

DEC 29 1989

Docket No. 40-8027
License No. SUB-1010

Sequoyah Fuels Corporation
ATTN: Mr. Scott Knight
Vice President of Administration
P. O. Box 610
Gore, Oklahoma 74435

Gentlemen:

By letter dated December 15, 1989, Sequoyah Fuels Corporation (SFC) submitted a draft amendment application regarding a corporate reorganization. The submittal included current and projected financial statements for SFC. By amendment application dated December 21, 1989, SFC requested authorization for a corporate reorganization. By separate letters and affidavits dated December 21, 1989, SFC submitted financial statements and requested that these statements and the financial statements submitted on December 15, 1989, be withheld from public disclosure pursuant to 10 CFR 2.790.

SFC stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

1. The subject documents constitute confidential financial information of a privately held corporation, have been held in confidence by SFC and its parent company, Sequoyah Holding Corporation (SHC), and are customarily held in such confidence;
2. This information is not available in public sources, and SFC is transmitting it to the NRC in confidence; and
3. The confidential information, if disclosed, would create substantial harm to SFC and SHC by providing detailed financial information to competitors and other parties whose interests may be adverse to SFC and SHC.

We have reviewed your request and financial statements based on the requirements and criteria of 10 CFR 2.790 and determined that the information contained in the statements describes the financial position of SFC. This type of financial information is customarily held in confidence so as to protect the licensee's competitive position. Therefore, the staff considers that the release of this information would cause substantial harm to the domestic and international competitive position of SFC and SHC.

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Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If in the future, the basis for withholding this information from public inspection should change such that the information could then be made available for public inspection, SFC should promptly notify the NRC. SFC should also understand that the NRC may have cause to review this determination in the future, such as if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, SFC will be notified in advance of any public disclosure.

Sincerely,

Original Signed By:

Glen L. Sjoblom

Richard E. Cunningham, Director
Division of Industrial and
Medical Nuclear Safety

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