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## UNITED STATES NUCLEAR REGULATORY COMMISSION WASHINGTON, D. C. 20555 SEP 0 9 1988

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Morton B. Margulies, Chairman Administrative Judge Atomic Safety and Licensing Board Panel U.S. Nuclear Regulatory Commission Washington, D.C. 20555

Dr. Emmeth A. Luebke Administrative Judge 5500 Friendship Boulevard, Apt. 1923N Chevy Chase, Maryland 20815 Dr. Oscar H. Paris
Administrative Judge
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

In the Matter of
ALL CHEMICAL ISOTOPE ENRICHMENT INC.
(A1ChemIE Facility-1 CPDF)
Docket No. 50-603-CP/OL; ASLBP No. 88-570-01-CP/OL

and

In the Matter of
ALL CHEMICAL ISOTOPE ENRICHMENT INC.
(AlChemIE Facility-2 Oliver Springs)
Docket No. 50-604-CP; ASLBP No. 88-571-01-CP

Dear Administrative Judges:

Enclosed for your information is a copy of a letter dated August 30, 1988 from the State of Tennessee Department of Health and Environment. The NRC Staff is reviewing the comments contained on the sheet attached to the letter.

Sincerely,

Bernard M. Bordenick Counsel for NRC Staff

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Encl.: As stated cc w/encl.: Service List

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## TENNESSEE DEPARTMENT OF HEALTH AND ENVIRONMENT

Bureau of Environment T.E.R.R.A. BUILDING 150 NINTH AVENUE NORTH NASHVILLE, TENNESSEE 37219-5404

August 30, 1988

U. S. Nuclear Regulatory Commission Document Control Desk Office Nuclear Material Safety and Safeguards Washington, DC 20555

ATTN:

Mr. Hugh L. Thompson, Jr.

Gentleman:

We have reviewed the letters dated August 17, 1988, from AlChemie, Inc. to the NRC concerning Docket Numbers 50-603 and 50-504. Attached are some comments generated from the review and for which we still desire clarification.

Sincerely,

Charles P. West

Division of Radiological Health

Charles P. Most

CPW/E3018243

Attachment

cc: Dr. A. Thomas Clark, Jr. NRC Mr. W. A. Pfeifer, AlChemIE

Michael Pearigan, Deputy Attorney General

## ALCHEMIE'S LETTER DATED 8-17-88 TO NRC COMMENTS

10 CFR 50 Non Applicability
(Revision 1 to Nov. 17, 1987 submitted)

50.34(b)(6) (111), (1v) AlChemie has not shown Tennessee Department of Health and Environment (TDH&E), conclusively, that there is no radiological hazard.

50.34(b)(8) 50.54(1-1) (j), (k), (1) (m), (y) AlChemie has not shown TDH&E, conclusively, that there is no radiological hazard.

50.34(e)(d) (e) 50.54(p) Statement made that there are approximately 170 grams of U-235 on equipment. In a letter to NRG, dated 6/9/88, other numbers are given that differ from the above. Which is correct? One hundred seventy grams is licensable under Tennessee regulations and jurisdiction.

## 10 CFR 50 EXEMPTION REQUIREMENTS

- 1. A. AlChemik has not positively shown TOHAE that there will be no radiological release. Also, statement is made that the "facility is to be used for the production of stable isotopes" but in July 20, 1988, letter from AlChemiE to NRC, item 2, it is stated that Tellurium-123 will be enriched "to about 50" percent. These statements present confusion that has not been clarified.
  - D. Again AlChemIE has not shown that there will be "no threat of radiological release."

CPW/E3018243