



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

June 13, 1997

Mr. Earl E. Hoellen, President  
International Uranium (USA) Corporation  
Independence Plaza, Suite 950  
1050 Seventeenth Street  
Denver, Colorado 80265

40-8681

SUBJECT: AMENDMENT 3 TO SOURCE MATERIAL LICENSE SUA-1358, WHITE MESA  
URANIUM MILL - ANNUAL SURETY UPDATE

Dear Mr. Hoellen:

The U.S. Nuclear Regulatory Commission staff has completed its review of two amendment requests submitted by the former licensee for the White Mesa uranium mill, Energy Fuels Nuclear, Inc. (EFN). International Uranium (USA) Corporation (IUC) has agreed previously to abide by all commitments and representations made to NRC by EFN.

In a March 13, 1997, submittal, EFN proposed a revised surety amount of \$11,278,131 to account for inflationary increases from December 1995 to December 1996. The NRC staff's review finds that the proposed increase in the surety amount is appropriate, and the revised amount of \$11,278,131 is acceptable.

By letter dated April 15, 1997, EFN submitted standard operating procedures for its Safety and Environmental Review Panel (SERP), as required by Source Material License SUA-1358. In response to an NRC request, IUC submitted amended procedures by letter dated June 10, 1997. The NRC staff has reviewed the SERP procedures and finds them acceptable for implementing the performance-based license condition (License Condition 9.4) in SUA-1358. The details of this amendment request are discussed in the NRC staff's Technical Evaluation Report (TER). The TER documents the basis for the NRC staff's evaluation of the amendment request and is provided as Enclosure 1.

Also, the NRC staff has taken this opportunity to make an editorial change to License Condition 9.4 of SUA-1358. The change clarifies that the Environmental Assessment (EA) identified in the license condition is the EA prepared for the renewal of SUA-1358 and dated February 1997.

Therefore, pursuant to Title 10 of the Code of Federal Regulations, Part 40, Source Material License SUA-1358 is hereby amended by revising License Condition Nos. 9.4 and 9.5. All other conditions of this license shall remain the same. The enclosed license is being reissued to incorporate the above modifications (Enclosure 2). An environmental review was not performed since these administrative actions are categorically excluded under 10 CFR 51.22(c)(10).

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E. Hoellen

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These changes to your license were discussed in a telephone conversation on June 11, 1997, between Ms. Michelle Rehmann of IUC, and Mr. James Park of my staff. If you have any questions regarding this letter or the enclosure, please contact Mr. Park at (301) 415-6699.

Sincerely,

(Original signed by)

Joseph J. Holonich, Chief  
Uranium Recovery Branch  
Division of Waste Management  
Office of Nuclear Material  
Safety and Safeguards

Docket No. 40-8681  
SUA-1358, Amendment No. 3  
Cases Closed: L51512, L51530

Enclosures: As stated (2)

cc: W.Sinclair, UT  
M.Rehmann, IUC

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DATE	6/11/97		6/1/97		6/13/97			

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TECHNICAL EVALUATION REPORT:  
STANDARD OPERATING PROCEDURES FOR  
SAFETY AND ENVIRONMENTAL REVIEW PANEL

DOCKET NO. 40-8681

LICENSE NO. SUA-1358

LICENSEE: International Uranium (USA) Corporation

FACILITY: White Mesa Uranium Mill

PROJECT MANAGER: James Park

SUMMARY AND CONCLUSIONS:

The U.S. Nuclear Regulatory Commission staff has reviewed the April 15, 1997, amendment request of Energy Fuels Nuclear, Inc. (EFN), the former owner of the White Mesa uranium mill. By this submittal, EFN requested NRC approval of the standard operating procedures (SOPs) for its Safety and Environmental Review Panel (SERP). International Uranium (USA) Corporation (IUC), the current mill owner and NRC licensee, has agreed previously to abide by all commitments and representations made by EFN to NRC. IUC provided amended procedures by letter dated June 10, 1997.

Based on its review, the NRC staff considers IUC's SOPs for the SERP acceptable.

DESCRIPTION OF LICENSEE'S AMENDMENT REQUEST:

By its submittal dated April 15, 1997, EFN provided SOPs for White Mesa SERP, in accordance with License Condition 9.4 of SUA-1358. The SOPs identify (1) the membership of the SERP, (2) the general procedure to be followed in reviewing potential changes, tests, and/or experiments against the provisions of the performance-based license condition, and (3) the documentation to be required. Amended SOPs were provided by letter dated June 10, 1997, in response to NRC staff comments.

IUC's SERP will consist of at least three individuals, who combined have responsibility for: (1) approving managerial and financial changes, (2) implementing operational changes, and (3) assuring changes conform to radiation and environmental requirements. Additional members may be included, as appropriate, to address specific technical aspects associated with proposed changes.

The SERP will consider the following areas in its review of a proposed change, test, or experiment: (1) possible conflicts with the current requirements of SUA-1358, (2) possible conflicts with applicable NRC regulations, (3) consistency with the NRC's Environmental Assessment issued with the March 1997 renewal of SUA-1358, (4) potential adjustments to the NRC-approved financial surety amount, and (5) potential degradation in the essential safety or environmental commitment made in the license application or provided by the reclamation plan.



Determinations of the SERP will be documented in written reports, with such reports and the associated records of any approved changes maintained by IUC until the termination of SUA-1358. In addition, IUC will provide NRC with an annual report summarizing changes made during the year, the SERP evaluations, and any pages changes to the approved license application.

#### TECHNICAL EVALUATION:

License Condition 9.4 of SUA-1358 allows IUC to make changes in the facility, process, or procedures as presented in the approved license application or to conduct tests or experiments not presented in the application, under certain specified conditions. If, however, the specified conditions are not met, the licensee is required to file an amendment application with NRC. The licensee's SERP will make this determination.

IUC's SERP will have the appropriate organizational membership makeup, as required by License Condition 9.4. In addition, the NRC staff considers the evaluations IUC proposes its SERP to make to be appropriate and acceptable. Finally, the reporting requirements identified in the SOPs are in accordance with the requirements of License Condition 9.4.

Therefore, the NRC staff finds IUC's proposed SOPs for the SERP to be acceptable, and considers that the procedures specified will provide reasonable assurance that the SERP and the performance-based license condition process will function as NRC intended.

#### ENVIRONMENTAL IMPACT EVALUATION:

An environmental review was not performed since this action is categorically excluded under 10 CFR 51.22(c)(11).