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Release

MEMORANDUM FOR: Michael F. Webber, OCM/KC
 Susan G. Bilhorn, OCM/KR
 Robert D. MacDougall, OCM/FR
 Kitty S. Dragonette, OCM/JC

FROM: James L. Blaha
 Assistant for Operations
 Office of Executive Director
 for Operations

SUBJECT: DEMAND FOR INFORMATION - SEQUOYAH FUELS CORPORATION

I have enclosed a copy of a Demand for Information that was issued to Sequoyah Fuels Corporation.

The Demand for Information requires that the licensee, within 5 days, provide the Region IV Administrator with information describing an oversight program that the Licensee is willing to put in place while management deficiencies and weaknesses in the permanent organization are being remedied. The Demand for Information also requires that the Licensee, within 5 days, inform the Region IV Administrator whether the Licensee is willing to submit within 30 days, for review and approval, a plan for an independent, written appraisal of site and corporate organizations and activities that would develop recommendations for improvements in management control and oversight to assure that personnel will comply with regulatory requirements.

This action followed Licensee notification, on August 22, 1990, of Region IV that uranium contaminated water had been discovered in an excavation near the solvent extraction facility at the SFC site. Since that report, NRC follow-up activities included an AIT inspection, extensive inspection coverage, and ongoing OI inquiries. Because the NRC staff is concerned that certain aspects of the SFC safety and environmental programs are not operating in full accord with NRC requirements, the Demand for Information was issued.

signed by
 James L. Blaha
 Assistant for Operations
 Office of Executive Director
 for Operations

Enclosure: As stated

Distribution w/o encl.

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