



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 6, 2000

MEMORANDUM TO: Jesse L. Funches
Chief Financial Officer

FROM: *for* James Turdici, Director *Anthony C. Parisi*
Division of Accounting and Finance
Office of the Chief Financial Officer

SUBJECT: FEE EXEMPTION FOR TRUSTEE/LICENSEE OF THE MOAB
MILL SITE IN GRAND COUNTY, UTAH

As you are aware, Pricewaterhousecoopers LLP (PWC) has agreed to become the Trustee for the Moab Mill Reclamation Trust (Trust), which was established pursuant to the Moab Uranium Millsite Transfer Agreement (Agreement), approved by the U.S. Bankruptcy Court for the District of Colorado on December 1, 1999, to undertake reclamation of the Moab Mill Site. The current licensee for the Moab Mill Site is the Atlas Corporation which petitioned for bankruptcy and is a Debtor in Possession. In all of the discussions between NRC and PWC, it has clearly been the intent of both parties that neither the Trust, nor PWC as Trustee acting for and on behalf of the Trust, would be subject to NRC fees for license and inspection costs under 10 CFR Part 170 or 10 CFR Part 171 annual fees respectively. NRC will be issuing an Order transferring the license from Atlas to the Trust.

We recommend that the Trust and PWC as Trustee, acting for and on behalf of the Trust, be fee exempt. That recommendation is based on the following:

- 1) All funds available to PWC from the Trust should be used for administering the Trust in order to optimize site remediation. The Office of the General Counsel, by memorandum dated August 9, 1999, supports this position;
- 2) PWC will administer the Trust and undertake site remediation in the place of Atlas which has reorganized pursuant to Chapter 11 of the U.S. Bankruptcy Code and is unable, and not required pursuant to the terms of the bankruptcy settlement and court-approved reorganization, to complete the remediation;
- 3) Having PWC as the Trustee, acting for and on behalf of the Trust, offers a major benefit of designating a qualified entity to administer the Trust and ensure remediation of the Moab Mill Site; and
- 4) Funding available to the Trust appears to be limited relative to the estimated costs of site remediation.

We believe this exemption is authorized by law, is in the public interest, and should be granted in accordance with 10 CFR 170.11(b)(1). Currently, licensees in decommissioning are not subject to 10 CFR Part 171 annual fees.

PDRADOCK

DAF ACTION ITEM TRACKING

Date Rec'd: 8/16/99

DAF Action: DAF-9-177

OC Action :

DAF Due Date: 9/15/99

Branch: LFARB

Action Item: Exemption of Fees for Atlas Corporation and Successor Trustee/Licensee of the Moab Mill Site.

Description: Memorandum from Joseph R. Gray, OGC, to Jim Turdici requesting fee exemption for Atlas Corp. who have filed under Chapter 11, to maximize the amount of funds available to the Trustee/Licensee to engage in reclamation work.

Date to DIR:

Ext. Date:

Date Closed:

Signature:

Subject File:

January 6, 2000

Upon your approval, we will notify NMSS to code the license transferred to PWC as non-fee billable in the fee tracking system.

APPROVED:

~~Original signed by Jesse Funches~~

Jesse L. Funches
Chief Financial Officer

January 6, 2000
Date

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