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June 25, 1993

BY FAX

Donnie H. Grimsley, Director  
Division of Freedom of Information  
and Publication Services  
Office of Administration  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

FREEDOM OF INFORMATION  
ACT REQUEST

FOIA-93-364  
Rec'd 629-93

40-8027

SUBJECT: Freedom of Information Act Request

Dear Mr. Grimsley:

On behalf of Native Americans for a Clean Environment, and pursuant to the Freedom of Information Act, 5 U.S.C. § 552(b), et seq., I hereby request that you make available copies of the following documents related to Sequoyah Fuels Corporation's ("SFC's") uranium processing plant in Gore, Oklahoma:

- 1) The proposal made by Sequoyah Fuels Corporation ("SFC") to the Department of Energy ("DOE") for the use of SFC's facility in Gore, Oklahoma, to process depleted uranium hexafluoride ("DUF6") into U3O8 and hydrofluoric acid. See letter from James J. Sheppard, SFC, to R.P Whitfield, DOE (April 5, 1993) (attached).
- 2) Any other documents in your possession which augment, evaluate, or discuss the above-described proposal in any way;
- 3) All documents which propose, contemplate, or otherwise discuss any other potential use of the SFC facility in the future.

Pursuant to NRC regulations at 10 C.F.R. § 9.85, we request that any searching and copying fees incurred as a result of this search be waived. NACE is a non-profit, tax-exempt organization that was formed for the purpose of educating the public about environmental issues, with emphasis on the nuclear industry. While NACE is a national environmental organization, many of its members live in the vicinity of the SFC plant. For the past several

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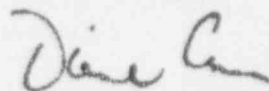
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years, NACE has been an active intervenor in licensing and enforcement proceedings regarding the SFC plant's unsafe operation and extensive environmental contamination. NACE widely shares the information it receives regarding the SFC plant, through contacts with the press, government agencies, and through publication of its newsletter, which reports to about 1,000 readers on environmental issues affecting Native Americans. The proposed use of the SFC plant for DUF6 processing would involve chemical and radioactive hazards that could have significant health and environmental impacts on the surrounding community. It would also involve significant action by NRC with respect to a major environmental problem, i.e. disposal of DOE's huge inventory of DUF6 tails that have been leftover from uranium enrichment. Thus, release of the proposal is important to foster public understanding of governmental activities with respect to the use of the SFC facility and disposal of DUF6 tails. Moreover, NACE has no commercial interest which would be served by the disclosure. NACE also merits a waiver of fees because it is a non-profit charitable organization with limited resources, and is unable to pay the large searching and copying fees that may be incurred as a result of this request.

If for any reason you decide to deny this fee waiver request, please contact me before incurring any charges on behalf of NACE.

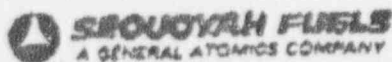
I look forward to receiving your response within ten working days of receipt of this request, as required by the Freedom of Information Act.

Sincerely,



Diane Curran  
Counsel to Native Americans  
for a Clean Environment

cc: Lance Hughes  
Director, NACE



April 5, 1993

U.S. Department of Energy  
Environmental Management Division  
Washington, DC

Attention: R.P. Whitfield  
Deputy Assistant Secretary  
for Environmental Restoration (EM40)

Subject: Unsolicited Proposal for DUF<sub>6</sub> Disposition

Dear Mr. Whitfield:

Sequoyah Fuels Corporation takes pleasure in submitting the attached unsolicited proposal for developing a process to convert the over one billion pound stockpile of depleted uranium hexa-fluoride (DUF<sub>6</sub>) into a more stable form suitable for long term storage. The present situation where the steel containers are simply being stockpiled represents a significant cost to the Department of Energy (DOE) from a storage cost standpoint (about \$10 million per year) and also represents a potential environmental risk as the steel containers continue to corrode due to their outside storage. The program proposed by Sequoyah Fuels will solve the environmental concern, reduce significantly the storage costs, and allow for the recycling or disposal of storage cylinders as determined by the DOE. The program provides the additional advantage of producing a commercially valuable byproduct, anhydrous hydrogen fluoride, which has many uses today and will be required in much larger quantities in the future to produce environmentally friendly refrigerants as the present freon type products are phased out.

