

40-8968

HRI, Inc.

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November 26, 1996

Mr. Joseph J. Holonich, Chief
Uranium Recovery Branch
Division of Waste Management
NMSS (T-7-J9)
Nuclear Regulatory Commission
11545 Rockville Pike
Rockville, MD 20850

Dear Mr. Holonich:

HRI is totally committed to constructing and operating quality controlled, state-of-the-art ISL facilities in New Mexico that will provide ample protection against any potential significant adverse impacts on public health or the environment. The company has operated a number of ISL plants and there is no organization in the U.S. with more uranium leaching experience than URI/HRI.

The company believes that it has responded effectively to all concerns raised by NRC staff and has done so with the highest quality scientific presentations. HRI is, and has been, committed to providing NRC with the necessary data and commitments to enable NRC to produce an EIS and an SER that will justify on the public record granting the license applications which are the subject of those documents. This letter (with attachments) is intended to address specifically HRI's concerns about the production of those documents.

In reviewing the most recent questions from the NRC which incorporate language that we understand likely will be placed in the Final Environmental Impact Statement (FEIS), HRI is concerned that certain statements, conclusions and the potential implications thereof are not consistent with the reality of ISL uranium production which historically has produced no significant adverse environmental impacts. HRI believes that NRC should, in effect, preface the specific components of the FEIS analysis with a discussion of this successful history as documented in Agreement State and NRC licenses and the relevant literature of the subject. This general "preface" should also include a discussion of NRC's general regulatory framework (i.e., defense-in-depth including the assessment of unlikely but possible events, etc.).

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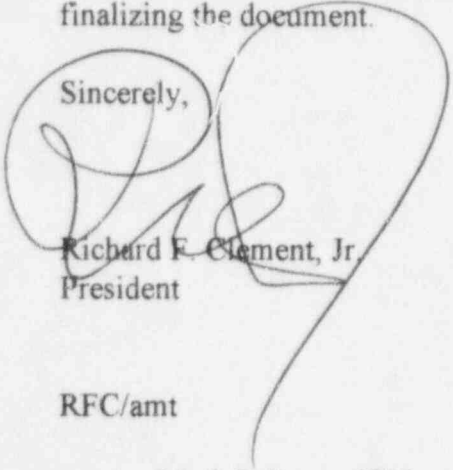
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Mr. Joseph J. Holonich
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With respect to the more specific technical issues, HRI is concerned that, as currently written, the draft suggests a "likelihood" of contamination of drinking water supplies from our operations. If NRC truly believes this to be the case, then there must be some demonstrable, professionally acceptable hydrologic analyses to support such an assumption, much less such a conclusion. HRI has seen no technical evidence from NRC to support a "likelihood" of contamination, therefore, such contamination remains merely a theoretical possibility rather than a "likelihood." In fact, contamination migration velocities assumed by the staff as operative at Crownpoint are, we believe, incorrect by one to two orders of magnitude (please see modeling comments of Craig Bartels in attached responses.) While HRI understands that it is necessary and appropriate for NRC to address possible or potential impacts, we do not believe it accurate or appropriate to imply without professionally acceptable technical analyses that there is any significant likelihood of such impacts in a real world scenario – a scenario that involves hands-on management by an expert licensee and thorough oversight by an expert regulator.

Therefore, we ask that you please review the draft EIS language carefully before finalizing the document.

Sincerely,



Richard F. Clement, Jr.
President

RFC/amt

cc: Mark Pelizza - HRI
Craig Bartels - HRI
Tony Thompson - Shaw, Pittman, Potts & Trowbridge