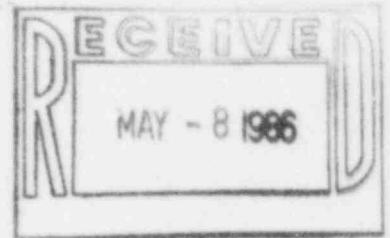


# SEQUOYAH FUELS CORPORATION

POST OFFICE BOX 25861 • OKLAHOMA CITY, OKLAHOMA 73125

May 5, 1986



CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Richard L. Bangart  
Region IV  
U.S. Nuclear Regulatory Commission  
611 Ryan Plaza Drive, Suite 1000  
Arlington, Texas 76011

Dear Mr. Bangart:

Attached for your information is a copy of a recent letter from Mr. Randolph to Congressman Synar. The letter responds to a number of questions raised by the Congressman in a letter dated April 10, 1986 concerning restart activities.

We also received a copy of Mr. Synar's April 15 letter to Mr. Palladino in which he asked NRC to address several questions. Sequoyah Fuels would appreciate a copy of NRC's response letter when submitted.

Sincerely,

A handwritten signature in cursive script that reads "J.C. Stauter".

J.C. Stauter, Director  
Nuclear Licensing & Regulation

JCS/br

Attachment As Stated

cc: William T. Crow, USNRC-NMSS

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A SUBSIDIARY OF KERR-MCGEE CORPORATION

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**KERR-McGEE CORPORATION**

KERR-McGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

JAMES G. RANDOLPH  
SENIOR VICE PRESIDENT  
COAL AND URANIUM OPERATIONS

April 24, 1986

The Honorable Mike Synar, Chairman  
Subcommittee on Environment,  
Energy and Natural Resources  
Committee on Government Operations  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

I am pleased to respond to your letter of April 10, 1986 concerning the status of our on-going actions to prepare the Sequoyah Facility for resumed operations.

In my testimony before your Subcommittee on March 14, 1986, I outlined a broad range of actions we were undertaking to establish the Sequoyah Facility as an outstanding facility in the industry. During the past four weeks, much progress towards that goal has been completed.

As you are aware, Sequoyah Fuels (SFC) has undertaken an extensive and substantial program of remedial steps designed to minimize the possibility of any recurrence of the January 4th accident and to provide additional assurance that the Facility will operate safely and effectively. In connection with those steps, SFC has had the advantage of assistance from the NRC's staff, and has cooperated closely with state and local agencies and officials. Certain of those steps were designed by SFC to prepare for the safe and orderly restart of the Facility. Other steps form part of SFC's continuing long-term program to maintain and enhance the safety and effectiveness of the Facility's operations. These are described more fully below:

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APR 28 1986

STEVEN D. EMERSON

The Honorable Mike Synar  
Chairman  
April 24, 1986  
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- (1) SFC has instituted new organizational measures to strengthen managerial oversight and quality assurance. Additional positions have been authorized and highly qualified individuals are being recruited to fill these positions. The additional staff will help insure that approved procedures are carefully followed and future modifications of those procedures are fully reviewed and professionally implemented. In addition, senior management in Oklahoma City, including Kerr-McGee's independent corporate licensing and compliance staff, will exercise an increased degree of oversight and supervision.
- (2) SFC has undertaken a comprehensive review and revision of the Facility's administrative and operating procedures. The operating procedures have been revised, supplemented, and clarified as necessary to provide clear, comprehensive, and detailed instructions regarding every aspect of the Facility and its operations. These procedures, in turn, are being used to structure the comprehensive retraining of appropriate employees prior to restart.
- (3) As you are aware, we have leased the Carlile School and have converted it into a training facility. An across-the-board retraining program has been devised for all employees. Each employee receives general operating, safety, health and familiarization training common to all positions, and specialized instruction applicable to his specific job requirements.
- (4) SFC is making significant modifications to the Facility's equipment to provide additional protection against the overfilling of cylinders. This work is underway and is expected to be complete in about two more weeks. We have completed a thorough probability risk assessment which indicates that these modifications have significantly reduced the probability of any future accidents involving overfilling cylinders.
- (5) SFC has completed a comprehensive reevaluation of both its on-site contingency procedures and its off-site emergency measures. With respect to the on-site plan, we expect to submit soon for NRC review, revisions of the Facility's contingency Plan reflecting significant

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Chairman  
April 24, 1986  
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equipment and procedural improvements. The revisions are designed to increase the Plan's clarity and to facilitate employee training in appropriate emergency responses with respect to both radiological and non-radiological incidents.

