



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

DEC 29 1993

Mr. Glenn J. Catchpole
Manager of Regulatory Affairs
and Environmental Engineering
URANERZ U.S.A., INC.
216 Sixteenth Street Mall, Suite 810
Denver, Colorado 80202

Dear Mr. Catchpole:

Thank you for your letter dated November 30, 1993, and for your kind comments concerning the public meeting that the U.S. Nuclear Regulatory Commission staff held in Denver on November 18, 1993, to discuss transition of responsibility for uranium recovery licensing work from our field office in Denver to our headquarters in Washington, D.C.

In your letter, you expressed your company's interest in a "Reduction of Regulatory Impact." You specifically indicated your strong support for a suggestion made by the industry in the above mentioned meeting, to remove NRC from regulatory oversight and control of well fields at in situ solution (ISL) uranium recovery operations. You stated that radiation safety issues at ISL operations are not a concern until the uranium in solution is concentrated in the processing plant above ground. You have also indicated that the well fields at ISL operations are regulated by the U.S. Environmental Protection Agency and State agencies in non-agreement states, and that NRC removal would eliminate duplication and redundancy in regulatory control and could significantly reduce NRC's work load, with substantial savings to NRC and the industry.

Your suggestion that NRC remove itself from the regulation and oversight of well fields at ISL uranium recovery operations has in fact been previously addressed by the Commission. Based on a thorough evaluation by NRC's Office of the General Council in 1980, it was concluded that NRC has the legal authority (and responsibility) to impose groundwater protection conditions upon its ISL licensees under the licensing and regulatory authority in the Atomic Energy Act of 1954, as amended by the Uranium Mill Tailings Radiation Control Act of 1978, as amended. This conclusion was reached on the basis that potential interaction with the groundwater at ISL operations is so integrally related to the above ground processing as to be properly the subject of license conditions. It was further concluded that this specific authority is reinforced by the general authority available under the National Environmental Policy Act to impose environmental license conditions.

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Glenn J. Catchpole

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On the basis of the above, NRC must continue its ongoing regulatory oversight of well fields at ISL operations which produce source material. However, consistent with current policy, NRC will continue to undertake all possible measures that will improve the efficiency of the regulatory process, so long as its primary objective of protecting the public health and safety and the environment is not compromised.

Please call me on (301) 504-3324 if you have any questions or if you need additional information.

Sincerely,

ORIGINAL SIGNED BY

Malcolm R. Knapp, Chairman
Transition Oversight Committee

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