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February 3, 1997

VIA FACSIMILE AND U.S. MAIL

Jack Goldberg, Esq.  
Office of General Counsel  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: 10 CFR § 2.206 Petitions/Envirocare of Utah, Inc.

Dear Mr. Goldberg:

I am writing on behalf of my client, Envirocare of Utah, Inc., as a follow-up to my conversation with Susan Schidakel of your office. As I indicated to Ms. Schidakel last week, Envirocare is concerned about the allegations raised in the National Resources Defense Council's ("NRDC") 10 CFR § 2.206 Petition filed with the Nuclear Regulatory Commission ("NRC"). Apparently, the American College of Nuclear Physicians ("ACNP") (California Chapter) has filed a "petition" with the state of Utah and the NRC raising certain questions, and we are currently reviewing the allegations in that petition. However, we do not believe either of these petitions have set forth sufficient facts that constitute a basis for a 10 CFR § 2.206 petition. In fact, I understand the NRC has rejected the ACNP's petition. We would like to maintain an open line of communication with the NRC on these matters and provide whatever information you require to fully evaluate the issues.

The NRDC petition concerns payments made by the President of Envirocare, Khosrow Semnani, to the former Director of the Utah Division of Radiation Control, Larry Anderson. Our investigation to date indicates that Mr. Anderson left his position with Utah's Division of Radiation Control in June 1993, and he has not participated in any regulatory or other decision-making capacities relative to Envirocare in the three and one-half year time period since then. Mr. Anderson had no authority over the regulatory activities of other state and federal agencies responsible for issuing licenses and permits to Envirocare including the Utah Division of Solid and Hazardous Waste, Utah Division of Water Quality, Utah Division of Air Quality, Region VIII of the Environmental Protection Agency, and the Nuclear Regulatory Commission. Attached is a "Regulatory Summary" that identifies Envirocare's licenses and permits and the issuing agencies. Exhibit No. 1.

Envirocare submitted a license renewal application to the state of Utah in January 1996 for its radioactive materials license. For almost one year that license has been undergoing a renewal review by the Utah Division of Radiation Control. On January 28, 1997, the current Director of the Division reported to the Director of the Utah Department of Environmental Quality that his staff had conducted a review of past licensing actions of Envirocare, and "we have not identified any major problems associated with past licensing actions accomplished by the Division." Attached is a copy of that memorandum from Bill Sinclair to Dianne Nielson which includes a listing of all licensing actions that are being reviewed pursuant to the renewal process. Exhibit No. 2.

Envirocare's Director of Operations, Greg Copeland, is responsible for ensuring the company's compliance with all applicable health and safety and environmental laws and regulations. Envirocare has an extensive internal environmental auditing program that addresses the full range of environmental and health and safety issues associated with its operations. In 1993 all of Envirocare's auditing procedures were extensively reviewed and revised to ensure Envirocare's compliance with applicable laws, regulations, licenses and permits. Envirocare's site operations are governed by the procedures outlined in its Quality Assurance Manual, Internal Procedures Manual, and Operations Manual. Please let us know if you would like copies of these manuals.

External audits of Envirocare's site operations were conducted by the Nuclear Regulatory Commission in August of 1994 and in July and November of 1996. Audits were conducted by the Environmental Protection Agency in September 1994 and January 1996 and by the Department of Energy in March 1994, October 1995 and July 1996. These audits have not been fully reviewed, but we do not believe they identify any significant environmental or health and safety concerns relative to Envirocare's operations. The state of Utah performs an annual audit of all of Envirocare's operations, and state officials are on-site almost every day performing routine inspections. Notices of violations have been issued by various regulatory agencies with authority over Envirocare's operations. At this juncture we do not believe that any of those violations are significant, and all of them have been resolved or are being resolved. Attached are copies of a news article from last Friday's Salt Lake Tribune and a press release that discuss the most recent external audit of Envirocare's facility. Exhibit No. 3.

In 1992 the Utah Legislative Auditor General's Office reviewed the Utah Department of Environmental Quality's regulation of commercial waste disposal facilities. The audit found, in part, that the Division of Radiation Control's "compliance inspection program appears to adequately compel Envirocare to meet all regulations established by the Legislature and the NRC." Please let us know if you would like copies of any of these audits.

At this juncture, we have not identified any evidence that Mr. Semnani's payments to Mr. Anderson had any affect on environmental compliance and regulatory oversight by state or federal agencies. We have not discovered any documents that identify any significant

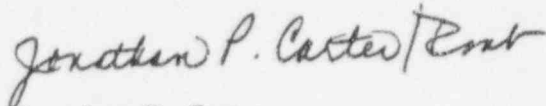
health and safety or environmental problems associated with Envirocare's facility. In particular, we have not identified any inappropriate licensing or regulatory actions of the Utah Division of Radiation Control with respect to Envirocare.

Based on our investigation to date, no basis exists for granting any of the relief requested by the NRDC. The NRDC petition fails to establish any supporting facts of health and safety or environmental problems related to Envirocare's operations.

In addition to the materials referenced hereinabove as attachments, we will provide you with copies of audit reports, licenses, permits, audit manuals, and other documents you may require relative to your inquiry into this matter. I trust you will find this information helpful as you consider these matters on behalf of the NRC. Envirocare intends to fully cooperate with the NRC and any other federal agency interested in these issues. We look forward to meeting with you at your convenience to more fully discuss these matters and answer any questions you may have.

Thank you.

Very truly yours,

  
Jonathan P. Carter

Enclosures

cc: William Sinclair w/enclosures  
Harold LeFevre w/enclosures  
Craig Thorley w/enclosures

JPC:rmb

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TO: Hugh L. Thompson, Jr.

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FROM: Jon Carter

DATE: March 4, 1997

TOTAL PAGES: 6 (including the cover page)

COMMENTS: