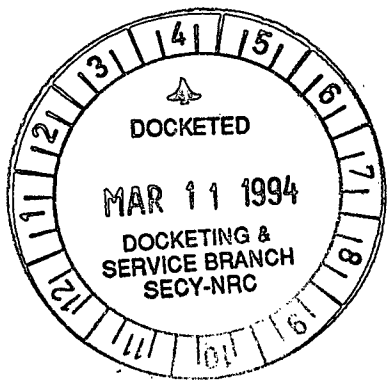

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE COMMISSION

In the Matter Of	
Sequoyah Fuels Corporation and General Atomics	Docket No. 40-8027EA Source Materials License No. SUB-1010
(Gore, Oklahoma Site Decontamination and Decommissioning Funding)	

NATIVE AMERICANS FOR A CLEAN ENVIRONMENT'S INITIAL BRIEF REGARDING APPROPRIATENESS OF COMMISSION REVIEW OF LBP-94-5 AND WHETHER RULING IN SECTION II.A SHOULD BE SUSTAINED

Introduction

On February 24, 1994, in LBP-94-5, the Atomic Safety and Licensing Board conditionally admitted Native Americans for a Clean Environment ("NACE") as an intervenor in this enforcement proceeding against General Atomics ("GA") and Sequoyah Fuels Corporation ("SFC") for compliance with Nuclear Regulatory Commission ("NRC" or "Commission") decommissioning funding requirements, including the establishment of an $86 million decommissioning fund.[1] The Licensing Board referred to the Commission that part of its order which held that as a general matter, intervention as of right is available to a petitioner who seeks to intervene in support of an enforcement order issued under 10

[1] NACE's admission as an intervenor is contingent on the Licensing Board's acceptance of at least one admissible contention by NACE. NACE has filed contentions and is now awaiting the Licensing Board's decision.

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C.F.R. § 2.202. Pursuant to the Commission's order of March 3, 1994, NACE hereby addresses the two questions posed by the Commission: whether review of the referred ruling is appropriate in accordance with 10 C.F.R. § 2.786(g), and if so, whether the referred portion of the Licensing Board's ruling should be sustained.

Background

Extensive radioactive and chemical contamination has been found at the site of the Sequoyah Fuels uranium processing facility, necessitating the commencement of a long and expensive cleanup and decommissioning process. When the plant shut down in November of 1992, the licensee still had not submitted a decommissioning funding plan in compliance with 10 C.F.R. § 40.36 to provide assurance that the site could and would be cleaned up effectively. Moreover, its parent corporation, GA, had refused to guarantee the provision of adequate decommissioning funds.

Accordingly, on October 15, 1993, having concluded that SFC's current financial arrangements did not provide reasonable assurance of adequate decommissioning funding, the NRC Staff issued an enforcement order against GA and SFC, requiring compliance with NRC decommissioning funding regulations and establishment of a guaranteed decommissioning fund of $86 million. SFC and GA both requested a hearing on the enforcement order.

NACE, an Indian environmental organization whose purpose is to educate the public regarding nuclear and other environmental

issues, and which has members residing in the vicinity of the facility, petitioned to intervene in the proceeding on November 18, 1993. The petition was supported by the NRC Staff, but was opposed by both SFC and GA. In LBP-94-5, the Licensing Board found that NACE had a right to participate in the proceeding, as well as standing to intervene, pending admission of at least one valid contention. (NACE's two contentions are now pending before the Licensing Board.) The Board has referred to the Commission that part of its ruling which holds that NACE has a right to intervene in this enforcement proceeding under 10 C.F.R. § 2.714(a).

