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JAN 2 8 1987

MEMORANDUM FOR: John G. Davis, Director

Office of Nuclear Material Safety and Safeguards

THRU:

Richard E. Cunningham, Director

Division of Fuel Cycle and Material Safety

FROM:

W. T. Crow, Acting Chief

Uranium Fuel Licensing Branch

SUBJECT:

ITEMS OF INTEREST

# SEQUOYAH FUELS UF, TO UF, INFORMAL HEARING

During the week of January 12, 1987, representatives of NMSS, RIV, and OGC attended and participated in the informal evidentiary hearing conducted by the ASLB on the amendment request of Sequoyah Fuels Corporation (SFC) to operate a depleted uranium hexafluoride (UF $_6$ ) to uranium tetrafluoride (UF $_4$ ) facility at the present site of the UF $_6$  conversion facility near Gore, Oklahoma. The NRC staff was not a party to the proceeding, but was present to answer questions posed by the Judge. The proceedings schedule included a site tour of the new facility equipment by SFC and limited appearance statements by members of the public. The proceeding was conducted according to the schedule agenda published in the Memorandum and Order of December 31, 1986, with testimony provided by SFC and the intervening parties.

#### DOT SPONSORED REGIONAL NUCLEAR WORKSHOP

By letter dated January 15, 1987, DOT has invited representatives of States and Indian Tribes in the northwest area to participate in a workshop on the transportation of radioactive materials. The workshops are designed to be small to enable exchange of information among those with day-to-day regulatory and enforcement responsibility for assuring the safe transportation of these materials. The workshop is scheduled for February 10-12, 1987, in Boise, Idaho. NRC staff has been asked to participate as well as FEMA and DOE. Workshops in other regions are planned.

### BABCOCK & WILCOX, APOLLO, PENNSYLVANIA

On January 23, 1987, W. T. Crow and G. H. Bidinger discussed license renewal and site characterization issues with D. Culberson, D. Sgarlata, D. Zeff, and T. Potter. The license application should be submitted by the end of February.

John G. Davis

### BABCOCK & WILCOX, COMMERCIAL NUCLEAR FUEL PLANT (DOCKET 70-1201)

Mr. W. T. Engelke, Manager, Quality and Safety, and Mr. J. P. Watters, License and Control Administrator, of the Babcock & Wilcox Commerical Nuclear Fuel Plant (CNFP) met with members of the FCUF staff on January 21-22, 1987. The purpose of the meeting was to discuss their organizational changes, personnel responsibilities, and minimum qualifications. Also discussed was the control of operations in their ECHO-330 area, and the proposed down loading (removal of pellets from their zircaloy cladding) of fuel pins. A review of the related draft of a proposed license amendment application was made and FCUF staff comments discussed. CNFP will respond to the comments in the formal submittal of their application.

## ALLIED CHEMICAL UO, RELEASE

On January 16, 1987, a thermocouple weld failed allowing the release of one to five pounds of uranium dioxide (UO<sub>2</sub>). The thermocouple monitors the temperature of a fluid-bed reactor where the yellowcake is reduced to UO<sub>2</sub> in a hydrogen atmosphere. Surrounding the reactor is a cooling jacket which utilizes air as a coolant. This air is discharged out of the building without filtration. When the thermocouple weld broke, UO<sub>2</sub> was released into the cooling jacket and then into the environment. The UO<sub>2</sub> released was deposited onsite in close proximity to the building. Maximum surface contamination levels were 3500 dpm/100 cm alpha. The contaminated areas were cleaned to acceptable levels for an unrestricted area and washed down. The exposure of two workers in the area of the release were evaluated and bioassays indicated concentrations below Allied's action level. Region III may request the licensee to further evaluate these workers. Allied is investigating the cause of the failure.

#### STATUS OF HEARINGS

Sequoyah Fuels, Gore, Oklahoma, UF<sub>6</sub> to UF<sub>4</sub>

The informal evidentiary hearing on the amendment request was held in Sallisaw, Oklahoma, on January 12 - 15, 1987. Testimony was received from Sequoyah Fuels Corporation and the intervenor groups on the topics outlined in December 31, 1986 Memorandum and Order. A decision has not been rendered.

2. Sequoyah Fuels, Gore, Oklahoma, Comprehensive Waste Disposal Plan

Sequoyah Fuels Corporation submitted the Comprehensive Radiological Solid Waste Management Plan as required by Source Material License No. SUB-1010. Condition 21 on November 13, 1986. There has not been a schedule set for this proceeding. Several parties have filed their complaints in the case and Sequoyah Fuels Corporation will be responding to these. The Staff informed the Judge in January that would not be a party to the proceeding.

Kerr-McGee, West Chicago, Illinois, Kress Creek Decontamination 3.

The ASLB decision dated June 19, 1986, dismissed the Order to Show Cause issued to Kerr-McGee Chemical Corporation on March 2, 1984. On August 11 1986, the staff filed an appeal with the ASLAB. The ASLAB ruled that they are deferring consideration of the staff's appeal at this time.

Kerr-McGee Rare Earths Facility, Decommissioning Plan, West Chicago, Illinois 4.

This hearing is being held in abevance pending the staff's completion of the supplement to the Environmental Impact Statement. The current schedule calls for issuance of the Draft Supplement in March 1987, and the Final in September 1987. The Board has indicated that they may resume a portion of the Hearing after the Draft is issued.

> Original Signed By Glenn A. Terry W. T. Crow, Acting Chief Uranium Fuel Licensing Branch Division of Fuel Cycle and Material Safety

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Docket Files 40-3392

40-8027 70-1201 NMSS R/F PDR FCUF R/F Beveridge/Cornell 1-23 FCUF Staff

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