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DEC 18 1986

MEMORANDUM FOR: Commissioner Carr
FROM: Victor Stelle, Jr.
Executive Director for Operations
SUBJECT: SEQUOYAH FUELS CORPORATION (SFC) OVERSIGHT ORGANIZATION

40-8027

This is in response to your December 2, 1986, memorandum, same subject as above. For your information, Region IV personnel met with SFC and Pickard, Lowe and Garrick, Inc. (PLG) representatives on October 21, 1986, to discuss questions about SFC's October 14, 1986, submittal. See the enclosed meeting summary. During that meeting the concern that you identified was discussed with SFC and PLG. It was understood by all in attendance that reporting to SFC and NRC by the oversight organization of unsafe conditions or conditions that were in nonconformance with NRC requirements would occur essentially simultaneously. In recognition of the fact that certain shifts may be covered by a single member of the oversight organization team, Region IV concurred that the first reporting of a safety concern should be to SFC, in order that prompt corrective action can be initiated. Immediately after the initial report to SFC, the oversight organization would report the condition to the NRC. The term "promptly thereafter" that was contained in the oversight organization plan relative to NRC reporting was meant to convey the essentially simultaneous concept. We believe this reporting scheme is in the interest of safety and satisfies Section IV.A.1.b. of the October 2, 1986, order.

Original signed by
Victor Stelle

Victor Stelle, Jr.
Executive Director
for Operations

Enclosure:
As stated

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

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VStello JDavis
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JSniezek JMurray
EDO r/f RMartin, RIV
EDO 2366

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