

November 20, 1997

MEMORANDUM TO: Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management, NMSS

FROM: John W. N. Hickey, Chief [Original signed by]
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management, NMSS

SUBJECT: REVIEW OF ANNUAL SURETY UPDATE SUBMITTED BY ATLAS
CORPORATION FOR THE MOAB MILL, SOURCE MATERIAL
LICENSE #SUA-917

We have reviewed the financial assurance information submitted by Atlas Corporation for the Moab Mill in correspondence dated September 30, 1997. As it did last year, Atlas asserts that decommissioning expenditures taken this year at the site more than offset increases attributable to inflation. Consequently, Atlas maintains that its financial assurance requirement is adequately met by the Acstar Insurance Company performance bond for \$6,500,000 currently held by the Nuclear Regulatory Commission. Atlas proposes to maintain this bond in its current amount of \$6,500,000.

Atlas claims that increases to the current surety based on inflation from August 1996 to August 1997, (approximately 2.2 percent, or approximately \$145,000), are offset by expenditures incurred by Atlas in decommissioning activities at the site. It is our understanding that your staff is familiar with the decommissioning expenditures referenced by Atlas for which they have taken "credit," and with the work performed in regard to these expenditures. We agree that the adjustments for inflation as proposed by Atlas are correct.

Based on this information, the \$6,500,000 surety currently in place adequately responds to the current financial assurance requirements for the Moab Mill. Atlas states that it has revised and submitted a *Final Reclamation Plan for the Uranium Mill and Tailings Disposal Area* (at the Moab site) to NRC in 1996, but that no changes to the current surety are proposed until NRC approves of the final plan. Therefore, we agree that the current bond provided by Atlas and held by NRC is acceptable at this time.

Docket No. 40-3453
License No. SUA-917

CONTACT: Richard Turtill, DWM/NMSS
301-415-6721

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

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