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SMB-154

October 7, 1994

Mr. John Kinneman
Chief, Site Decommissioning Section
U.S. Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406

Dear John:

In keeping with our discussions at the August 10, 1994 meeting at your offices, Heritage has been and continues actively evaluating alternatives for disposal of the monazite pile and to develop a schedule to decommission and decontaminate (D&D) the facility. As you know, there are several options under consideration, each of which involves different issues that must be addressed.

Heritage has explored the option of shipping the monazite to Malaysia, is looking into potential options in Florida, is exploring possible storage options, and is exploring disposal options in the western United States. The Company is also investigating the technical and regulatory issues associated with on site disposal as "mine backfill" in the large lake on the property. Considering information developed to this point and the approaching holiday season of late November and December, Heritage estimates that the evaluation of the viability of the various options can be completed by the end of February, 1995 and that the Company should be able to propose a D&D schedule at that time. I will keep you up to date on progress from time to time in case the February date becomes infeasible for some reason or a D&D schedule can be proposed sooner.

At least for the time being, Heritage has decided to request that NRC suspend consideration of its request to mix the monazite pile with other tailings material at the site.

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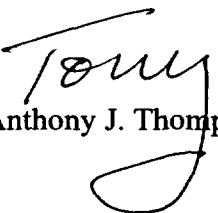
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Heritage, therefore, hereby requests that NRC withdraw that proposal from active regulatory consideration pending Heritage's pursuit of the alternatives noted above.

NRC will be pleased to know that Heritage is actively discussing site remediation issues with the state regulatory authorities and thus is moving forward on a broad range of issues to achieve site closure in a manner that will satisfy any regulatory or other potential public health and safety concerns. Heritage appreciates NRC's efforts to work together to achieve this mutual goal with respect to NRC licensed materials.

Very truly yours,


Anthony J. Thompson

AJT/clc