



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

August 8, 1997

Mr. Joseph F. Alston, Superintendent
National Park Service
Glen Canyon National Recreation Area
P.O. Box 1507
Page, Arizona 86040

SUBJECT: RESPONSE TO NPS COMMENTS ON ENVIRONMENTAL ASSESSMENT FOR
RENEWAL OF NRC SOURCE MATERIAL LICENSE SUA-1371, SHOOTARING
CANYON URANIUM MILL

Dear Mr. Alston:

I am writing in response to your letter dated May 1, 1997, by which the National Park Service (NPS) provided comments on the Environmental Assessment (EA) prepared by the U.S. Nuclear Regulatory Commission staff as part of the staff's review of Plateau Resources Limited's (PRL's) license renewal application for the Shootaring Canyon uranium mill. With this renewal application, PRL was proposing to modify its NRC license to allow it to resume operations at the mill.

In your letter, the NPS raised the following issues:

- (1) The NRC staff's apparent overreliance on a 1979 Final Environmental Statement (FES) in assessing potential environmental and socioeconomic impacts related to the proposed resumption of operations at the Shootaring Canyon mill.
- (2) NRC's issuance of a renewed source material license to PRL, to allow a resumption of milling operations, without a "feasible and technically complete" site reclamation plan.
- (3) The potential reclamation of the mill tailings in an area potentially subject to flash floods and the related potential for surface and ground water contamination due to the loss of mill tailings containment.

With respect to the first issue, the NPS believes that the inclusion of more current data would have provided a more up-to-date and clear assessment of potential impacts from the mill's operation. In developing the EA, the NRC staff recognized that its assessment of actual environmental impacts related to previous mill operations would be hampered, because the Shootaring Canyon mill was operated for only three months in 1982 before being placed on standby status. The NRC staff did consider the environmental monitoring data collected by PRL during this period of operations, and immediately following, in the EA.

Absent additional operational data, the NRC staff's assessment of the potential environmental impacts associated with the resumption of milling operations was based on other sources

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of information. These included: (1) previous environmental evaluations of the Shootaring Canyon project conducted in 1979 and 1986; (2) PRL's March 1, 1996, amended license renewal application; (3) supplementary information submitted by PRL in letters dated September 16 and November 15, 1996; (4) PRL amendment requests and NRC approvals of such requests from 1986 to the present; (5) annual land use and semiannual environmental monitoring reports from 1982 to the present; and (6) the results of NRC staff site visits and inspections of the Shootaring Canyon mill site from 1986 to the present.

In addition, the NRC staff considered (1) environmental monitoring commitments made by PRL in its license renewal application, (2) the potential for necessary modifications to the present mill site prior to restart (e.g., a new tailings impoundment liner and associated leak detection system), and (3) an NRC staff assessment of potential offsite radiological impacts.

On May 2, 1997, the NRC staff completed its review of PRL's license renewal application and issued to PRL, a renewed NRC source material license for the Shootaring Canyon mill, authorizing the resumption of milling operations. The staff's conclusion, based on the EA, was a Finding of No Significant Impact (FONSI), which, along with a Notice of Opportunity for Hearing, was published in the Federal Register on April 28, 1997 (62 FR 22977-22978).

The NRC staff considers that potential environmental impacts associated with the restart of the Shootaring Canyon mill to have been appropriately and adequately addressed in the EA. The renewed license issued to PRL, and based partially on the staff's findings in the EA, incorporates approximately 30 conditions addressing mill worker safety and the protection of public health and safety and the environment. PRL's compliance with these license conditions will be determined through regular NRC site inspections. Additionally, the NRC staff will be able to monitor impacts from the mill's operations through reviews of semiannual environmental monitoring reports required of PRL under the NRC's regulations.

