



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

C.F.

MAR 29 1994

Docket No. 40-3453

Mr. Richard Blubaugh  
Vice President of Environmental  
and Government Affairs  
Atlas Corporation  
370 Seventeenth Street, Suite 3150  
Denver, Colorado 80202

Dear Mr. Blubaugh:

Enclosed for your information are copies of the Notice of Receipt of Application to Amend Source Material License No. SUA-917 (Enclosure 1) by Atlas Corporation, and the Notice of Intent to Prepare an Environmental Impact Statement and to Conduct a Scoping Process for Reclamation of Atlas Corporation's Uranium Recovery Facility at Moab, Utah (Enclosure 2). Both of these notices have been submitted to the Federal Register for publication. Also included are copies of the Statement of Work with Oak Ridge National Laboratory for the Environmental Impact Statement (EIS) (Enclosure 3), the U.S. Nuclear Regulatory Commission press release for the scoping meeting on the EIS (Enclosure 4) to be held at Moab, Utah on April 14, 1994, and the NRC schedule for completing the EIS (Enclosure 5). Although Atlas does not have a required role in this meeting, you are certainly invited to attend.

In addition to providing you the enclosed information, I would like to express the staff's concern with your letter of March 11, 1994, in which Atlas stated that it believed it was appropriate to suspend the work currently being conducted on reclamation plan issues until after the EIS scoping process is completed, to allow a clearer understanding of what is expected of Atlas. As we discussed in our recent meeting in Denver on March 17, 1994, the reclamation plan information is needed for the technical review and not for the environmental review. Although the two reviews are related, they have different purposes and different schedules for completion. Without the additional information requested, the staff is unable to complete its review of the technical aspects of reclamation. Any delay in submitting the needed information will result in a day-to-day slip in the completion date for the staff's review. Because of the complex nature of the issues associated with the Atlas site, the staff will need a significant amount of time to review the proposed reclamation plan to determine if reclamation in place is acceptable. Therefore, Atlas should provide the needed information as soon as possible to support the staff's review.

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Mr. Richard Blubaugh

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Any questions should be addressed to NRC's Project Manager, Allan Mullins, at (301) 504-2578.

Sincerely,

**ORIGINAL SIGNED BY**

Joseph J. Holonich, Acting Chief  
Uranium Recovery Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety  
and Safeguards

Enclosures: As stated

cc: Attached list

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In addition to providing you the enclosed information, I would like to express the staff's concern with your letter of March 11, 1994, in which Atlas stated that it believed it was appropriate to suspend the work currently being conducted on reclamation plan issues until after the EIS scoping process is completed, to allow a clearer understanding of what is expected of Atlas. As we discussed in our recent meeting in Denver on March 17, 1994, the reclamation plan information is needed for the technical review and not for the environmental review. Although the two reviews are related, they have different purposes and different schedules for completion. Without the additional information requested, the staff is unable to complete its review of the technical aspects of reclamation. Any delay in submitting the needed information will result in a day-to-day slip in the completion date for the staff's review. Because of the complex nature of the issues associated with the Atlas site, the staff will need a significant amount of time to review the proposed reclamation plan to determine if reclamation in place is acceptable. Therefore, Atlas should provide the needed information by March 29, 1994, as was previously requested.

Any questions should be addressed to NRC's Project Manager, Allan Mullins, at (301) 504-2578.

Sincerely,

Joseph J. Holonich, Acting Chief  
 Uranium Recovery Branch  
 Division of Low-Level Waste Management  
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Atlas address list date:

MAR 29 1994

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NUCLEAR REGULATORY COMMISSION

Reclamation of Atlas Corporation's Uranium  
Mill Facility at Moab, Utah: Notice of Intent to Prepare an  
Environmental Impact Statement and to Conduct a Scoping Process

AGENCY: Nuclear Regulatory Commission.

ACTION: Notice of Intent to prepare an Environmental Impact Statement (EIS)  
and conduct a scoping process for the EIS including a scoping meeting.

