

PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUL 29 1980

The Honorable Orrin G. Hatch
United States Senate
Washington, DC 20510

Dear Senator Hatch:

This is in response to your inquiry regarding the status of proposed dam raises at the Rio Algom Corporation mill. As indicated in Mr. Lawton's letter to you, Rio Algom discussed with us in July, 1979, the need to raise their uranium mill tailings dam 25 feet. We made it clear during that discussion that the required dam stability and NEPA evaluations would take about six to nine months for NRC to complete once we had received a formal application with sufficient supporting documents.

In late January, 1980, we received from Dames & Moore one copy of a report they had prepared for Rio Algom. Upon receipt of this report, we contacted Dames & Moore and were told that the copy was sent to us as an information copy only. Dames & Moore indicated that they had been specifically instructed by Rio Algom to print 10 copies of the report that Rio Algom would then officially submit to the NRC with their application.

Rio Algom, however, did not submit the report to us until late March and did not submit the appropriate license fee until early May, 1980. Our regulations, which should be well understood by our licensees, require receipt of a formal application accompanied by the appropriate license fee before a review can be initiated.

When we became aware in April, 1980 that Rio Algom may have to cease operations in the latter part of 1980 if the dam is not raised we agreed to consider, on a priority basis, a five foot raise of the upper tailings dam to keep the mill operating while the more detailed and time consuming review of their request for a 25 foot raise of the lower tailings dam is being completed. We have discussed with Rio Algom the need for a stability analysis from them to provide a basis for the interim five foot dam raise. Rio Algom has indicated that this assessment will be submitted to us in late July, 1980. Assuming that this submittal contains the necessary information, we expect to be able to make a decision on the interim dam raise within 30 days of the receipt of the stability analysis.

It is not our intent to cause delay or to cause operations to cease for matters which are not germane to our primary responsibilities, that is, worker and public health and safety and protection of the environment. However, in order to discharge our responsibilities in an orderly fashion it is necessary that the licensees with which we deal provide, in a timely manner, appropriate and sufficient information for our evaluations. In this case, we believe we made it clear to Rio Algom the amount of time needed for our reviews and the information which they should submit to support their application. Rio Algom did not initially submit this information which has led to a delay beyond our control. In order not to cause an unneeded shut-down of the Rio Algom mill because of administrative matters, we proposed to process on a priority basis the request to raise the dam to a level that will permit continued interim operation of the mill. Any authorization for a five foot raise is dependent on the technical suitability of the Rio Algom proposal which we will evaluate based on information submitted by Rio Algom. The timeliness of the NRC evaluation is dependent on the timeliness, completeness, and quality of the Rio Algom submittal. As noted above, we have not yet received a complete submittal.

As you have requested we will keep your office informed of the status of this case by providing copies of applicable correspondence.

Sincerely,

(Signed) William J. Dircks

William J. Dircks
Acting Executive Director
for Operations