

January 14, 2002

Mr. Ron Hochstein  
President and Chief Executive Officer  
International Uranium (USA) Corporation  
Independence Plaza, Suite 950  
1050 Seventeenth Street  
Denver, Colorado 80265

SUBJECT: MATERIALS LICENSE SUA-1358 -- WHITE MESA URANIUM MILL  
QUESTIONS AND CONCERNS REGARDING ALTERNATE FEED MATERIAL  
STORAGE

Dear Mr. Hochstein:

As discussed with you and David Frydenlund on December 13, 2001, we have several questions and concerns regarding your current practice of stockpiling alternate feed on the ore pad. It is our understanding that material has not been run through the mill since the summer of 2000 and, since that time, a large volume of alternate feed material has been received and is currently being stockpiled on the ore pad. We have the following concerns and questions relative to this situation:

1. Potential dust control of these alternate feed piles and the consideration of radon and airborne contamination, including cumulative impacts.
2. Potential groundwater contamination concerns from the alternate feed material lying uncovered on an un-lined surface on the ore pad, including cumulative impacts.
3. What would be the cost of disposing of the stockpiled material should the mill be shut-down prior to another processing run? Has this cost estimate been factored into in the current surety?

Please address these concerns and questions within 30 days from the receipt of this letter. If you have any questions regarding this letter, please contact the NRC Project Manager, William von Till, at (301) 415-6251.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room

R. Hochstein

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Sincerely,

**/RA/c/MXL2**

Melvyn N. Leach, Chief  
Fuel Cycle Licensing Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 40-8681

cc: W. Sinclair, UT  
Tom Rice, Ute Mountain Ute Tribe  
Terry Brown, U.S. EPA Region VIII  
Loren Setlow, U.S. EPA Office of  
Radiation and Indoor Air (6608J)

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