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NRC STAFF ADDS ADDITIONAL REPORTING REQUIREMENTS
TO SEQUOYAH FUELS LICENSE; ASKS INFORMATION ON VICE PRESIDENT

The Nuclear Regulatory Commission staff has modified the license of Sequoyah Fuels Corporation (a subsidiary of General Atomics) to add additional reporting requirements beyond those contained in general NRC regulations.

The staff has further called on the company to provide NRC information, within 10 days, as to its basis for having confidence that its current vice president for regulatory affairs--a contractor serving on an interim basis--will communicate fully with the NRC about potential conditions that may impact on public health and safety.

The NRC is taking these actions as the result of findings in recent inspections and investigations at the Sequoyah Fuels uranium processing plant at Gore, Oklahoma. The facility is currently shut down as the result of a NRC staff order issued on October 3, 1991, which prevented it from resuming production after a scheduled maintenance outage. That shutdown order and an accompanying demand for information were issued as the result of significant safety violations and other regulatory problems.

The new license conditions are required by an immediately-effective order issued March 13, 1992, by Hugh L. Thompson, Jr., NRC Deputy Executive Director for Nuclear Material Safety, Safeguards and Operations Support. It provides that Sequoyah Fuels will inform the NRC regional administrator in Arlington, Texas, in writing within five days, after it becomes aware of any of the following circumstances:

A) Failure to follow procedures or other requirements where there are indications that the cause was deliberate failure to meet requirements.

B) Spills or other unusual occurrences involving the spread of contamination in or around Sequoyah Fuel's facility, equipment or site which is subject to the NRC's decommissioning regulations even if the contamination has been or will be cleaned up.

C) Failure of equipment or facilities, or failure to follow procedures, which lead to (1) offsite release or contamination in unrestricted areas in excess of Sequoyah Fuels' administrative limits; (2) any contamination in restricted areas that requires activities in an area to be suspended for more than 24 hours pending decontamination; or (3) any personnel contamination in excess of Sequoyah Fuels' administrative limits which, within one hour of detection, is not reduced to within limits.

D) Employee concerns or allegations that any of the above failures may have occurred unless it is determined, within five working days, that the concern or allegation is not valid.

E) Any other matter that the president, Sequoyah Fuels, believes rises to a regulatory or safety concern that warrants NRC notification.

One of the incidents which caused the NRC staff to take this action was the discovery in January that Sequoyah Fuels' personnel had detected radioactively-contaminated items in two unrestricted areas--the plant warehouse and the Carlile Training Center--and had not restricted access to the areas or removed the contamination until a NRC inspection was under way.

The NRC is imposing the new reporting requirements and seeking information about the contract vice president for regulatory affairs also as the result of questions which have arisen about that official's sensitivity to the need to keep the NRC informed of ongoing issues of regulatory concern. The NRC received allegations on January 7 of this year that radiation protection records at Sequoyah Fuels in some instances may have been falsified. When a senior NRC regional manager discussed the matter the next day with the company vice president for regulatory affairs, the latter official gave no indication that he was aware of any alleged improprieties involving radiation protection or related records. Later, however, the NRC learned that the official had known of the issues since January 2 and had directed that an internal investigation be launched, but had not informed the NRC.

In his letter to Sequoyah Fuels concerning this matter, Mr. Thompson said that "...there may have been several reasons for the failure of the Vice President to provide information...such as a failure to recall the information, a failure to associate the issues of NRC concern with the information provided him...or a desire to assure that he had more facts or that the investigation be further along before he spoke to the agency. However, those reasons would not have excused the failure to provide full information in the subsequent communications."

Sequoyah Fuels and any other person adversely affected by the order may request a hearing within 20 days.