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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
BEFORE THE ATOMIC SAFETY AND LICENSING BOARD



In the Matter of)
SEQUOYAH FUELS CORPORATION)
and GENERAL ATOMICS)
(Sequoyah Facility in)
Gore, Oklahoma))

Docket No. 40-8027-EA

February 18, 1994

GENERAL ATOMICS' ANSWER TO NATIVE AMERICANS FOR
A CLEAN ENVIRONMENT'S SUPPLEMENTAL PETITION TO INTERVENE

Pursuant to 10 C.F.R. Section 2.714(c), General Atomics hereby submits its answer to the Supplemental Petition to Intervene that was filed on February 8, 1994 by Native Americans for a Clean Environment ("NACE").

For its first proposed contention, NACE asserts that the "NRC has enforcement authority over General Atomics." The issue presented by the October 15, 1993 Order ("October 15 Order") of the Nuclear Regulatory Commission (NRC), however, is: Does the authority delegated by Congress to the NRC to issue orders, give the NRC such broad authority over its licensees, that it can impose an \$86 million non-civil penalty financial liability upon the corporate parent of a licensee, when there is no claim of illegal or intentional misconduct against either the licensee or the parent, and where, with respect to the licensee's regulated site and activities, the parent is not a licensee, is not engaged in activities within the subject matter jurisdiction of the NRC, and

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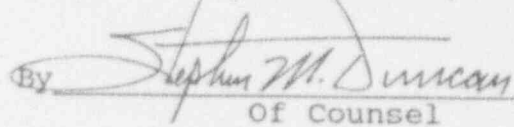
does not possess or use regulated materials? General Atomics believes that as a matter of law, the NRC lacks such authority. General Atomics also rejects and denies the legal bases of the first proposed contention and the conclusions that the NACE has drawn from its statement of certain factual allegations contained in the first proposed contention.

Despite these objections, General Atomics admits that a controverted issue of law is presented.

For its second proposed contention, NACE asserts that "Guaranteed decommissioning financing by General Atomics is required by NRC regulations, and is necessary to provide adequate protection to public health and safety." The NRC Rule of Practice at 10 C.F.R. § 2.714(b)(2)(i) requires that each contention of a party seeking to intervene must be supported by an explanation of the bases of the contention. In its Supplemental Petition (pp. 11-15) NACE fails to cite a single NRC regulation that purportedly requires the guarantee of a licensee's decommissioning costs by its non-licensee parent company. Whatever decommissioning funding obligations a licensee may have, no NRC regulation compels a non-licensed parent company of a licensee to guarantee those costs. Nor has NACE stated any facts in support of its second proposed contention that establish a genuine issue as to whether or not guaranteed decommissioning financing by General Atomics is necessary to provide adequate protection to public health and safety, even if it was otherwise authorized by law.

For these reasons, the second proposed contention is unsupported by the bases specified by NACE and is inadmissible.

Respectfully submitted,

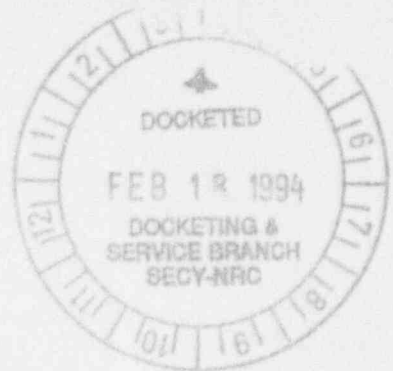
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February 18, 1994

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING BOARD



In the Matter of)
SEQUOYAH FUELS CORPORATION) Docket No. 40-8027-EA
and GENERAL ATOMICS)
(Sequoyah Facility in) February 17, 1994
Gore, Oklahoma))

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing General Atomics' Answer to Native Americans for a Clean Environment's Supplemental Petition to Intervene upon the following persons on February 18, 1994, by deposit in the United States mail, first class postage prepaid and properly addressed and also by telecopy (as shown by an asterisk):

Office of the Secretary
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Attention: Docketing & Service Branch
(Original and two copies)

Office of Commission Appellate Adjudication
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Administrative Judge James P. Gleason, Chairman*
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Administrative Judge G. Paul Bollwerk, III*
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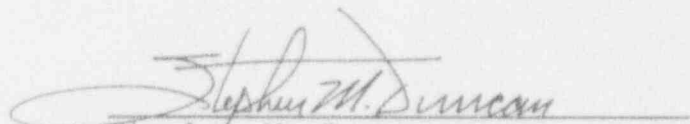
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Dated this 18th day of February, 1994.


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