

U.S. Nuclear Regulatory Commission
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NUCLEAR REGULATORY COMMISSION APPROVES FINANCIAL ASSURANCE AGREEMENTS FOR SEQUOYAH FUELS

The U.S. Nuclear Regulatory Commission has voted to approve two separate NRC agreements, one with Sequoyah Fuels Corp. (SFC) and the other with General Atomics (GA), which assure that funding will be available to decommission the closed Sequoyah Fuels uranium processing plant near Gore, Oklahoma. The Commission rejected arguments by the Native Americans for a Clean Environment (NACE), the Cherokee Nation and the State of Oklahoma that the pacts would not assure that enough money would be available.

The Commission ruling upholds a November 1996 decision by the Atomic Safety and Licensing Board. In January the Commission granted a joint petition by NACE, the Cherokee Nation and Oklahoma to review the ASLB decision. NACE subsequently filed a legal brief spelling out its arguments against the agreement, and Oklahoma filed an amicus curiae brief supporting NACE.

Under the settlement agreement with SFC, the company is required to commit all of its present and future net assets and net revenues to funding the decontamination and decommissioning of the SFC site. The agreement with GA requires that company to place \$9 million into a decommissioning trust fund to be administered by the NRC and to remove two GA officers from SFC's board of directors. The Internal Revenue Service could claim 40 percent of that \$9 million as income tax, leaving \$5.4 million for the cleanup.

The NRC staff argued before the Commission that the pact with SFC represents the maximum possible assurances from SFC, that NRC can take legal action to enforce the agreement and that there was no point in expending more agency and SFC resources on further litigation.

As for General Atomics, the ASLB ruled, and the Commission agreed, that the settlement agreement with GA was in the public interest because \$9 million in a trust fund today could be worth more than some uncertain future settlement requiring complex and expensive litigation.

NACE and the Cherokee Nation have the right to appeal the Commission ruling to the U.S. Circuit Court of Appeals, and to request a hearing before the U.S. Supreme Court.