

MF/87/07/07

JUL 13 1987

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MEMORANDUM FOR: Frank L. Ingram, Assistant to the Director  
Public Affairs, GPA

FROM: Malcolm R. Knapp, Director  
Division of Low-Level Waste Management  
and Decommissioning

SUBJECT: COMMENTS ON DRAFT PUBLIC ANNOUNCEMENT

We have reviewed the draft public announcement of the decision to deny Atlas Corporation's application for renewal of their source material license. Attached is a markup of the draft announcement. We would suggest that, since the denial letter and Order will be signed by the Region IV Administrator, the public announcement be coordinated by the Public Affairs staff in Region IV. This would facilitate the release of the announcement with the signing of the denial and Order.

The staff contacts on this matter are Dennis Sollenberger (74789) and/or George Pangburn (74160).

Original Signed By  
MALCOLM R. KNAPP

Malcolm R. Knapp, Director  
Division of Low-Level Waste Management  
and Decommissioning

Enclosure:  
As stated

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LLWM s/f  
GPangburn  
MRKnapp

~~MFliedgel~~  
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Lohaus  
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DSollenberger  
JGreeves  
CRogers

(See previous concurrence\*)

OFF: LLOB*	:LLOB*	:LLOB*	:LLWM	:LLWM	:
NAME:DSollenberger:	MFliedgel	:PLOhaus	:JGreeves	:MRKnapp	::
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MF/87/07/07

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NOTE TO: Frank Ingram, GPA  
FROM: Malcolm Knapp, NMSS  
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Malcolm R. Knapp, NMSS

Enclosure:  
As stated

OFC: LLOB *MF* : LLOB *MF* : LLOB *PM* : LLWM : LLWM : : :  
NAME: DSollenberger: MFliegel : PLohaus : JGreeves : MRKnapp : : :  
DATE: 07/9/87 : 07/9/87 : 07/9/87 : 07/9/87 : 07/9/87 : : :  
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NRC STAFF DENIES APPLICATION FOR RENEWAL OF LICENSE TO  
OPERATE UTAH URANIUM MILL

The Nuclear Regulatory Commission staff has denied an application from Atlas Corporation of Grand Junction, Colorado, for renewal of its license authorizing operation of an uranium ore milling facility at Moab, Utah.

The staff also has issued to the company an immediately effective Order <sup>which</sup> ~~to prohibit~~<sup>s</sup> ore processing and which requires continued care and monitoring of the Moab site as well as other necessary actions to protect workers and the environment. In addition, the Order <sup>A</sup> directs Atlas Corporation to begin decontamination and decommissioning of the mill facility and reclamation of the uranium mill tailings stored there.

The action was taken after Atlas Corporation was unable to provide financial surety arrangements acceptable to the staff, for assuring that funds would be available to pay for decontamination and decommissioning of the Moab mill. ~~Establishment~~ required by NRC regulations which became effective in November 1980.

of an acceptable financial surety arrangement prior to issuance of a new license or license renewal is  
The requirement was incorporated into the license authorizing Atlas to operate the Moab mill in June 1982 and specified that the company was to have a NRC-approved financial surety arrangement by <sup>January</sup> June 1983. ~~The regulations also require the demonstration of a financial surety arrangement prior to issuance of a new license or license renewal which led to the staff's denial of the Atlas renewal application.~~

Atlas' failure to comply with this requirement