

July 31, 2013

CERTIFIED MAIL 7011 0110 0000 0858 4459
RETURN RECEIPT REQUESTED

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Re: Reply to Notice of Violation
Docket No. 040-08027, License No. SUB-1010
Sequoyah Fuels Corporation

To Whom It May Concern:

This is a response to a notice of violation contained in Nuclear Regulatory Commission (NRC) Region IV Inspection Report 040-08027/13-002, dated July 2, 2013. The notice of violation is stated below along with a response from Sequoyah Fuels Corporation (SFC).

NRC Notice of Violation

License Condition 51 authorizes the licensee to implement the Reclamation Plan as described in its submittal dated January 4, 2008, as amended. Attachment C to the Reclamation Plan provides the requirements for the Quality Assurance Program.

The Quality Assurance Program, Section 4.4, states that documentation will be maintained to demonstrate that only properly calibrated and maintained equipment was used during decommissioning.

Contrary to the above, the licensee failed to maintain documentation to demonstrate that only properly calibrated and maintained radiological survey equipment was used during decommissioning. In particular, the radiological survey meter calibration records for 2012-2013 showed approximately 20 survey meters in use for which the documentation maintained did not demonstrate that the instruments had been properly calibrated.

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REC IV

SFC Reply to Notice of Violation

(1) The reason for the violation:

SFC uses radiation survey instrumentation that is calibrated by outside vendors. SFC failed to identify and take corrective actions related to discrepancies on calibration certificates for instruments calibrated by General Atomics (GA). Although the instruments were properly calibrated the documentation did not always accurately reflect the calibrations performed.

This violation resulted due to deficiencies related to proper recording and maintenance of documentation for radiation survey instrumentation calibrated for SFC by GA. Instrument calibration records did not accurately reflect the readings obtained during the calibration process. The individual conducting the instrument calibrations did not change the information on calibration documentation if the values were approximately the same as recorded during the previous calibration of an instrument. A contributing factor was the computer software used to generate the calibration documentation. The software was developed by GA over 15 years ago, requires a programmer to make modifications and is limited in scope.

(2) The corrective steps that have been taken and the results achieved:

a. Upon becoming aware of the situation with the instrument calibration documentation SFC immediately brought the issue to the attention of GA, asked GA to verify that the instruments used by SFC were indeed properly calibrated, and requested that GA investigate and take steps to address the deficiencies in the documentation.

b. Upon being notified of the issue by SFC, GA immediately initiated an investigation into the situation. The investigation included a review to determine how and what data is recorded on certificates of calibration (CoCs) to ensure an accurate record for each calibration. The GA Manager of Health Physics as well as the GA Health Physics Technician assigned to do the calibrations have completed this review. Since June 1, 2013, the data recorded is an accurate reflection of the work performed and has been reviewed by the GA Manager of Health Physics.

c. SFC completed a comprehensive review of CoCs provided by GA, identified specific concerns relating to the GA CoC documentation and provided the following concerns: recorded source activity, efficiency determination and recorded initial readings. GA subsequently stated that all concerns were addressed and documentation would be correct moving forward.

(3) The corrective steps that will be taken:

a. SFC will review current practices relating to implementation of the Quality Assurance Program, Section 4.4, relative to maintenance of documentation to demonstrate that only properly calibrated and maintained equipment is used during decommissioning. This review, and any action items or corrective actions identified, will be completed before October 1, 2013.

b. The GA Manager of Health Physics is developing a new database program which has more functionality than the computer program previously used. The database is scheduled to be completed by October 1, 2013.

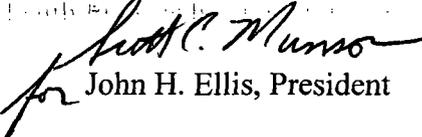
c. GA will review and update certain calibration procedures and establish a schedule for periodic review. The GA Manager of Health Physics has begun this process with completion scheduled for October 1, 2013.

(4) The date when full compliance will be achieved:

SFC believes the corrective actions that have been taken achieved full compliance on June 1, 2013. The additional corrective actions that are planned will bring further improvements to the program. These additional corrective actions are expected to be completed by October 1, 2013.

If you have any questions or require further information, you may contact me at 918/489-5511 (Extension 226).

Sincerely,


for John H. Ellis, President

Enclosures: As Stated Above

cc: Regional Administrator, NRC Region IV