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FILE NO. 13292.001

February 25, 1994

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

Jerry R. Kline
Administrative Judge
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

G. Paul Bollwerk, III
Administrative Judge
Atomic Safety and Licensing
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U.S. Nuclear Regulatory
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Washington, D.C. 20555

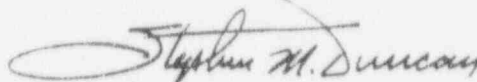
Thomas D. Murphy
Administrative Judge
Atomic Safety and Licensing
Board
U.S. Nuclear Regulatory
Commission
Washington, D.C. 20555

In the Matter of
SEQUOYAH FUELS CORPORATION
and GENERAL ATOMICS
Docket No. 40-08027-EA

Dear Administrative Judges:

Please be advised that I have today filed (by mail) the original of the February 14, 1994 Affidavit of J. Neal Blue, which affidavit is submitted in support of General Atomics' Motion for Summary Disposition or For an Order of Dismissal.

Sincerely,



Stephen M. Duncan

/mp

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PDR ADOCK 04008027
C PDR

D503

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of)
)
SEQUOYAH FUELS CORPORATION) Docket No. 40-8027-EA
AND GENERAL ATOMICS)
) February 14, 1994
(Sequoyah Facility in)
Gore, Oklahoma))

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

J. Neal Blue, being first duly sworn, deposes and says:

1. This Affidavit is submitted as part of the Motion of General Atomics for Summary Disposition or for an Order of Dismissal.

2. I am the Chairman of General Atomics and I have served in that capacity since September 1986.

3. Sequoyah Fuels Corporation is a wholly-owned subsidiary of Sequoyah Fuels International Corporation ("SFIC"). SFIC is a wholly-owned subsidiary of Sequoyah Holding Corporation ("SHC"). SHC is a wholly-owned subsidiary of General Atomics. Consequently, General Atomics is a third-tier parent company of Sequoyah Fuels Corporation.

4. General Atomics is not now and has never been a licensee of the Nuclear Regulatory Commission ("NRC") in connection with the facility in Gore, Oklahoma that was operated until July 6, 1993 by Sequoyah Fuels Corporation (the "Sequoyah Facility").

5. General Atomics is not engaged in licensed activities and it does not possess licensed materials in connection with the

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it does not possess licensed materials in connection with the Sequoyah Facility.

6. Over a period of several weeks in the summer and fall of 1988, discussions were conducted between representatives of General Atomics and the staff of the NRC regarding the proposed transfer of ownership and control of Sequoyah Fuels Corporation from Kerr-McGee Corporation to SHC. The NRC did not require General Atomics to guarantee the decommissioning and reclamation expenses of the Sequoyah Facility as a condition of the transfer of ownership. The NRC ultimately approved the transfer of control.

7. The decision of the NRC not to place new conditions on the transfer of the control of the Licensee was critical to the consummation of the transfer. If the NRC had at that time required General Atomics to accept responsibility for providing funding, or financial assurance, or any form of guarantee of the decommissioning and remediation costs of the Sequoyah Facility, General Atomics would have ceased all negotiations with Kerr-McGee Corporation and the sale and transfer of control would not have taken place.

8. Subsequent to May 6, 1992, General Atomics considered entering into a contract with Sequoyah Fuels Corporation regarding the funding of decommissioning and reclamation costs relating to the Sequoyah Facility. No such contract was ever entered into.

FURTHER, THE AFFIANT SAYETH NOT.



J. Neal Blue

Subscribed and sworn to before me on this 14th day of
February, 1994.

Linda R. Eady
Notary Public

My commission expires on August 30, 1995.



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

SECRETED
USNRC

ATOMIC SAFETY AND LICENSING BOARD

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In the Matter of)
)
SEQUOYAH FUELS CORPORATION) Docket No. 40-8027-EA
and GENERAL ATOMICS)
)
(Sequoyah Facility in) February 25, 1994
Gore, Oklahoma))

OFFICE OF SECRETARY
DOCKETING & SERVICE
BRANCH

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing original Affidavit of J. Neal Blue of February 14, 1994 submitted in support of General Atomics' Motion for Summary Disposition or For an Order of Dismissal was served upon the following persons on February 25, 1994, by deposit in the United States mail, first class postage prepaid and properly addressed:

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
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Administrative Judge Jerry R. Kline
Atomic Safety and Licensing Board
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Washington, D.C. 20555

Thomas D. Murphy
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

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Mr. John R. Driscoll
General Atomics
3550 General Atomics Court
San Diego, California 92121-1194

Dated this 25th day of February, 1994.


Stephen M. Duncan

Mays & Valentine
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Alexandria, Virginia 22314
(703) 519-8000

Counsel for General Atomics