ARGUMENT

I. INTERLOCUTORY REVIEW OF LBP-94-5 IS NOT APPROPRIATE UNDER 10 C.F.R. § 2.786(g).

A. Interlocutory Review Is Premature and Unnecessary.

As a preliminary matter, there are two reasons why this proceeding for the consideration of whether to take interlocutory review of LBP-94-5 is both premature and unnecessary. First, it is premature to consider the referral of LBP-94-5 from the Licensing Board because NACE has not yet been fully admitted as party to this case. As provided in the Board's Memorandum and Order of January 25, 1994 (Petition for Intervention), the granting of full status as an intervenor is dependent on <u>both</u> a determination of standing to intervene <u>and</u> the admission of at least one valid contention. While the Licensing Board has found that NACE has standing and may intervene as of right in this

enforcement proceeding, the Board has yet to rule on the admissibility of NACE's contentions; thus NACE has been admitted only conditionally to the case. Accordingly, given the current uncertainty as to whether NACE ultimately will be allowed to participate in this proceeding, this review is premature.

The instant review is also unnecessary and inappropriate because NRC regulations already provide an avenue for interlocutory appeal of the Licensing Board's decision. If and when the Licensing Board admits at least one of NACE's contentions and thereby grants it full intervenor status, SFC and GA may appeal the Board's determination pursuant to 10 C.F.R. § 2.714a(c) on the ground that NACE's petition to intervene should have been "wholly denied." Thus, there is no reason for the Commission to act independently to address an issue that has not yet ripened and for which the NRC has already provided adequate procedural relief should an actual controversy arise between the parties at a later point.

B. The Board's Ruling in LBP-94-5 Does Not Meet the Commission's Standard for Interlocutory Review.

In any event, the Licensing Board's ruling in LBP-94-5 does not come close to meeting the Commission's high standard for interlocutory review in 10 C.F.R. § 2.786(g). This standard provides that a certified question or referred ruling "must" meet one of two alternative standards in order to merit Commission review, i.e., that it either

> (1) Threatens the party adversely affected by it with immediate and serious irreparable impact which, as a

> practical matter, could not be alleviated through a petition for review of the presiding officer's final decision; or
>
> (2) Affects the basic structure of the proceeding in a pervasive or unusual manner.

In adopting § 2.786(g), the Commission "preserved the existing case law standard for interlocutory review." Safety Light Corporation et al. (Bloomsburg Site Decommissioning), CLI-92-9, 35 NRC 156, 158 (1992). As well established by this case law, interlocutory review is "disfavored," and will be granted only in "extraordinary circumstances." Id. Moreover, the mere fact that a Licensing Board order is "erroneous" does not constitute sufficient grounds for interlocutory review. Cleveland Electric Illuminating Co. (Perry Nuclear Power Plant, Units 1 and 2), ALAB-675, 15 NRC 1105, 1113 (1982). Rather, the Licensing Board's ruling must have "patent, immediate and large significance to the administration" of that proceeding," as well as to the conduct of other pending proceedings. Long Island Lighting Co. (Shoreham Nuclear Power Station, Unit 1), ALAB-888, 27 NRC 257, 263-4 (1988), quoting Virginia Electric and Power Co. (North Anna Power Station, Units 1 and 2), ALAB-741, 18 NRC 371, 376-77 (1983), and citing Duke Power Co. (Catawba Nuclear Station, Units 1 and 2), ALAB-687, 16 NRC 460, 464-65 (1982), rev'd in part on other grounds, CLI-83-19, 17 NRC 1041 (1983); Commonwealth Edison Co. (Braidwood Nuclear Power Station, Units 1 and 2), ALAB-817, 22 NRC 470, 474-75 (1985).

This extremely high standard for interlocutory review simply is not satisfied by the Board's referral. First, granting intervenor status to NACE in this enforcement proceeding threatens no discernible "immediate and serious irreparable impact" on GA or SFC, let alone an impact that "could not be alleviated through a petition for review of the presiding officer's final decision." Certainly, the Licensing Board has identified no such potential immediate impacts by NACE's participation. The only conceivable "irreparable impact" of NACE's participation in this case is the added expense to GA and SFC of responding to an additional party in the case. However, "added delay and expense" occasioned by an alleged error are insufficient to warrant interlocutory review. Cleveland Electric Illuminating Co. (Perry Nuclear Power Plant, Units 1 and 2), ALAB-675, 15 NRC at 1114.

