

FRANK A. SHALLO
VICE PRESIDENT MARKET DEVELOPMENT

October 16, 1991

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OFFICE OF SECRETARY
DOCKETING SERVICE
BRANCH

Mr. W. Howard Arnold
President
Louisiana Energy Services
600 New Hampshire Avenue, N.W.
Suite 404
Washington, D.C. 20037

Dear Mr. Arnold:

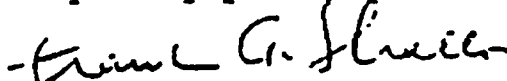
This letter confirms COGEMA, Inc.'s willingness to consider providing, in the United States, conversion services for depleted uranium as UF₆, which is produced from U.S. enrichment operations.

The experience gained by our parent company, COGEMA, in successfully operating a commercial-size defluorination facility in France, could be used as the basis for employing technology in the United States to convert depleted UF₆ to a stable, solid form, namely U3O8.

Various cost estimates for such conversion services have been reported from several sources in the recent past. However, when one considers construction and operation in the U.S. under NRC standards, an appropriate fee for defluorination services may be estimated to be in the range of \$ 3 - 5 per kilogram of uranium. In addition, transportation, long term storage and ultimate disposal of U3O8 product will have to be considered.

It is our belief, that prudent management of depleted UF₆ should consider conversion to a U3O8 powder, which is insoluble in water, does not react with external chemical agents, is free of fluorine and is the most compact form for storage.

Very truly yours,



Frank A. Shallo

cc: Mr. Peter LeRoy
Louisiana Energy Services

NUCLEAR REGULATORY COMMISSION

AS/ej