The NPS's concern over the lack of a "feasible and technically complete" reclamation plan prior to mill operation is that any ground-disturbing activities conducted prior to a complete site reclamation plan could compromise human health and the environment and result in unanticipated environmental damages and associated excessive cleanup costs. The NRC staff considers that NPS's concern may be somewhat misplaced in that construction activities at the mill site were completed in the 1979 to 1981 timeframe with the erection of the mill facilities and the construction of the mill tailings impoundment. The environmental impacts associated with these activities were addressed in the staff's 1979 FES prepared for the original licensing of the mill. With this original licensing action, the NRC also approved general plans provided by PRL for the reclamation of the mill site, and a financial surety arrangement to assure that sufficient funds would be available to carry out the decontamination and decommissioning of the mill and site and for the reclamation of any tailings or waste disposal areas. The surety amount was updated annually to reflect any increases or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs, and the revised amount was approved by NRC.

By letter dated January 10, 1997, PRL submitted a revised detailed decommissioning and reclamation plan for the Shootaring Canyon site. In this plan, PRL provided (1) a detailed

description of activities necessary to complete decommissioning and reclamation of the site and (2) an estimate of the total cost an independent contractor hired to perform these activities would incur to complete the work. As part of its initial review of the plan, the NRC staff reviewed PRL's cost estimate of \$6,784,159 and determined, based on the current site status, that this estimate was adequate for the purposes of resuming mill operations. The NRC staff notified PRL of this determination by letter dated February 26, 1997, and in response, PRL informed NRC on March 14, 1997, that it had increased the financial surety for the mill to \$6,784,159. Subsequently, this revised surety amount was incorporated into PRL's renewal license issued on May 2, 1997. PRL will continue to be required to submit annual surety updates for NRC review and approval, in accordance with Criterion 9 to 10 CFR Part 40, Appendix A.

The NRC staff and its contractor are continuing the detailed technical review of PRL's plan. This review may identify a need for PRL to submit additional information or analyses, with an accompanying revision to the cost estimate. The NRC staff anticipates that the review will be completed by December 31, 1997.

Regarding the final NPS issue, PRL has proposed in its site reclamation plan that tailings produced by mill operations be reclaimed in-place. As discussed above, the NRC staff is reviewing PRL's proposal, doing so against current NRC regulations and NRC staff guidance documents. The potential erosion of the constructed tailings disposal cell by precipitation and surface water flows, including flash floods, will be addressed by the NRC staff in its review. Enclosed please find copies of the following regulations and guidance documents to be used by the NRC staff in its review of this issue:

1. Appendix A to 10 CFR Part 40;
2. NRC Staff Technical Position WM-8201, "Hydrologic Design Criteria for Tailings Retention Systems" (January 1983);
3. NRC Staff Technical Position, "Design of Erosion Protection Covers for Stabilization of Uranium Mill Tailings Sites" (August 1990); and
4. NRC "Standard Review Plan for the Review of Remedial Action of Inactive Mill Tailings Sites under Title I of the Uranium Mill Tailings Radiation Control Act," Rev. 1 (June 1993).

It is also important to note, that with the completion of its milling operations, PRL will decommission the mill and reclaim the site in accordance with its NRC-approved plan. NRC approval of the completion of site decommissioning and reclamation is required before PRL will be allowed to terminate its NRC source material license. Following the termination of PRL's license, either an agency of the United States government or the State of Utah, at the option of the State, will be licensed by NRC to conduct long-term surveillance and monitoring of the site in accordance with provisions in 10 CFR Part 40. Therefore, should unusual damage or disruption of the site occur following transfer of the site for long-term care, appropriate actions can be taken by the custodial agency to ensure the continued protection of public health and safety and the environment.

J. Alston

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If you have any questions regarding this letter or the enclosures, please contact Mr. James Park of my staff at (301) 415-6699.

Sincerely,

(original signed by)

Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
Office of Nuclear Material
Safety and Safeguards

Docket No. 40-8698
License No. SUA-1371

Enclosures: As stated (4)

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