Nor does the referred ruling meet the second criterion in § 2.786(g). While the Licensing Board found that the admission of NACE as an intervenor is "of some moment" for the "structure of this proceeding" [slip op. at 38], there is no basis for concluding that the effect of NACE's participation would result in a "pervasive or unusual distortion of the proceeding." Cleveland Electric Illuminating Co. (Perry Nuclear Power Plant, Units 1 and 2), ALAB-706, 16 NRC 1754, 1758 (1982). The effect of NACE's admission as an intervenor in this case will be no more "pervasive" or "unusual" than the admission of an intervenor in any of the hundreds of other NRC adjudicatory proceedings to which

public intervenors have been admitted in the past. If anything, NACE's participation will have much less of an effect on this proceeding than that of a typical intervenor in an NRC adjudication. This is because unlike a licensing adjudication, in which intervenors shape the issues to be heard and thereby determine the shape of the litigation, this is an enforcement proceeding in which NACE is precluded from raising any additional issues above and beyond what the NRC Staff has required in the October 15th Order. Thus, the greatest effect that NACE can have on this proceeding is to convince the Licensing Board to affirm an enforcement order that has already been issued. Moreover, if NACE were eliminated from the case, the litigation would not stop or change significantly, because SFC and GA would continue to pursue their challenge of the NRC's Order. Thus, nothing about the admission of NACE to this proceeding would "'alter[] the very shape of the ongoing adjudication' so fundamentally" as to require Commission "intercession before judgment on the merits." Long Island Lighting Co. (Shoreham Nuclear Power Station, Unit 1), ALAB-888, 27 NRC 257, 263 (1988), quoting Cleveland Electric Illuminating Co., ALAB-675, 15 NRC at 1113.

Finally, the Licensing Board has pointed to no pending enforcement proceeding, nor is NACE aware of any, for which the issue raised in Section II.A. of the Board's order would have "patent, immediate, and large" significance. Long Island Lighting Co., ALAB-88, 27 NRC at 263-64. Accordingly, the Commission

has no valid grounds under § 2.786(g) to take interlocutory review of this case.

II. ASSUMING THAT LBP-94-5 SATISFIES THE COMMISSION'S STANDARD FOR INTERLOCUTORY REVIEW, IT SHOULD BE SUSTAINED.

Assuming for purposes of argument that interlocutory review is warranted here, the Licensing Board's decision should be sustained, for the following reasons.

A. NACE is entitled to intervene in this proceeding under the Atomic Energy Act, NRC regulations, and NRC precedent.

NACE's right under the Atomic Energy Act to be made a party to this proceeding is founded both in 10 C.F.R. § 2.714 and § 189a of the Atomic Energy Act. Dairyland Power Cooperative (LaCrosse Boiling Water Reactor), LBP-80-26, 12 NRC 367 (1980). First, as the Licensing Board ruled, NRC regulations at 10 C.F.R. § 2.714(a) permits interested persons to intervene in any type of proceeding under Part 2, without restriction to licensing hearings. Second, contrary to arguments made by SFC in its Answer In Opposition to NACE's Motion to Intervene at 14 (hereinafter "SFC Answer"), NACE is also entitled to intervene in this proceeding under § 189a of the Atomic Energy Act, because the October 15th Order involved the "amending" of SFC's license in a number of significant respects. 42 U.S.C. § 2239(a).[2] For instance, SFC's

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[2] The Licensing Board did not reach this issue in LBP-94-5 because it found that NACE had the right to intervene under 10 C.F.R. § 2.714(a). Should the Commission find that § 2.714(a) does not confer that right, however, NACE seeks a ruling that § 189a of the Atomic Energy Act provides independent grounds for such hearing rights.