SUMMARY: The NRC intends to prepare an EIS for the decommissioning and  
reclamation of the Atlas Corporation's (Atlas) uranium mill facility at Moab,  
Utah. Atlas has been licensed by the NRC to process ores (source material) to  
produce uranium, in the form of yellowcake. As a result of processing ores,  
the facility produced a large quantity of sand and slime tailings which  
contain much of the radioactive materials from the ore in the form of daughter  
products. Atlas no longer actively processes ore at the Moab, Utah mill. It  
is however, decommissioning the mill, and has submitted a revised reclamation  
plan to NRC which, like the reclamation plan approved by NRC in 1982, proposes  
onsite stabilization of the tailings. This notice indicates NRC's intent to  
prepare an EIS in conjunction with this proposed action and to conduct a  
scoping process that will include a public scoping meeting.

Enclosure 1

44-033001-90

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Written comments on matters covered by this notice received by May 13, 1994, will be considered in developing the scope of the EIS. Comments received after this date will be considered if it is practical to do so, but the NRC is able to assure consideration only for comments received on or before this date.

ADDRESSES: Written comments on the matters covered by this notice should be sent to: Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555. ATTN: Docketing and Services Branch. Hand deliver comments to 11555 Rockville Pike, Rockville, Maryland 20852, between 7:45 a.m. and 4:15 p.m., on Federal workdays.

The scoping meeting will be held at Starr Hall, 155 East Center Street, Moab, Utah, on Thursday, April 14, 1994, from 7-10 pm.

FOR FURTHER INFORMATION CONTACT: Allan Mullins, Office of Nuclear Material Safety and Safeguards, Washington, DC 20555, Telephone: 301-504-2578.

SUPPLEMENTARY INFORMATION:

Background

The NRC has the statutory responsibility for protection of public health and safety and the environment related to the use of source, byproduct, and special nuclear material under the Atomic Energy Act of 1954, as amended. One portion of this responsibility is to assure safe and timely reclamation at nuclear facilities which the NRC licenses. For the Atlas uranium mill, reclamation would ensure the long-term stability of uranium tailings for up to 1000 years and control of radon releases to a low risk level.

In August 1988, Atlas submitted for NRC review, a revision to the tailings reclamation plan for the Moab mill which had been approved in 1982. This plan was revised by Atlas in response to NRC questions by submittals in January 1989, June 1992, and April 1993. Atlas submitted an Environmental Report Supplement in support of the reclamation plan in April 1993. This document supplemented Atlas' Environmental Report of 1973, NRC's EIS on the Moab facility of 1979, NRC's Final Generic EIS of 1980, and Atlas' license renewal application in 1984.

In July 1993, NRC staff noticed a "Finding of No Significant Impact" (FONSI), including an Environmental Assessment (EA), in the Federal Register in anticipation of approving the reclamation plan submitted by the licensee for onsite disposal of mill tailings. NRC received more than 20 letters with comments opposing the proposed action and identifying issues requiring

additional evaluation and consideration. As a result, the FONSI was rescinded by Federal Register notice in October 1993. The technical evaluation is underway by NRC staff with additional information requested from the licensee.

#### Need For Proposed Action

Atlas is licensed by the NRC (License Number SUA-917) to possess and store source material in the form of uranium mill tailings at a site located near the town of Moab, Utah. The mill operated from 1956 until 1984 under license from NRC or the Atomic Energy Commission. It has been owned by Atlas since 1962. The mill produced 7 million cubic yards (11 million tons) of tailings during its operating life. These tailings are near the mill and are contained in a pile which covers 53 hectares (130 acres) and rises 33.5 meters (110 feet) above the adjacent land level.

Source material is no longer processed at the site and Atlas has been engaged in decommissioning the site for the last several years. A reclamation plan for onsite disposal of the mill tailings was approved by the NRC in 1982. Atlas has submitted a revised onsite reclamation plan for NRC approval which is currently being evaluated for technical adequacy and compliance with the requirements in Appendix A to 10 CFR Part 40.

