

April 26, 2012

Mr. Anu K. Mittal, Director
Natural Resources and Environment Division
U.S. Government Accountability Office
441 G Street, NW.
Mail Stop: 2T23
Washington, DC 20548

Dear Mr. Mittal:

Thank you for the opportunity to review and submit comments on the draft U.S. Government Accountability Office (GAO) report GAO-12-544, "Uranium Mining: Opportunities to Improve Oversight of Financial Assurances," which the NRC received on April 9, 2012. The NRC appreciates the time and effort that you and your staff have taken to review this topic.

The GAO reviewed the practices of the different Federal agencies that maintain responsibility for oversight of uranium exploration and extraction operations on Federal land. The Federal agencies involved with oversight of uranium exploration and extraction operations include the Bureau of Land Management (BLM), Forest Service, the U.S. Department of Energy, and the NRC. The GAO determined that, in general, adequate financial assurance is in place to address uranium exploration and extraction operations on Federal land. The GAO recommends that Federal agencies better coordinate financial assurance reviews and develop a common definition for abandoned mine sites. In addition, the GAO provided one specific recommendation for the NRC:

The Secretary of the Interior and the Chairman of the Nuclear Regulatory Commission should enhance their coordination on financial assurances for ISR operations through the development of a memorandum of understanding that defines roles and promotes information sharing.

The NRC has reviewed the report and specific recommendation to develop a memorandum of understanding (MOU) with BLM for financial assurance reviews. Historically, the NRC and BLM have not coordinated financial assurance reviews. In the more than 30 years of the NRC uranium recovery program, we are unaware of any situations where a problem has occurred resulting from a lack of coordination between NRC and BLM. However, the NRC recognizes that development of an MOU could be beneficial to both agencies. Therefore, the NRC plans to pursue development of an MOU with BLM on financial assurance reviews. This effort would be sequenced with an on-going effort to develop MOU's with States for financial surety reviews.

The NRC believes that development of an MOU that adequately addresses both agencies' regulatory oversight may be challenging. BLM's focus on uranium exploration and extraction operations is related to land disturbance, whereas the NRC's focus is on radiological and chemical contamination and the restoration efforts needed to address those two concerns. Additionally, substantial land disturbance on Federal land can occur prior to NRC granting a license. Site exploration, characterization, and pre-construction are allowed under NRC's regulations before a license is granted. Thus, the timing for having financial assurance in place can be distinctly different for the two agencies. In some cases, exploration activities may occur years before issuance of an NRC license.

In the event that an MOU cannot be developed, the NRC may pursue other less formal methods of coordination with BLM.

The NRC has no additional comments on the report. Should you have any questions about these comments, please contact Jesse Arildsen of my staff at 301-415-1785.

Sincerely,

/RA by Michael F. Weber for/

R. W. Borchardt
Executive Director
for Operations

The NRC believes that development of an MOU that adequately addresses both agencies' regulatory oversight may be challenging. BLM's focus on uranium exploration and extraction operations is related to land disturbance, whereas the NRC's focus is on radiological and chemical contamination and the restoration efforts needed to address those two concerns. Additionally, substantial land disturbance on Federal land can occur prior to NRC granting a license. Site exploration, characterization, and pre-construction are allowed under NRC's regulations before a license is granted. Thus, the timing for having financial assurance in place can be distinctly different for the two agencies. In some cases, exploration activities may occur years before issuance of an NRC license.

In the event that an MOU cannot be developed, the NRC may pursue other less formal methods of coordination with BLM.

The NRC has no additional comments on the report. Should you have any questions about these comments, please contact Jesse Arildsen of my staff at 301-415-1785.

Sincerely,

/RA by Michael F. Weber for/

R. W. Borchardt
Executive Director
for Operations

DISTRIBUTION: G20120225/LTR-12-0147/EDATS: SECY-2012-0170

RidsEdoMailCenter RidsFsmeOd

RidsFSME_TicketCloseouts RidsRgn4MailCenter

RidsOgcMailCenter Resource

RidsSecyCorrespondenceMailCenter

FSME r/f DWMEP r/f

ML121080495

OFFICE	DWMEP	DWMEP	DWMEP	DWMEP	DWMEP	TechEd	FSME	EDO
NAME	DMandeville	BGarret	BVonTill	BWatson for KMcConnell	DPersinko forLCamper	CPoland	CCarpenter for MSatorius	RBorchardt (MWeber for)
DATE	4/18/12	4/18/12	4/18/12	4/18/12	4/18/12	4/19/12	4/23/12	4/26/12

OFFICIAL RECORD COPY