NUCLEAR REGULATORY COMMISSION WASHINGTON, D.C. 20555 December 2, 1986

UNITED STATES

OFFICE OF THE

MEMORANDUM FOR: Victor Stello, Jr. Executive Director for Operations

FROM: Kenneth M. Carr

SUBJECT: SEQUOYAH FUELS CORPORATION (SFC) OVERSIGHT ORGANIZATION

I reviewed with interest Sequoyah Fuels Corporation's October 14, 1986 submittal to Region IV, responding to part A.1 of the Order Modifying License dated October 2, 1986. In reviewing the scope of work for the independent oversight organization, I note under reporting requirements that the NRC will be notified <u>after</u> Sequoyah Fuels management of any condition believed to be unsafe or not in conformance with NRC Requirements. Please explain how this provision of the plan satisfies Section IV A.1.b. of the October 2 order, which specifies that the independent organization shall bring to the immediate attention of the NRC Region IV and SFC any conditions it believes to be unsafe or not in conformance with NRC requirements. Is the oversight organization treating this provision as a simultaneous notification?

Kenneth M. Carr

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Commissioner

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cc: Chairman Zech Commissioner Roberts Commissioner Asselstine Commissioner Bernthal SECY OGC

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