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Western Division

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818 Taughenbaugh Boulevard
 Rifle, Colorado 81650-2730
 Phone: 303-625-2445

July 31, 1986



Mr. R. Dale Smith, Director
 Uranium Recovery Field Office
 Region IV
 U.S. NUCLEAR REGULATORY COMMISSION
 P.O. Box 25325
 Denver, Colorado 80225

RE: SOURCE MATERIAL LICENSE NO. SUA 1352
 DOCKET NO. 040-08714

Dear Mr. Smith:

In a letter to Sandra Wastler of your staff dated September 25, 1985, Cleveland-Cliffs applied for an amendment to the above-referenced Source Material License to revise the excursion monitoring requirements at the Collins Draw Project site. Subsequently, during a meeting with you and your staff on November 14, 1985, your staff stated that since "uranium solution extractions" were not being conducted, Cleveland-Cliffs was not required to continue excursion monitoring pursuant to license Condition 15. It was agreed that Cleveland-Cliffs would be terminating NRC excursion monitoring, and a license amendment would not be required. These actions were subsequently documented in a letter from Cleveland-Cliffs to the NRC dated November 15, 1985, and in a letter from the NRC to Cleveland-Cliffs dated November 25, 1985.

We have received the attached letter from the NRC License Fee Management Staff. The letter states that \$9,396 (162 staff hours) were spent in reviewing the application, and that Cleveland-Cliffs will be billed \$9,246 (9,396 minus \$150 fee paid) for the review.

During our meeting on November 14, 1986, we received the impression that since excursion monitoring and a license amendment were not required, the NRC staff was not conducting an intensive review of the amendment request. It appears that an unreasonable and unjustifiable amount of time (162 staff hours) is being charged to review the amendment request and determine that an amendment

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Certified By Mary C. Hovde

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Mr. R. Dale Smith, Director

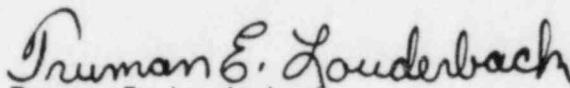
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July 31, 1986

was not required. Would you and/or your staff please review the attached charges to determine that they are correct, and if correct, would you please provide a description of the work conducted in order to justify the charges.

Your consideration of this matter is appreciated.

Sincerely,



Truman E. Louderbach
Director of Environmental Affairs

TEL:ms (MS5)

Attachment

cc w/att: C. James Holloway, Jr.
Acting Director
License Fee Management Staff
G. D. Aho
M. P. Janoco