The NRC has determined that approval of the revised reclamation plan constitutes a major Federal action and that based on the level of controversy related to the proposed action and uncertainties associated with the unique features of the Moab site, preparation of an EIS in accordance with the



National Environmental Policy Act (NEPA) and the NRC's implementing requirements in 10 CFR Part 51 is warranted.

The Commission's regulations in 10 CFR Part 51 contain requirements for conducting a scoping process prior to preparation of an EIS. In accordance with 10 CFR 51.26, whenever the NRC determines that it will prepare an EIS in connection with a proposed action, NRC will publish a notice of intent in the Federal Register stating that it will prepare an EIS and conduct an appropriate scoping process. This scoping process may include the holding of a public scoping meeting.

NRC describes, in 10 CFR 51.27, the content of the notice of intent and requires that the notice describe the proposed action and, to the extent that sufficient information is available, possible alternatives. In addition, the notice of intent is required to describe the proposed scoping process, including the role of participants, the comment process, and the need for a public scoping meeting.

In accordance with §§51.26 and 51.27, the proposed action and possible alternative approaches and the scoping process are discussed below.

#### Description of proposed action

The proposed action is approval by NRC of a revised reclamation plan for the mill tailings at the Moab site.

The licensee has submitted a plan which calls for the reclamation of the tailings impoundment in place, covering the tailings with a soil cover to reduce radon emanation, re-configuring the surface of the tailings impoundment to drain toward collection ditches, and flattening the embankment side slopes. The collection ditches would merge to form a drainage channel which would convey water runoff from the covered tailings surface into Moab Wash. Moab Wash would be reconfigured to convey flood level flows into the Colorado River east of the tailings pile. On the southwest side of the tailings embankment, another drainage channel would divert runoff from the natural sandstone bluffs southwest of the channel. To protect against erosion, the top of the tailings impoundment would be covered with a layer of compacted rock and soil and the embankment side slopes covered with rock native to the region.

Two alternative sites have been identified. One site is in a box canyon about 7 miles away and the other site is near the airport, about 15 miles away. The tailings would be placed partially below grade at either site, with the pile rising approximately 11 meters (37 feet) above the ground surface. Detailed designs have not been completed for these potential sites but similar issues for erosion, floods, seismic effects, and groundwater protection would have to be considered in any detailed design. However, the environmental aspects of the sites will be addressed in the EIS.

The technical evaluation of the proposed onsite disposal of the tailings by NRC staff is in progress. The environmental evaluation will consider both onsite and offsite disposal options. The acceptability of the licensee's

proposal will be determined based on the results of the technical and environmental review process.

#### Preparation of an Environmental Impact Statement

Under NEPA, all Federal agencies must consider the effect of their actions on the environment. Section 102(1) of NEPA requires that the policies, regulations, and public laws of the United States be interpreted and administered in accordance with the policies set forth in NEPA. It is the intent of NEPA to have Federal agencies incorporate consideration of environmental issues into their decision-making processes. NRC's regulations implementing NEPA are contained in 10 CFR Part 51. To fulfill NRC's responsibilities under NEPA, NRC intends to prepare an EIS that will analyze the environmental impacts and costs of the proposed action and alternatives. Two alternative sites and the "no action" alternative will be analyzed. The scope of the EIS includes consideration of both radiological and non-radiological impacts associated with the alternative actions.

This notice announces the NRC's intent to prepare an EIS. The principal intent of the EIS is to provide a document that describes the environmental consequences of the proposed action and alternatives which will be available to support the NRC's licensing decision on the reclamation plan for the Moab site.

### The Scoping Process

Participants may attend and provide oral discussion on the proposed action and possible alternatives at the public scoping meeting to be held at Starr Hall, 155 East Center Street, Moab, Utah, on Thursday, April 14, 1994, from 7 to 10 p.m. A transcript of the meeting will be prepared.

The Commission will also accept written comments on the proposed action and alternatives from the public. Written comments should be submitted by May 13, 1994, and should be sent to: Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555. ATTN: Docketing and Services Branch. Hand deliver comments to 11555 Rockville Pike, Rockville, Maryland between 7:45 am and 4:15 pm on Federal workdays.

