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C O U N S E L O R S A T L A W

DOCKETED
USNRC

September 20, 2004 (4:48PM)

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RULEMAKINGS AND
ADJUDICATIONS STAFF

September 20, 2004

VIA US MAIL AND E-MAIL

Anthony J. Baratta
Administrative Judge, Special Assistant
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Richard F. Cole
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Alan S. Rosenthal
Administrative Judge, Presiding Officer
Atomic Safety and Licensing Board Panel
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: Docket Nos. 40-8027-MLA-6 and 40-8027-MLA-9

Dear Judges:

This letter is to fulfill the obligation of the Sequoyah Fuels Corporation, the State of Oklahoma and the Cherokee Nation ("the parties") to furnish on September 20, 2004 a status report regarding the negotiations, as documented in the Order dated September 8, 2004 issued by

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the Presiding Officer in MLA-6, and the Notice of Deferral of Ruling on Hearing Request dated September 8, 2004 issued by the Atomic Safety and Licensing Board in MLA-9.

Since the parties described the status of the negotiations in the conference call on September 3, 2004, there has been additional progress toward settlement. The parties have agreed on the principles for resolving many of the issues, and have had several constructive discussions of a draft settlement agreement. Mr. Aemmer continues to mediate these discussions. A number of the analyses that the parties mentioned in the parties' June 8, 2004 motion for extension in MLA-6 have been completed and have established the basis for settlement of the associated issues. Some of the analyses have not yet been completed. While these analyses have taken longer to complete than previously anticipated, there is no indication that the results will be an impediment to settlement.

Certain of the remaining issues, however, continue to be difficult to resolve. The parties nevertheless continue to be optimistic about their ability to achieve settlement, or at least a partial settlement.

The parties have agreed to focus their attention on these more difficult issues during the upcoming negotiation sessions, starting with the session that Mr. Aemmer has scheduled on September 22. The parties plan to provide you with another status report by October 4.

Counsel for the State of Oklahoma (Jim Barwick) and the Cherokee Nation (Jeannine Hale) have authorized me to state that they agree with this status report. Counsel for the NRC

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Staff (Angela Coggins) has authorized me to state that the NRC Staff does not object to the submission of this status report.

Respectfully submitted,



Alvin Gutterman
Attorney for Sequoyah Fuels Corporation

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing letter dated September 20, 2004 to Administrative Judges Barotta, Cole and Rosenthal from Alvin H. Gutterman was served upon each of the persons listed below by e-mail (as indicated) and by U.S. mail, first class, postage prepaid, on this 20th day of September 2004.

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