



INTERNATIONAL
URANIUM (USA)
CORPORATION

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May 27, 1997

Via Overnight UPS

Mr. Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards
Washington, DC 20555-0001

Re: Reno Creek ISL Project, Technical Evaluation Report, May 8, 1997
License No. SUA-1558
Docket No. 40-9024

Dear Mr. Holonich:

This letter is in response to your correspondence of May 8, 1997, in which you informed me that NRC has denied our request to amend License Condition 12 of License SUA-1558, and that NRC requests additional information to support the current surety estimate. We have also received the Notice of Violation (NOV) regarding the reduction of the current surety, on only the Wyoming DEQ portion of the current surety, without prior NRC approval; we have responded to the NOV under separate cover.

The timing of revisions to the Possession Only License (POL) for storage of resin at Reno Creek presents synchronization problems when coordinating surety revisions with the Wyoming DEQ. Furthermore, the requirement that International Uranium (USA) Corporation ("IUC") find a repository other than the White Mesa Mill for disposal of the resin is a continuing source of frustration.

We acknowledge the NRC's and Wyoming DEQ's requirement that surety cost estimates must be based on the use of "independent contractors" to perform decontamination and decommissioning work. If one were to assume dissolution of IUC and bond default at White Mesa and Reno Creek, the NRC would certainly be able to use the White Mesa facility for disposal of the Reno Creek resin as both bonds would be forfeited to NRC, and NRC would therefore be in control of the closure work. Under any scenario, the White Mesa Mill decommissioning will take much more time than closure of the Reno Creek site; therefore, the facilities at White Mesa would be available for accepting the resin for disposal. If in the event that Reno creek and White Mesa are controlled by different entities, then a separate disposal

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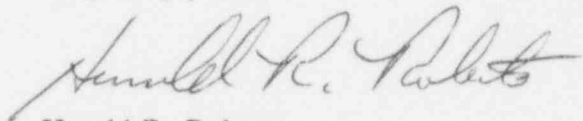
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agreement would be required for the Reno Creek resin, which would allow the White Mesa Mill to be considered as an independent facility.

Notwithstanding our frustration with the NRC position requiring an independent disposal provision (i.e., much more costly for IUC or for NRC in the event of bond default) with a site licensed to accept the resin, we would like to take this opportunity to find a more permanent resolution to the storage, bonding, and updating associated with the storage of the resin at Reno Creek, Wyoming.

Therefore, we request a time extension of 60 days, i.e., 60 days beyond the June 8, 1997 response date, to investigate and evaluate alternatives to the current resin storage and surety revision issues. We will coordinate with the NRC Project Manager during this extension period to develop an acceptable resolution. Of course, IUC will absolutely not let the current surety lapse at any time during this requested extension. The 60-day extension will allow adequate time to resolve the issues prior to the POL annual review date of August 16, 1997.

Very truly yours,



Harold R. Roberts
Executive Vice President

HRR/pl

cc: Earl E. Hoellen
Mark B. Mathisen
Michelle R. Rehmann
Terry V. Wetz