

UNITED STATES OF AMERICA
 NUCLEAR REGULATORY COMMISSION

DOC FEB 8 1994
 USNRC

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

MAR -1 P3:16

In the Matter of)

SEQUOYAH FUELS CORPORATION)
 GENERAL ATOMICS)

(Gore, Oklahoma Site)
 Decontamination and)
 Decommissioning Funding))

) Docket No. 40-8027-EA

) Source Material License
) No. SUB-1010

OFFICE OF SECRETARY
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NRC STAFF'S STATUS REPORT OF DECOMMISSIONING
 OF THE SEQUOYAH FUELS CORPORATION FACILITY

Pursuant to the Licensing Board's direction during the January 19, 1994 prehearing conference in this matter,¹ the NRC Staff submits its report regarding the status of decommissioning of the Sequoyah Fuels facility.

Sequoyah Fuels Corporation (SFC) ceased production activities in July, 1993 and has initiated decommissioning of the facility under its license. Decommissioning activities include: continuing shipments of yellowcake (U3O8) to the Allied Signal Facility in Metropolis, Illinois for processing; relining the clarifier basins; cleaning out the process equipment; and consolidating administrative functions.

In June, 1993, SFC was added to the Site Decommissioning Management Plan (SDMP) list. In accordance with the SDMP Action Plan, SFC has prepared a Site

¹ Tr. at 120.

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Characterization Plan, which was received by the NRC on February 4, 1994, under a cover letter dated January 28, 1994. Once the Plan is approved, it is anticipated that it will take SFC approximately one year to implement the plan. SFC will submit a Site Characterization Report at the end of that period.

Under the provisions of an August 1993, Resource Conservation and Recovery Act (RCRA) Section 3008(h) Consent Order between SFC and the Environmental Protection Agency (EPA), SFC is conducting an EPA remediation process of the facility for those chemicals regulated by EPA under the RCRA. That process is very similar to the SDMP Action Plan process SFC is following for radioactive materials. A site-specific Memorandum of Understanding between the NRC and EPA has been developed and is expected to be signed by the respective Regional Administrators in March, 1994.

As part of the ongoing remediation of the area known as Pond 2, SFC was shipping radioactive sludge to the Quivera mine in New Mexico. These shipments stopped in September 1993 due to a contract dispute. SFC has stated that it will not seek renewal of that contract and has been pursuing other disposal alternatives for the sludge.

The Preliminary Plan for Completion of Decommissioning (PPCD), submitted by SFC in February, 1993, suggested that SFC be authorized to use the criteria of Appendix A to 10 C.F.R. Part 40 (mill tailings) for remediation and that on-site disposal be permitted. The staff has determined that an Environmental Impact Statement (EIS) is the appropriate mechanism to evaluate the range of remediation alternatives for this site and has committed to prepare an EIS to determine the final remediation criteria for the SFC site. The EPA, because of its regulatory presence at the site, will be a participant

in preparing the EIS. The Staff intends at this time to select the Oak Ridge National Laboratory as the EIS contractor. SFC has been directed to provide an Environmental Report, which is expected to be submitted during the summer of 1995.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Steven R. Hom".

Steven R. Hom
Counsel for NRC Staff

Dated at Rockville, Maryland
this 28th day of February, 1994

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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In the Matter of)
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SEQUOYAH FUELS CORPORATION) Docket No. 40-08027-EA
GENERAL ATOMICS)
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) Source Material License
(Gore, Oklahoma Site Decontamination) No. SUB-1010
and Decommissioning Funding))
)

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing "NRC STAFF'S STATUS REPORT OF DECOMMISSIONING OF THE SEQUOYAH FUELS CORPORATION FACILITY" in the above-captioned matter have been served on the following by deposit in the United States mail, first class, or as indicated by asterisk through deposit in the Nuclear Regulatory Commission's internal mail system this 28th day of February, 1994:

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