We are proposing a four-phase program in which we will initially evaluate candidate processes and final storage forms. The latter three phases, which are unpriced options with rough-order-of-magnitude (ROM) cost estimates, will design modifications to convert our existing DUF<sub>6</sub> plant to a pilot plant for the selected process, install the modifications, and operate the pilot plant for up to 18 months to demonstrate the process. At the conclusion of this program, DOE will have a complete data package sufficient to solicit commercial bids for full scale DUF<sub>6</sub> conversion services and the disposal of associated byproducts.

Sequoyah Fuels is the right contractor to perform this important program for the DOE. We offer, at no cost to DOE, an existing facility that is ideal for this program, together with 5 years of experience in DUF<sub>6</sub> operations and over 20 years of UF<sub>6</sub> production experience. Use of our existing facility and expertise can save DOE up to \$10 million in developing a process for DUF<sub>6</sub> disposition. In addition, we have applied for a key patent for the anhydrous hydrogen fluoride production process. Finally, Sequoyah Fuels has undergone significant changes over the past two years to instill a culture of nuclear professionalism at the facility which makes it a leader among fuel cycle facilities. These changes have not come easily, but the improvements made were recognized in a NRC team inspection made in October, 1992 and documented in their inspection report.

This program, however, requires an early expression of interest by the DOE. Current uses for the DUF<sub>4</sub> plant will end in June, 1993, at which time the staff will be released and the facility prepared for decommissioning. The DUF<sub>4</sub> facility presently provides raw materials to a defense contractor. That contractor is significantly scaling back operations due to the cutbacks in the defense budget. Acceptance of this proposal by DOE would represent an excellent example of the conversion of former defense related facilities to commercial applications.

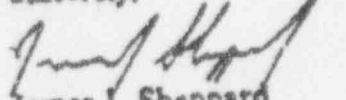
The Sequoyah Fuels site currently holds an NRC license for the production of UF<sub>6</sub> and the reduction of DUF<sub>4</sub> to DUF<sub>5</sub>. Sequoyah Fuels has notified the NRC of its intention to terminate that license in July, 1993 and to proceed to decommission the site and its facilities. In meetings on December 10, 1992, and February 10, 1993, and in submittals made on February 16, 1993, Sequoyah Fuels made these intentions clear to the NRC, but also informed them that this proposal would be pursued with the DOE. Additionally, NRC was informed, and they acknowledged, that should DOE show interest in this proposal, a new licensing effort would be initiated for the DUF<sub>4</sub> facility.

There is strong local support both from citizens and from local governments for this proposal and the employment opportunities it would offer. Additionally, members of the local Congressional staff have been kept informed on progress on this proposal and have expressed their support. Finally, local agencies such as the Eastern Oklahoma Development District have indicated their willingness to help provide infrastructure improvements, such as improved railway or roadway access to the site, in support of this proposal.

In recognition of the importance of this overall effort, I have formed a new division for DUF<sub>4</sub> Operations expressly to support this program. One of my senior executives, Laurence Silverstein, will head the division and be responsible for the program. I will personally follow its progress and ensure that all necessary resources are available for its successful completion.

I am looking forward to performing this DUF<sub>4</sub> Disposition Program for DOE. I believe the program will achieve important benefits both economically and environmentally. If you have any questions, please contact Mr. Silverstein at (918) 489-5511 or myself.

Sincerely,

  
James J. Sheppard  
President &  
Chief Executive Officer

cc: H. Thron  
A. Guevera