license now contains a decommissioning cost estimate of $4,225,492[3] -- only about one twentieth of its most recent estimate, upon which is based the amount of money the NRC has demanded that SFC set aside for decommissioning.[4] License at 7-6 (Revision dated December 21, 1989) . Second, as far as assurances of decommissioning funding go, SFC's license now states that the "New Sequoyah Fuels Corporation"[5] has a "reserve account" "to which charges are accrued on an annual basis during the remaining life of the Sequoyah Facility." Id. According to the license, the "1983 value" used for the current reserve accounts is $4,011,407. Id. No provision is made for guaranteed funding, other than the noncommittal statement that:

> New Sequoyah Fuels Corporation would consider the posting of a bond as a means of assuring the availability of adequate funds at the time of decommissioning if the State of Oklahoma would require this action through regulation and legislation.

Id. Clearly, this provision of the license will be amended if the October 15th order is fully enforced, since the Order will "alter[]" the "binding norm[s] to which [SFC] must comply" by

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3 At pages 7-3 through 7-6 of the license, SFC estimates costs of onsite disposal at $922,830; off-site disposal at $2,413,080, and treatment of ponds and lagoons at $889,582. The pages of the license addressing decommissioning financing are included in Attachment A.

4 As acknowledged in the October 15th Order, the full cost of decommissioning is not yet known.

5 "New Sequoyah Fuels Corporation" is the name of SFC's predecessor. Thus, the decommissioning financing plans in SFC's current license do not even name the correct licensee.

bringing it into compliance with 10 C.F.R. § 40.36. Union of Concerned Scientists v. NRC, 711 F.2d 370, 383 (D.C. Cir. 1983) (holding that NRC effectively amended nuclear power plant licenses when it suspended deadline for compliance with environmental qualification requirements). Thus, contrary to SFC's argument, the instant proceeding involves the amendment of SFC's license, and thereby triggers public hearing rights under § 189a of the Atomic Energy Act.

B. NACE's Is Entitled to a Hearing Because Its Interests Could be Adversely Affected by the Outcome of This Proceeding.

As noted by the Licensing Board, SFC has taken the position that under the D.C. Circuit's decision in Bellotti v. NRC, 725 F.2d 1380 (D.C. Cir. 1983), that "only those who oppose an NRC enforcement action can assert an interest in the outcome of a proceeding" which would entitle them to intervene in a hearing. SFC Answer at 20. However, as observed by the Licensing Board, the Court did not adopt this characterization of the Commission's position in Bellotti. Instead, the Court held more narrowly that Massachusetts Attorney General Bellotti had no right to a hearing for purposes of challenging the sufficiency of an enforcement order. 725 F.2d at 1382. See also Wisconsin Electric Power Co. (Point Beach Nuclear Plant, Unit 1), LBP-80-29, 12 NRC 581 (1980), where the Licensing Board rejected a request for a hearing on an enforcement order where the hearing request sought more stringent action than was proposed in the enforcement order. In

neither Bellotti nor Wisconsin Electric Power Co. had the licensee requested a hearing on the proposed enforcement order; nor was the purpose of the intervention to defend the proposed enforcement order from attack by the licensee.[6] In fact, in its brief to the Court of Appeals in Bellotti, the NRC itself distinguished the circumstances of that case from a situation in which the licensee requests a hearing. See LBP-94-5 at 12, note 6. As the dissent noted in Bellotti, this distinction is crucial in determining the public's standing to intervene in an enforcement proceeding:

> If there were a chance that the proceeding would overturn the amendment, the public would have standing, since the plant could return to or remain in its pre-amendment unsafe condition. But this is not a possibility unless the licensee seeks a hearing. Unless the licensee protests, any proceeding, as limited by NRC, could only sustain the amendment and thus technically would not adversely affect the public interest because it would make the public more rather than less secure when compared to the pre-amendment situation.

