

March 18, 1987

Release

Mr. James G. Randolph, Senior Vice President
Kerr, McGee Corporation
Kerr, McGee Center
123 Robert S. Kerr Boulevard
Oklahoma City, Oklahoma 73125

Subject: Request by Sequoyah Fuels Corporation for Reduction in Coverage by
the Independent Oversight Team (IOT)

Dear Mr. Randolph:

The NRC has received your letter dated February 24, 1987, requesting a phased reduction of the Independent Oversight Team (IOT) activities at the Sequoyah Fuels UF₆ facility. We are also in receipt of the February 20, 1987, letter to S. D. Emerson of your staff from James A. Buckham of Pickard, Lowe, and Garrick, Inc. recommending a phased reduction in IOT oversight activities at the facility.

The Sequoyah Fuels Corporation (SFC) proposal specifies a reduction schedule but does not present performance criteria to judge whether or not the various levels of reduction should be made. Any proposal for reduction of IOT oversight should include specific performance criteria for reducing oversight in each of the review areas specified in the October 14, 1986, Order (i.e., qualifications, training, commitment, adequacy and capability of employees, adequacy and accuracy of SFC operating procedures, and adequacy of SFC recordkeeping). Such criteria would be used as a benchmark for evaluating reductions in oversight and would specify time frames during which continued successful operation in the review areas would be prerequisite to a corresponding specific reduction in the level of oversight by the IOT. In addition, as the IOT has indicated, the Quality Assurance (QA) program has not yet been fully implemented. Therefore, the proposal for reduction of IOT oversight should be predicated on the acceptable implementation of QA coverage with regard to each of the review areas.

The NRC will continue to evaluate the results of the IOT activities. We will resume our review of the proposed reduction of oversight activities following receipt of the phase specific performance criteria and implementation of acceptable QA coverage by SFC in the review areas.

Sincerely,

Original signed by:

James M. Taylor, Director
Office of Inspection and Enforcement

40-8027

OFC : SMPB: IE	: C: SMPB: IE	: DD: ES: IE	: D: DI: IE	: NMSS	: OGC	: Region IV
NAME : DSly	: GS	: BBeach	: JP	: RCunningham	: JLieberman	: RBangart
DATE : 3/18/87sjr	: 3/18/87	: 3/17/87	: 3/18/87	: 3/17/87	: 3/18/87	: 3/18/87

OFC : D: IE						
NAME : JTaylor						
DATE : 3/18/87						

James G. Randolph

- 3 -

Distribution

~~DCS~~

SMBP reading

DI reading

DSly, IE

GSjoblom, IE

BBeach, IE

JPartlow, IE

RCunningham, NMSS

JLieberman, OGC

RBangart, RIV

JTaylor, IE

VStello, EDO

RMartin, RIV

Action # 87-67