



energy fuels nuclear, inc.

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August 20, 1982

Mr. Dan Gillen
 Uranium Recovery Licensing Branch
 U.S. Nuclear Regulatory Commission
 7915 Eastern Avenue
 Silver Spring, Maryland 20910

Re: Docket No. 40-8681, SUA-1358;
Amendment No. 8, Condition 18

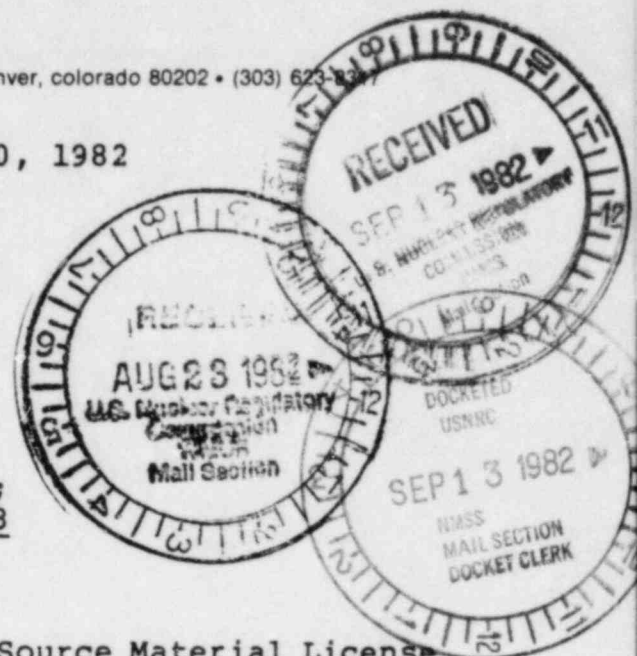
Dear Mr. Gillen:

Amendment No. 8 to the White Mesa Source Material License was issued on October 5, 1981. This amendment modified Condition No. 13 of the license, and outlined the procedure for performing formal semi-annual ALARA audits at the mill. The revised condition makes reference to a written report prepared by the Internal Audit Committee which is to be submitted to the Vice President of Uranium Operations. Several questions have arisen regarding this arrangement and procedure.

First, the composition of the Internal Audit Committee was not specified in the amendment, although it was provided elsewhere in application materials. Specifically, the Audit Committee was to be made up of the Licensing Director, Radiation Safety Officer, Manager of Uranium Processing, Mill Superintendent, and Chief Chemist. As you are aware, position titles tend to change, as do job descriptions, so that it may not be wise to tie down the composition of the Audit Committee so precisely.

To insure there is always proper representation on the Audit Committee, it is suggested that the composition be altered as follows: "The Internal Audit Committee shall be composed of a representative or representatives from the corporate licensing staff, mill management, and the radiation safety staff; at the discretion of the licensee, appropriate outside consultants also may be incorporated into the Committee." It would not seem necessary to retain the Chief Chemist or any representative of the chemical laboratory on the Audit Committee.

Further, rather than stating that the audit report be submitted to the Vice President of Uranium Operations, it should be submitted to an executive of at least vice president rank and who has authority over mill operation and management.



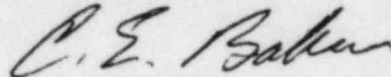
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Again, this modification simply provides protection in the event the now-designated vice president has his title or job description changed.

In the event an independent consultant participates in the internal audit, the consultant's report, if complete, should suffice for the formal report to be submitted to the vice president.

Anticipating licensing action will be required to accommodate this request, a check for \$150 is enclosed to cover the cost of an administrative amendment.

Sincerely yours,



C.E. Baker
Manager, Regulatory Compliance

CEB/kc
Enclosure

cc: G.W. Grandey
M.D. Vincelette
D.K. Sparling
B.K. Reaveau

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