725 F.2d at 1386 (J. Skelly Wright, dissenting). Thus, the instant case presents significantly different circumstances than were considered by the Court or the Commission in the Bellotti

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6 It should also be noted that not only is Bellotti inapplicable to this case, but its vitality has been all but destroyed by more recent Court decisions. See LBP-94-5 at 11, note 5. In Bellotti, the Court based its ruling in part on the assumption that a petitioner who was unsuccessful in seeking enforcement action by the NRC could appeal the NRC's denial. 725 F.2d at 1382-83. However, the same Court has since held that denials of enforcement petitions are presumptively unreviewable. See, e.g., Nuclear Information and Resource Service v. NRC, 969 F.2d 1169, 1178 (D.C. Cir. 1992) (en banc).

case, or by the Licensing Board in the Wisconsin Electric Power Co. decision. The question at issue here -- whether a member of the public has standing to intervene in a pending enforcement proceeding to defend its interest in sustaining the proposed order -- was reached and decided by the Licensing Board in Dairyland Power Cooperative (LaCrosse Boiling Water Reactor), LBP-80-26, 12 NRC 367, 375 n. 4 (1980), where the Licensing Board admitted public intervenors to an enforcement proceeding. Thus, like the intervenor in LaCrosse, NACE has standing to intervene in this proceeding because it could be "adversely affected," if the "outcome" of the pending proceeding is to weaken or reverse the proposed changes to SFC's license. Accordingly, LBP-94-5 is consistent with the valid precedent of LaCrosse, the Atomic Energy Act, and 10 C.F.R. § 2.714, and should therefore be sustained.

CONCLUSION

The matter on referral to the Commission is neither ripe nor appropriate for interlocutory review. In the event the Commission decides to take review, however, the Licensing Board's decision should be affirmed.

Respectfully submitted,

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March 11, 1994

NRC FORM 374
(10-89)

U.S. NUCLEAR REGULATOI

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 39, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		
1. Sequoyah Fuels Corporation	3. License number	SUB-1010, Amendment No. 19
2. Sequoyah Facility I-40 and Highway 10 Gore, Oklahoma 74435	4. Expiration date	September 30, 1990
	5. Docket or Reference No	40-8027

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
Source	Any form	20 million MTU

9. Authorized use: For use in accordance with the statements, representations, and conditions contained in Chapters 1 through 8 of the license renewal application dated August 23, 1985; supplements dated January 24, 1985; August 20, September 3, September 26, November 13, December 9, and December 19, 1986; February 26, May 11, June 4, September 15 (submitted by letter dated September 17, 1987), September 25 (submitted by letter dated September 29, 1987), September 29, November 6 (submitted by letter dated November 23, 1987), November 6 (submitted by letter dated September 21, 1988), November 30, December 3, and December 7, 1987 (submitted by letter dated December 28, 1987); March 4, March 14, March 31, July 12, July 18, and October 18, 1988; March 2, March 3, April 11, May 10, August 20, September 11, October 20, November 7, December 11, and December 21, 1989; February 12, May 22, June 15, and September 7, 1990; February 27, March 22, April 8, and June 3, 1991; February 28, 1992 (page 5-8), June 19, and September 24, 1992; and January 27, 1993; two letters dated December 19, 1985, and letters dated March 25, and May 22, 1987.

10. Authorized place of use: The licensee's existing facilities at Gore, Oklahoma.

11. Deleted.

12. The licensee shall submit for NRC review and approval the plan and criteria for decommissioning Pond No. 2 upon the completion of sludge removal from Pond No. 2.

13. The licensee shall maintain spare pondage having capacity equal to or greater than Pond No. 5.

14. At the end of plant life, the licensee shall decontaminate and decommission the facility so that it can be released for unrestricted use.

