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November 19, 1962

AMERICAN POTASH & CHEMICAL CORP., LINDSAY CHEMICAL DIVISION
WEST CHICAGO, ILLINOIS - LICENSE NO. R-234

CO:III:JGD

Reference your telephone call of 10/21/62 concerning inspection report dated August 16, 1962, of subject licensee.

1. Recommended Citation Against 10 CFR 20.301 - A citation was recommended based on the disposal of liquid process waste containing thorium by discharge into a pond located on the licensee's property. The question posed in the telephone conversation was whether discharge constituted disposal or whether the pond was for retention. This depends on the definition of "retention." As stated in Paragraph 46 of the report, the pond is not treated in any manner to provide for retention. Rather, the waste is discharged into the pond and "seeps" out. Paragraphs 46, 64, 83, 85, 86, and 87 relate the use of the pond. If by the word "retention" it is meant that the waste is held in the pond, the pond is not for retention. Rather, it is intended that the waste "seep" from the pond and this is the licensee's method of getting rid (disposing) of his liquid wastes. Paragraph 64 establishes that some soluble radioactivity exists in the water in this pond.

Since this is the licensee's method of disposal and since this method does not meet the requirements of 10 CFR 20.301, a citation is in order.

2. Recommended Citation Against 10 CFR 20.305 - A citation was recommended based on the incineration of bags contaminated with thorium ore (monazite ore). The question posed was whether the ore was licensed material. I assume that the question originated from 10 CFR 40.13(b). The exemption of 10 CFR 40.13(b) applies "...to the extent that such person receives, possesses, uses, transfers or imports unrefined and unprocessed ore containing source material; provided, that, except as mentioned in a specific license, such person shall not refine or process such ore."

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The citation was based on the fact that the person (the licensee) holds a license to process such ore. Consequently, the ore possessed by him is licensed material. It appears that the "Provided" clause in the quotation of 10 CFR 40.13(b) places ore possessed by this licensee in the licensed category, since this person processes the ore.

Consequently, since this ore is possessed by the licensee for processing and because of the "provided" clause of 10 CFR 40.13(b), we believe a citation is in order.

Actually, this question has broad implications. Consequently, as inferred by the question posed, please inform us, in writing, whether the ore possessed by this licensee is exempt from licensing until this ore enters the chemical process of this licensee. If the ore is not licensed material while possessed by this licensee prior to processing, then the storage, handling, radiation, air-borne radioactivity, etc. resulting from the handling of the unprocessed ore is exempt from licensing control and from the requirements of 10 CFR 20. We will appreciate your prompt reply.

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