



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

July 21, 2023

Lance M. Hauer, P.E.
Legacy Site Team Leader - Remediation
General Electric
Global Operations - EHS
412 Creamery Way
Exton, PA 19341

SUBJECT: 2023 ANNUAL SURETY UPDATE FOR THE UNITED NUCLEAR CORPORATION MINING AND MILLING, DIVISION OF UNC, AMENDMENT NUMBER 59 TO SOURCE MATERIALS LICENSE SUA-1475, DOCKET NUMBER 40-8907

Dear Lance Hauer:

Enclosed, please find the U.S. Nuclear Regulatory Commission (NRC) Technical Evaluation Report for the United Nuclear Corporation (UNC) 2023 surety update¹ for the UNC Church Rock Site in Gallup, NM. Also enclosed is Amendment 59 to Source Materials License No. SUA-1475, which revises the amount of the surety to reflect the current cost estimate for decommissioning and reclamation of the UNC Church Rock site.

By letter dated, March 31, 2023 (United Nuclear Corporation [UNC], 2023) (Agencywide Documents Access and Management System (ADAMS) Accession No. ML23094A141)), UNC submitted its annual financial surety update for the Church Rock site, as required by Title 10 of the *Code of Federal Regulations* (10 CFR) Part 40, Appendix A, "Criteria Relating to the Operation of Uranium Mills and the Disposition of Tailings or Wastes Produced by the Extraction or Concentration of Source Material from Ores Processed Primarily for Their Source Material Content," Criteria 9 and 10, and License Condition (LC) 25 of UNC's source materials license.

The NRC has noted that Criterion 9 of 10 CFR Part 40, Appendix A requires, in part, that the amount of surety liability should be adjusted to recognize any increase or decreases resulting from inflation, changes in engineering plans, activities performed, and any other conditions affecting costs.

The UNC's submittal (UNC, 2023) includes a request to amend its license to increase its surety amount for its Church Rock mill site from \$25,511,264 (in 2022\$) to \$27,051,026 based on a 15.49 percent increase in the Consumer Price Index for all urban consumers (CPI-U) from the end of December 2020 (260.474) through the end of February 2023 (300.840). Staff confirmed the accuracy of the December 2020 and February 2023 CPI-U by consulting the U.S. Bureau of Labor and Statistics reference, entitled, "Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, by month" at <https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202302.pdf>.

¹ [ML23094A141](https://www.adams.nrc.gov/docx/ML23094A141)

The staff performed the following calculations to confirm the licensee's inflationary factor is reasonable:

$$\begin{aligned} 300.840 - 260.474 &= 40.366 \\ 40.366 / 260.474 &= .1549 \\ .1549 \times 100 &= 15.49 \\ 1.1549 \times \$23,421,383 &= \$27,051,026 \end{aligned}$$

The UNC has an NRC-approved surety bond and standby trust agreement in place that demonstrates compliance with 10 CFR Part 40, Appendix A, Criteria 9 and 10. Within 30 days of the NRC's approval of the 2023 surety amount, UNC must submit an update to its 2022 financial assurance instruments to cover the increased surety amount. The 2023 surety amount is \$27,051,026.

The NRC staff has completed its review of the proposed 2023 surety for the Church Rock site using the guidance provided in NUREG-1620, Rev. 1, "Standard Review Plan for the Review of a Reclamation Plan for Mill Tailings Sites under Title II of the Uranium Mill Tailings Radiation Control Act of 1978."² The NRC evaluated the detailed, individual elements of the decommissioning and reclamation costs for the Church Rock site and finds UNC's estimates to be comprehensive, reasonably derived, and appropriate. All estimated decommissioning and reclamation costs for contractor and consultant services include the costs for labor and equipment, overhead, and profit. The NRC also finds that the surety portion for minimum long-term surveillance is appropriate.

The NRC staff amends Source Materials License SUA-1475 by revising LC 25 to require that UNC's surety shall be continuously maintained in an amount no less than \$27,051,026 until a replacement is authorized by the NRC. The modification to LC 25 is provided as Amendment No. 59 to Source Materials License No. SUA-1471 (enclosed)³. An environmental review was not performed since this action is categorically excluded under 10 CFR Section 51.22(c)(10), "Criterion for categorical exclusion; identification of licensing and regulatory actions eligible for categorical exclusion or otherwise not requiring environmental review."

In accordance with 10 CFR Section 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be

² [ML032250190](#).

³ [ML23160A271](#)

available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC website at <https://www.nrc.gov/reading-rm/adams.html>.

Sincerely,



Signed by Von Till, Randolph
on 07/21/23

Bill Von Till, Chief
Uranium Recovery and Materials
Decommissioning Branch
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Technical Evaluation Report (ML23160A270)
2. License Amendment 59 (ML23160A270)

cc: UNC Church Rock ListServ

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ADAMS Accession Number: ML23160A258 (PKG) ML23160A269, 70, 71)
***via email**

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