

The Honorable J. James Exon
United States Senate
Washington, D.C. 20510

October 10, 1990

Dear Senator Exon:

I am responding to your inquiry of September 19, 1990, on behalf of Mr. Michael Rechtenbach, concerning the Crow Butte Project in Nebraska.

Mr. Rechtenbach's first question deals with the disposition of, and controls on, the uranium produced at the Crow Butte facility. A yellowcake slurry (oxides of uranium), which is not highly radioactive, will be produced at this facility. The product will be shipped directly to another facility in Gore, Oklahoma, where it will be converted to uranium hexafluoride, a more chemically-hazardous compound. This conversion facility is licensed by the Nuclear Regulatory Commission (NRC) and is subject to specific requirements and license controls. When the material leaves the Gore facility, it will be in a form suitable for enrichment and then processing into fuel rods for nuclear reactors. Even though the original uranium from the Crow Butte project may no longer be present in the State of Nebraska, very strict controls are exerted at every stage of the process from milling until its final use at a reactor. If the enriched uranium is exported to another country, the export must meet all of the applicable statutory requirements of NRC's regulations in 10 CFR Part 110 before the Commission could issue a license. Such exports are provided only under agreements between the U.S. and the recipient country which require the recipient government to provide certain formal assurances regarding no nuclear explosive use, appropriate levels of physical protection, IAEA safeguards, and U.S. prior consent rights before reexport.

Mr. Rechtenbach's second question deals with foreign ownership and the final condition of the site, particularly with regard to protection of groundwater resources in the area. Foreign ownership of uranium mill facilities in the United States is relatively common and is not forbidden by Federal regulations. It is our understanding that Nebraska regulations prohibit foreign ownership of such facilities. This matter will, therefore, be decided at the State level and is not under the jurisdiction of NRC. However, regardless of ownership, the licensee is required to comply with all Federal and State regulations, which include standards for protection of groundwater. The licensee is also required to post sufficient funds to ensure restoration of the site to an environmentally safe condition. The licensee has already demonstrated, in its smaller pilot project, that the groundwater resources can be safely protected and restored to the same conditions that existed before commercial production of uranium. This was the basis for our conclusion that the commercial facility would be able to operate without adverse effects on the environment.

I trust that this information responds to your constituent's concerns.

Sincerely,

Original signed by
James H. Sniezek
JHS
James M. Taylor
Executive Director
for Operations

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*SEE PREVIOUS CONCURRENCE

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 PDR YES X RHall, RIV/URFO ABeach, RIV LLOB r/f
 PDR NO Category: Proprietary or CF Only
 ACNW YES X NO

SUBJECT ABSTRACT: Ltr.frm.Michael Rechtenbach RE: CROW BUTTE PROJECT
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James M. Taylor
 Executive Director
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cc: D. Peterson, SHOB-330

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RFonner	DRathbun,GPA	RMartin, RIV	ABeach, RIV	LLOB r/f
PDR YES <u>X</u>	RHall, RIV/URFO			
PDR NO <u> </u>	Category: Proprietary	___	or CF Only	___
ACNW YES <u>X</u>	NO			

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I trust that this information will be helpful.

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James M. Taylor
Executive Director
for Operations

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