



WYOMING MINING ASSOCIATION

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October 28, 1996

Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001
Attn: Docketing and Services Branch

DOCKET NUMBER

PETITION RULE PRM 30-61
(61 FR 43193)

Gentlemen:

The Wyoming Mining Association (WMA) is an industry association of mining companies in Wyoming comprised of mining companies and associates (suppliers, vendors, contractors, etc.). Among these members are a number of uranium recovery licensees. The WMA has reviewed the Petition for Rulemaking from the Nuclear Energy Institute (NEI), Docket No. PRM-30-61, published in the Federal Register on August 21, 1996 (Volume 61, Number 163) page 43193-43195. This petition concerns Timeliness in Decommissioning and proposes changes to the language of the rule which would permit facilities to enter a "standby mode" during which the facility would be monitored and maintained pending future operation.

The Wyoming Mining Association supports this petition and believes that it represents a sound and rational alternative for operators with facilities currently not operating pending improved markets. Adoption of this proposed language would allow uranium recovery plants (mills and in-situ leaching facilities) to enter standby mode pending improvements in the uranium market with adequate assurance that the standby monitoring and maintenance would be adequate and that such activities would be properly funded. The WMA has the following specific comments on the petition:

1. Stability/Future of the Uranium Recovery Industry

The Wyoming Mining Association agrees with the Nuclear Energy Institute (NEI) that the nuclear industry has matured and stabilized and operators are more willing to assume holding costs for a facility on standby. In the uranium milling industry for example only six (6) mills remain in the United States out of the thirty (30) or forty (40) in existence approximately two (2) decades ago. Within the last year the uranium market has begun to recover. At least three (3) of these idled mills are making submittals to regulatory agencies relating to resumption of operations at some future date. Companies willing to expend resources on preparation of submittals to resume operations would also be willing to assume holding costs for the facility prior to startup.

2. **Unavailability of a Standby Mode in the Present Regulations**

The present regulations do not provide for a standby mode. The regulations do however, allow the licensee to request a postponement of the initiation of Timeliness in Decommissioning. This postponement may be granted if it **"is not detrimental to the public health and safety and is otherwise in the public interest."** This is regulation by exception. It would be better to include specific provisions for maintaining a licensed facility in standby mode.

3. **Impact on a Licensees Commercial Decisions**

The current regulations impact heavily on a licensees ability to make commercial decisions that allow it to compete in the market place. The current regulations force (absent a postponement) a licensee to decommission a large capital investment that is currently idle in spite of the fact that it may be economically viable in the future. No other industry is forced to dispose of idled assets in such a manner. Other industries can maintain a plant, building or other facility in standby mode pending changes in economic conditions. The uranium recovery industry should be allowed the same flexibility.

Issues such as the above have been raised previously in comments from industry. These comments which are included by reference are:

1. **Comments from Michael H. Gibson of Kennecott Uranium Company dated April 5, 1993.**

These comments specifically raised the issue of the need for uranium recovery facilities to **"wait out downturns in the market"**.

2. **Comments from the American Mining Congress (AMC) dated April 19, 1993.**

These comments specifically stated that **"Licensees must be given the option to wait out down-turns in the market by "idling" the facilities and placing them on standby..."**

3. **Comments from the U.S. Council for Energy Awareness (USCEA).**

These comments proposed that licensees be allowed to close down parts of a facility while awaiting improvements in market conditions.

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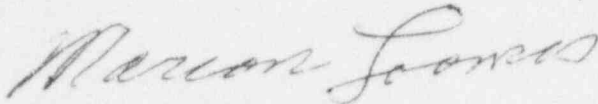
4. **Letter to Chairman Selin from the American Mining Congress (AMC) dated September 15, 1993.**

This letter references verbal comments made by Michael H. Gibson of Kennecott Uranium Company to Chairman Selin at a meeting in Denver, Colorado in May of 1993.

In conclusion, the Wyoming Mining Association strongly supports this petition for rulemaking. If you have any questions please do not hesitate to contact me.

Sincerely,

WYOMING MINING ASSOCIATION



Marion Loomis
Executive Director

cc: Katie Sweeney- National Mining Association
Jon Indall - Uranium Producers of America
Felix Killar - NEI

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