According to 10 CFR 51.29, the scoping process is to be used to conduct the following activities:

(a) Define the proposed action to be the subject of the EIS. The proposed action is the reclamation of uranium mill tailings onsite at the Atlas uranium mill facility in Moab, Utah.

(b) Determine the scope of the EIS and the significant issues to be analyzed in depth. The NRC is proposing to analyze the costs and impacts associated with the proposed action and alternative reclamation approaches. The following proposed outline for the EIS reflects the current NRC staff view on the scope and major topics to be dealt with in the EIS:

Proposed Outline: Environmental Impact Statement

Abstract

Executive Summary

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(c) Identify and eliminate from detailed study issues which are not significant or which are peripheral or which have been covered by prior environmental review. The decommissioning plan for the mill facility was approved by NRC in November 1988 and amended in September 1991. The mill property will be reclaimed and decontaminated to U.S. Environmental Protection Agency (EPA) standards allowing for unrestricted use, thus mitigating any adverse effects. Extensive water monitoring has identified no contamination in the Colorado River; therefore, there are no effects on river biota, and they will not be assessed. There should be no harmful impacts on terrestrial biota and no assessment is required, as the tailings pile will be covered and radon emanations reduced to comply with EPA standards. Rock armor will prevent burrowing animals from intruding into the tailings.

(d) Identify any Environmental Assessments or EISs that are related but are not part of the scope of this EIS. The operational aspects of the Atlas Moab mill facility were considered in the EIS completed in January 1979. A Generic EIS on Uranium Milling was completed in September 1980. An EA of the proposed reclamation plan was completed and noticed in the Federal Register on July 20, 1993. Based on issues identified in comments received on the EA, NRC determined that an EIS was required for the proposed action.

(e) Identify other environmental review or consultation requirements related to the proposed action. NRC will consult with other Federal, State, and local agencies that have jurisdiction or interests in the Moab site. For example, NRC has already been coordinating its technical review activities for the Moab site with EPA, the U.S. Department of Interior, the Utah Department of Environmental Quality, Division of Radiation Control, and the Grand County Council. NRC anticipates continued consultation with these and other agencies, as appropriate, during the development of the EIS. In addition, the Endangered Species Act and the National Historic Preservation Act require coordination with the U.S. Fish and Wildlife Service and the Utah State Historical Society.

(f) Indicate the relationship between the timing of the preparation of environmental analysis and the Commission's tentative planning and decision making schedule. NRC intends to prepare and issue for public comment a draft EIS in October 1994. The comment period would be for 45 days. The final EIS is scheduled for publication in April 1995. Subsequent to completion of the final EIS, the NRC will act on a license amendment approving a reclamation plan for the site.

(g) Describe the means by which the EIS will be prepared. NRC will prepare the draft EIS according to the requirements in 10 CFR Part 51. The EIS will be prepared by the NRC staff and Oak Ridge National Laboratory which has been contracted to provide technical assistance in the preparation of the EIS. In addition, NRC anticipates requesting specific information from the licensee to support preparation of the EIS. Any information received from the

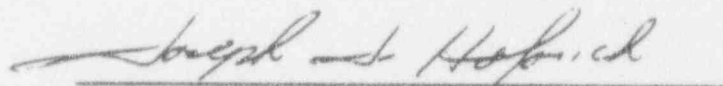


licensee related to the EIS will be available for public review, unless the information is protected from public disclosure in accordance with NRC requirements in 10 CFR 2.790.

In the scoping process, participants are invited to speak or submit written comments, as noted above, on any or all of the areas described above. In accordance with 10 CFR 51.29, at the conclusion of the scoping process, NRC will prepare a concise summary of the determinations and conclusions reached, including the significant issues identified, and will send a copy to each participant in the scoping process.

Dated at Rockville, Maryland, this 23 day of March, 1994.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION



Joseph J. Holonich, Acting Chief  
Uranium Recovery Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety  
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