its disputes with DOE through meetings with DOE-Washington. These efforts are continuing, and AlChemIE verily feels the negotiations have a reasonable chance for success.

10. AlChemIE is doing everything within its power to resolve the issues with DOE, but the actions of DOE are beyond the power of AlChemIE to control and AlChemIE verliy feels that DOE is erroneous in its actions on the contract and that justice will ultimately prevail and the Technology Transfer will be able to go forward.

For the reasons aforesaid, AlChemIE respectfully requests a six-month extension of the latest date of completion on the referenced Construction Permit. If NRC deems it appropriate, AlChemIE will provide additional information and evidence at a hearing on this request for an amendment/extension of the referenced CP.

Mr. Bernero, throughout this novel and difficult Technology Transfer effort, AlChemIE and NRC have worked to see that this important project can go forward with full conformity to Regulatory Requirements and in a fashion which protects National Safeguards and Security interests. NRC has been a very fair and intelligent agency to deal with, and NRC has shown an appreciation of the importance of this Technology Transfer.

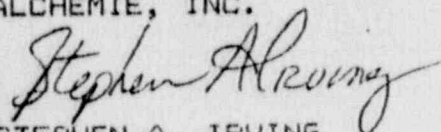
I think the requested extension is at the least a "No harm, no foul" situation and it is truly necessitated by actions beyond the ability of AlChemIE to control. The company has satisfied all original requirements of the AlChemIE-DOE contract and we have satisfied additional requirements unilaterally imposed upon us by DOE. We have satisfied our compliance requirements, and given these circumstances, DOE should yeild to the public policy and legal considerations which favor AlChemIE's position.

This is a controversy between AlChemIE and DOE in which, regrettably, an adverse NRC decision could be dispositive of the opportunity without the AlChemIE-DOE issues being fairly determined on their merits. Should you need any additional information on this matter, please contact me at AlChemIE-West, at Route 7, Dixon Road, Lenoir City 37771. This will be the address from which our Strategic Planning Group will be conducting AlChemIE operations for the next 30 days.

Thank you for your attention to this matter. I enclose with this letter a check for \$150.00 to cover costs of filing this request.

RESPECTFULLY SUBMITTED,

ALCHEMIE, INC.



STEPHEN A. IRVING
ATTORNEY OF RECORD

DOCKET NO. 50-603

CONTROL NO. 25972

DATE OF DOC. October 2, 1989

DATE RCVD. October 3, 1989

FCUF _____ PDR

FCAF LPDR _____

I & E REF.

SAFEGUARDS

FCTC _____ OTHER

DATE 10/03/89 INITIAL SAC