



SIM

March 12, 2020

**Via E-Mail and Priority Mail**

Office of International Programs  
U.S. Nuclear Regulatory Commission  
11555 Rockville, Pike  
Rockville, Maryland 20852  
Mail Stop: O14-A20

**attn:** Joanne Savoy, Licensing Assistant Office of International Programs  
Export Controls and Nonproliferation Branch  
301-287-9092 [Joanne.Savoy@nrc.gov](mailto:Joanne.Savoy@nrc.gov)

**Re: Request for Expedited Amendment of License XSOU8842  
in Advance of Anticipated Name Change and to Remove Inactive Consignees**

Dear Ms. Savoy:

Southern Ionics Minerals LLC (SIM) respectfully requests expedited amendment of License XSOU8842, which authorizes SIM to export rare earth mineral ore to the Peoples Republic of China (PRC) for non-nuclear end-uses.

The amendment is requested:

- in anticipation of a name change from Southern Ionics Minerals LLC to The Chemours Company FC, LLC.; and,
- to remove inactive consignees from the License.

Expedited review of the amendment is requested in order to avoid disrupting our scheduled exports so that SIM may continue to fulfill contractual obligations, avoid losing our customer, avoid exceeding the possession limit defined in Georgia Environmental Protection Division Radioactive Materials License GA 1678-1-4, and to continue to lawfully export licensed material in accordance with the 10 CFR Part 110 regulations. We request that the amended license be reviewed and issued by April 27, 2020 so we may make the next scheduled shipment under the new Licensee name. We will expeditiously provide any supplemental information needed to facilitate your review and approval of this request.

**Background**

SIM mines mineral sand deposits in southeast Georgia to produce titanium and zirconium mineral sands for use in various U.S. industries. Rare earth minerals are also present in the ore, and rare earth mineral sand (REMS) is a co-product of the titanium and zirconium mineral sand separation process. Naturally occurring uranium and thorium are bound in the crystal lattice of the rare earth minerals, so that the REMS contains uranium and thorium as incidental and unavoidable constituents in excess of 0.05 weight percent. Of the mineral sands produced by SIM, REMS is the only mineral product regulated as "source material," produced in accordance with Georgia Radioactive Materials License GA 1678-1 and exported in compliance with License XSOU8842.

## **Company Asset Purchase Without Transfer of Direct or Indirect Control**

SIM began as a wholly-owned subsidiary of Southern Ionics Inc., a Mississippi corporation. On August 1, 2019 Southern Ionics Inc. sold its interest in SIM's assets to The Chemours Company FC, LLC (Chemours). The legal entity SIM, as a Mississippi LLC doing business in Georgia and Florida, continued unchanged after sale. The acquisition of SIM by Chemours was driven by Chemours' interest in establishing a more vertically integrated titanium supply chain. SIM historically had been selling its entire titanium minerals production to Chemours for titanium dioxide (TiO<sub>2</sub>) white pigment manufacturing. Other minerals, including zircon and rare earth mineral sands, were and are still sold on the open market at the discretion and under the control of SIM.

The acquisition secured SIM's titanium mineral production as a feed for Chemours' pigment plants. Titanium minerals and zircon are not regulated as "source material" and are outside the scope of the Georgia and NRC export licenses.

Per Section 184 of the Atomic Energy Act of 1954, the sale of SIM to Chemours did not result in transfer of direct or indirect control over the export of REMS, for the following reasons:

There is no change in possession of the REMS to be exported:

- Material for export continues to be produced by separating REMS from mineral sands at the Mineral Separation Plant in Patterson, Georgia listed on the current license.

There is no change of authority for producing, exporting, or otherwise managing REMS:

- All of the personnel responsible for making business decisions, producing, and exporting REMS under License XSOU8844 retain their roles and responsibilities:
  - Stuart Forrester, President of SIM, remains in his role of direct oversight of all mining and mineral processing activities as Minerals Operations Director in the Chemours Titanium Technologies business group.
  - Jason Geiger, Sales Manager, remains in his role of negotiating sales of REMS and coordinating shipments to our customer.
  - James Renner, Manager of Environmental Stewardship, remains in his role as primary Licensee contact, as listed on the license.
  - Personnel responsible for operational radiation protection, including the Radiation Safety Officer, remain in their respective roles.
- SIM has maintained its own accounting, inventory control, and invoicing system independently of the Chemours centralized accounting system which, as described below, is a principal reason for the name change.

## **Anticipated Name Change**

In 2020 we intend to change the name of the Licensee (exporter) from "Southern Ionics Minerals LLC" to "The Chemours Company FC, LLC" when SIM is retired as a wholly-owned subsidiary of Chemours and becomes a business unit in the Titanium Technologies business group.

The name change will provide administrative efficiency in managing and tracking exports of REMS. Chemours uses a company-wide computerized supply chain management system called SAP to manage sales, invoicing, internal accounting, and related product-tracking information. With SIM named as the currently licensed exporter, all the sales information must be entered into and tracked in Chemours' corporate SAP system, but shipping documents must be manually generated that list SIM as the exporter, which is inefficient and increases the risk of inadvertent errors.

The name change and retirement of the LLC will not affect direct or indirect control of the business unit responsible for conducting the licensed activity as all personnel will remain in their operational roles, procedures for managing the license material will remain unchanged, and the discretion to arrange for exporting REMS will be retained by personnel currently serving that function at SIM. In summary, there will be no material changes, directly or indirectly, over the control of the export license or licensed material.

In fact, Chemours has memorialized its intention to continue operating under the trade name “Southern Ionics Minerals” for mineral products outside the scope of the Georgia or NRC export licenses.

### **Remove Inactive Consignees**

While the requested name change amendment is under consideration, we propose the concurrent removal of inactive consignees from XSOU 8842. The amended license should list only the following intermediate and ultimate foreign consignees:

#### Intermediate Consignees in Foreign Country(ies):

1. GHC Minerals Pty Ltd.  
27 Hillwood Avenue  
Warwick, WA 6024  
Australia  
(transporter)
2. Zhanjiang Dongya Minerals Co., Ltd.  
B3-B6, No. 118 Hai Tian Auto Configuration Market  
Chikan, Zhanjiang  
Guang Dong 524000  
China  
(transporter)

#### Ultimate Consignees in Foreign Country(ies):

1. Yongzhou Xiang River Rare Earth Co., Ltd.  
Guanyin Jintanzhen Qiyang County  
Hunan Province  
China  
(production)

Intermediate and ultimate consignees not listed above may be deleted. Note that there are no changes in consignee identities other than removal of inactive consignees. Accordingly, additional Executive Branch review should not be necessary to approve the requested amendment.

We greatly appreciate the Nuclear Regulatory Commission's attention to this matter. The expedited review and issuance of the amended license prior to our next scheduled shipment on April 27 will greatly streamline our accounting practices, thus improving the efficiency and avoiding disruption of REMS export, which is a critically important contributor to our business success.

Please let us know if any additional information is required in order to process this requested amendment and we will swiftly provide it.

Sincerely,



James F. Renner, P.G.  
Manager of Environmental Stewardship

**Stuart  
Forrester** Digitally signed by  
Stuart Forrester  
Date: 2020.03.20  
07:31:07 -04'00'

Stuart R. Forrester  
Mineral Operations Director

Attached: NRC Form 7 with Amended Information  
SIM Newsletter Winter 2020 ("Same faces, same values, new company")