With respect to off-site emergency procedures, SFC has worked closely with state and local agencies and officials to improve and expand the Facility's emergency response program. With their assistance, SFC has prepared a comprehensive program to provide timely warnings of any emergency to nearby residents, and to instruct residents in the proper emergency responses. Among other steps, the program includes three carefully-positioned sirens capable of providing warnings of any emergency to nearby residents. The sirens will be installed prior to May 15, 1986. By May 15 or promptly thereafter, the sirens will be supplemented by an automatic telephone system to provide recorded safety instructions to residents and by a radio system to provide immediate communications with police and other appropriate response agencies. Local residents will be periodically instructed in emergency procedures, and drills of the system will be conducted as appropriate in cooperation with local agencies.

SFC's revised off-site emergency program has been prepared with the assistance of highly-qualified outside consultants. A letter of endorsement of the Plan's scope has been provided by the Director of the Oklahoma Civil Defense Office. Positive reactions to the Plan have been received from the relevant state, county, and local agencies.

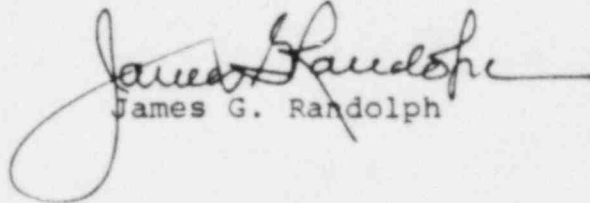
We have scheduled a briefing at 4:30 p.m. on May 1 at the Carlile School to present the final Emergency Response Plan to appropriate local, state, and county officials. We are planning additional briefings on May 7 and 8 for those who live near the Facility. We have also specifically invited the media for the May 1 briefing. We are prepared to meet with other groups who desire additional information concerning our Emergency Response Plan.

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Chairman  
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With respect to the Company's plans for restart, we have now received NRC authorization to receive yellowcake and to ship filled cylinders of UF<sub>6</sub> from the Facility. Our request for NRC authorization to restart the Sequoyah Facility will be submitted on or about May 1 for recommencement of plant operations by May 22, 1986.

We are attaching to this letter a set of exhibits containing relevant correspondence between the NRC and Sequoyah Fuels.

Sincerely,

  
James G. Randolph

enclosures

List of Exhibits

- 1) January 6, 1986, Letter from J.C. Stauter, SFC to Robert Martin, NRC Region IV
- 2) January 9, 1986, Letter from R.P. Luke, SFC to Robert Martin, NRC, Region IV
- 3) January 16, 1986, Letter from W. Utnage, SFC to Robert Martin, NRC, Region IV
- 4) January 17, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC
- 5) January 17, 1986, Letter from Robert Martin, NRC, Region IV to R.P. Luke, SFC
- 6) January 31, 1986, Letter from J.C. Stauter to W.T. Crow, NMSS, NRC Docket.
- 7) February 3, 1986, Letter from J.C. Stauter to US NRC, Docket Control Desk.
- 8) February 3, 1986, Letter from WT Crow, NMSS, NRC to J.C. Stauter, SFC.
- 9) February 13, 1986, Letter from S.D. Emerson, SFC to Robert Martin, NRC, Region IV
- 10) February 24, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC.
- 11) February 26, 1986, Leter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC
- 12) February 26, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC.
- 13) February 28, 1986, Letter from Robert Martin, NRC, Region IV to S.D. Emerson, SFC
- 14) March 5, 1986, Letter from W. Utnage SFC to Robert Martin, NRC, Region IV
- 15) March 18, 1986, Letter from R.L. Bangart, NRC Region IV To W. Utnage, SFC.
- 16) March 21, 1986 Letter from R. Cunningham, NMSS, NRC to R.P.Luke, SFC.
- 17) March 24, 1986, Letter from W. Utnage, SFC to Robert Martin, NRC, Region IV

- 18) March 24, 1986, Letter from W. Utnage, SFC to Robert Martin, NRC, Region IV
- 19) March 31, 1986, Letter from S. Lewis, NRC to J. Frye, NRC.
- 20) April 1, 1986, Letter from W. Utnage, SFC to R.L. Bangart, NRC, Region IV
- 21) April 2, 1986, Letter from S.D. Emerson, SFC to R.L. Bangart, NRC, Region IV
- 22) April 9, 1986, Letter from R.E. Hall, NRC, Region IV to J.C. Stauter, SFC.
- 23) April 16, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC.
- 24) April 20, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC
- 25) April 20, 1986, Letter from J.C. Stauter, SFC to W.T. Crow, NMSS, NRC.
- 26) April 21, 1986, Letter from W. Utnage to R.L. Bangart, NRC, Region IV
- 27) April 1986, Volume I, Analysis and Improvements in Handling Procedures for Product Cylinders Containing Liquid  $UF_6$ , SFC to NRC.