CHAPTER 7. DECOMMISSIONING PLAN

7.1 Introduction

The New Sequoyah Fuels Corporation Sequoyah Facility is expected to continue operation for many years, possibly until the year 2000. Decommissioning of the facility and termination of its license requires certain decontamination and disposal efforts. Contaminated equipment and materials will be buried onsite only after receiving specific prior authorization from the Nuclear Regulatory Commission.

The engineering estimates for decommissioning the Sequoyah Facility are based upon radiological survey data provided by Kerr-McGee and an onsite inspection by ATCOR, (since acquired by Chem Nuclear which has merged with Waste Management, Inc.). The estimates are for facility decontamination with disposal of radioactive materials both on-site and off-site.

The estimates assume burial of the bulk of the plant's processing equipment, simple cleaning methods for walls and overhead structures, surface scaling of process area flooring, and complete floor removal in only limited areas. While these decisions have been made at this point without benefit of a complete radiological survey and testing of decontamination techniques, they are based upon ATCOR's qualitative analysis of the data and experience obtained in previous decontamination projects.

7.2 Engineering Estimates

7.2.1 Assumptions and Conditions

a) Release criteria for the facility will be in conformance with the U.S. Nuclear Regulatory Commission "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of License for by-product, Source, or Special Nuclear Material".

Maximum fixed	15,000 dpm/100 cm^2
Average fixed	5,000 dpm/100 cm^2
Maximum loose	1,000 dpm/100 cm^2

b) Building overheads and walls can be decontaminated and remain in place.

c) Certain floor areas must be completely removed and, in some areas, dirt sub-floors excavated.

d) Estimated volume of contaminated waste material to be removed is 295,000 cubic feet. This volume has been determined through a review of the facility drawings and visual inspection of the facility.

e) Certain areas exterior to the building structure will require surface scraping and disposal of the radioactive residue.

f) Any scrap pile of discarded contaminated equipment is presumed to be above release levels.

g) Contaminated in-ground drains, pipes and sumps are presumed to be above release limits and will be removed as contaminated waste.

7.2.2 Procedures

a) A detailed radiological survey of the facility must be performed and a general decommissioning plan will be developed.

b) Remove all recoverable uranium, including yellowcake and UF_6 from the process equipment and storage locations.

c) Remove all clean material and equipment from the site or place in separate storage area.

d) Disassemble, decontaminate when economically feasible, and dispose of contaminated process equipment.

e) Decontaminate building structures, walls and overhead surfaces.

f) Decontaminate or remove floor areas as necessary.

g) Remove floor drains, pipes, and sumps.

h) Dispose of scrap pile. This will require consolidation and packaging for appropriate burial.

i) Decontaminate external areas and package contaminated material for appropriate burial.

j) Upon the completion of the individual decontamination efforts, informal surveys will be taken to ensure that the areas meet release criteria. At the completion of the total decontamination effort, a formal survey will be taken utilizing the grids laid out initially. Since proper controls are maintained during the decontamination effort, only minor decontamintion work will be necessary at this point. This final radiological survey will be submitted to the Nuclear Regulatory Commission for release from the facility's operating license.

7.3 Estimated Cost of Decommissioning

Additional assumptions for the cost of the decontamination job are noted below.

a) Based upon 1978 costs with overhead expenses and profit compatible with the ATCOR pricing policy.

b) ATCOR employees are used for management, supervision, and health physics services.

c) Local labor working under ATCOR supervision acts as the decontamination technicians for this work.

d) For purposes of off-site burial estimates, the commercial burial site of Chem-Nuclear in Barnwell, South Carolina has been selected.

Estimate #1 - On-Site Disposal (Ponds and Lagoons not included)

Labor	$704,125.00
Living and Travel Expenses	109,570.00
Subcontractors, Materials & Supplies	109,135.00
	$922,830.00

Estimate #2 - Off-Site Disposal (Ponds and Lagoons not included)

Labor	$738,290.00
Living and Travel Expenses	115,040.00
Transportation	355,000.00
Disposal	890,100.00
Subcontractors, Materials & Supplies	314,650.00
	$2,413,080.00

7.4 Treatment of Ponds and Lagoons

Estimates are provided for decommissioning of the liquid and sludge storage facilities.

