

URANIUM RESOURCES INC.

DOCKETED
USNRCRAYMOND G. LARSON
President

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OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

August 22, 1985

Secretary of the Commission
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555Attention: Docketing and Service Branch
Re: ANPRM 6-7-85

Gentlemen:

We have reviewed your advance notice of proposed rule making (ANPRM) which was published in the Federal Register on Friday, June 7, 1985 where regulations dealing with financial assurance for accidental releases is outlined. The review of the ANPRM has caused Uranium Resources Inc. grave concern.

Uranium Resources Inc. (URI) is a fully integrated in situ uranium mining company involved in: exploration, prospect development, plant design, engineering, construction, operating permits, plant operations and production of concentrated uranium slurry. Unlike conventional mining and milling of uranium, in situ uranium mining does not have the large tailings impoundments and above ground leaching tanks which may be prone to accidental failure. In fact, all in situ mining is underground and closely monitored. A licensee is currently required to post bond for ground-water restoration under current NRC rules.

We believe the concept of placing a financial burden on a company for an event that most likely will never happen is unreasonable. Using cash or available credit (as a letter of credit) is totally unacceptable to our company. One potential means of meeting the requirements set forth in the ANPRM is through insurance. Our insurance broker advises that, if the insurance requirements which are outlined in the ANPRM are implemented, the federal government

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add: Mary Jo Seaman, 62353
William Altmstead, 9609MN BB
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Secretary of the Commission
August 27, 1985
Page Two

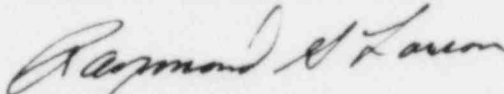
would have to write the policy, as there would be no insurance company willing to do so.

In summary, Uranium Resources Inc. is in opposition to the ANPRM. As you are aware, the viability of the uranium industry is presently in question. In situ techniques can marginally produce uranium at present prices while conventional miners cannot produce in the present marketplace. We feel the proposed rule will place an insurmountable burden on our company, with little benefit to anyone in return. Given that we have never had an accident and likely never will have one, the cost of insurance or up-front cash does not appear appropriate. A more reasonable insurance would be a compensation program such as the Commission regulations pursuant to the Price Anderson Act. You may recall the Price Anderson Act was promulgated to protect the viability of the nuclear power industry.

Thank you for the opportunity to comment on the referenced ANPRM. Please feel free to contact me with questions pertaining to this matter or if I may be of assistance in any other way.

Sincerely,

URANIUM RESOURCES INC.

A handwritten signature in cursive script, appearing to read "Raymond G. Larson".

Raymond G. Larson
President

RGL:jsk