Assumptions are as follows:

1. A procedure for disposal of both raffinate sludge and fluoride sludge has been approved by the NRC, and all sludge processing is up to date by the end of the plant life.

2. The raffinate liquid and/or sludge storage facilities remaining at the end of plant life will be lined with synthetic materials.

3. All fluoride sludge ponds will be emptied and/or cleaned to release levels.

4. The emergency holding basin will be drained and the bottom sediments will be removed and treated similar to raffinate sludge.

5. The sewage lagoon will be drained and the sludge will be processed in a manner similar to the raffinate sludge.

6. After removal of all liquids and sludges from the lined ponds, the liners will be folded to the center of the pond and covered with a minimum of four (4) feet of earth fill.

7. Any contaminated areas of the combination stream drainage ditch will be decontaminated to release levels by removal of contaminated soils to the sludge disposal area.

Cost Estimate:

Costs for liquid and sludge processing will be part of operating costs and are not included as decommissioning costs.

Earthmoving and equipment removal work to return all raffinate ponds, fluoride sludge ponds, holding basins, sewage lagoons, and drainage ditches to near original land conditions are estimated as follows:

1.	Raffinate Pond 3 west	$ 115,223
2.	Raffinate Pond 3 east	115,233
3.	Raffinate Pond 4	115,233
4.	Raffinate Pond 2	129,765
5.	Raffinate Clarifier A	72,000
6.	Fluoride Sludge Process Ponds	62,084
7.	Fluoride Sludge Holding Basin	22,818

8.	Fluoride Sludge Process Ponds	62,084
9.	Fluoride Sludge Holding Basin	22,818
10.	Emergency Holding Basin	15,000
11.	Sewage Lagoon	9,000
12.	Drainage Ditch	2,800
Total Estimated Cost for Ponds and Lagoons		$ 889,582

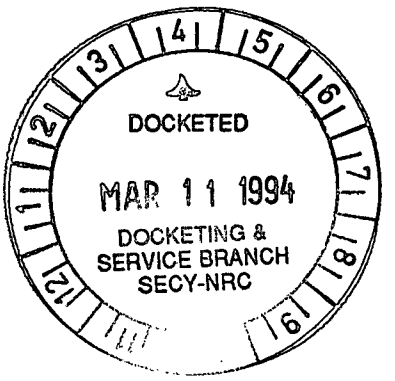
7.5 Financial Arrangements

The New Sequoyah Fuels Corporation has established a reserve account to which charges are accrued on an annual basis during the remaining life of the Sequoyah Facility. Since the value of 1978 dollars will vary in subsequent years, the annual charge to the reserve will be adjusted by use of a pricing index. The 1983 value used for current reserve accounts is $4,011,407 which has been adjusted for the additional costs for ponds and lagoons. The reserve account activity will be audited annually as part of the routine annual audit. A special audit report on the reserve account activity will be available at the Sequoyah Facility for review by the NRC I&E personnel.

New Sequoyah Fuels Corporation would consider the posting of a bond as a means of assuring the availability of adequate funds at the time of decommissioning if the State of Oklahoma would require this action through regulation and legislation.

CERTIFICATE OF SERVICE

I certify that on March 11, 1994, copies of the foregoing NATIVE AMERICANS FOR A CLEAN ENVIRONMENT'S INITIAL BRIEF REGARDING APPROPRIATENESS OF COMMISSION REVIEW OF LBP-94-5 AND WHETHER RULING IN SECTION II.A SHOULD BE SUSTAINEDwere served by FAX and/or first-class mail or as indicated below on the following:



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