

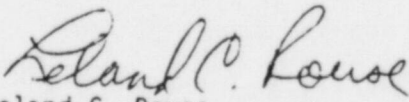
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NOTE FOR: John G. Davis

CRYSTAL RIVER UNIT 3 - INDUSTRIAL ACCIDENT INVOLVING 2 DRIVERS (NMSS-860052)

In my early discussions with IE (Partlow et al), I have noted the event at Crystal River as an example of the matter of regulatory jurisdictions at an NRC licensed facility. In our discussions with OSHA, we will cover the overall spectrum of responsibilities from this kind of event to the "gray" areas, such as the death of the Kerr-McGee employee. In the case of the Crystal River accident, the PN issued by Region II specifically noted that OSHA was promptly informed in accordance with the MOU and IE Manual Chapter 1007, "Interfacing Activities Between Regional Offices and OSHA."


Leland C. Rouse

cc: D. B. Mausshardt
R. E. Cunningham
D. R. Chapel

15-4
: FCAF

: LCRouse:kd

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

FCUP:DAC
40-8027
SUB-1010

Sequoyah Fuels Corporation
ATTN: Dr. John C. Stauter
Director, Nuclear Licensing
Kerr-McGee Center
Oklahoma City, OK 73125

Gentlemen:

In accordance with your request dated January 17, 1986, Sequoyah Fuels Corporation may resume receipt for the purpose of storage of uranium concentrates which were enroute to the Sequoyah Facility at the time of the January 4, 1986 accident. All other activities at the facility shall remain suspended as provided by the confirmatory action letter dated January 17, 1986, between NRC Region IV and Sequoyah Fuels Corporation.

A copy of the Safety Evaluation Report in support of this action is enclosed for your information.

The request for shipping of filled uranium hexafluoride cylinders which was submitted with this request on January 17, 1986, is currently under review. We will advise you when this review has been completed.

If you have any questions related to this action, please feel free to contact Dr. Donald A. Cool of my staff at 301-427-4510.

FOR THE NUCLEAR REGULATORY COMMISSION

W. T. Crow, Acting Chief
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety, NMSS

Enclosure: As stated



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DOCKET NO: 40-8027
LICENSE NO: SUB-1010
LICENSEE: Sequoyah Fuels Corporation
SUBJECT: SAFETY EVALUATION FOR THE PROPOSED RESUMPTION OF RECEIPT OF URANIUM CONCENTRATES

I. INTRODUCTION

Activities at the Sequoyah Fuels Corporation (SFC) Sequoyah Facility have been temporarily suspended as a result of the accident which occurred on January 4, 1986. By letter dated January 17, 1986, SFC has requested authorization to resume receipt of uranium concentrates at the facility for the purpose of storage only. It is SFC's contention that the current status of the facility, as well as the cost and safety advantages, argue for the removal of the suspension for this activity. By letter dated January 31, 1986, SFC clarified that the request applied only to material which was enroute to the facility at the time of the accident.

II. SCOPE OF REVIEW

During the review, the staff considered a number of factors in determining an appropriate response to SFC's request. These include the potential for disruption of decontamination activities which are occurring at the facility and the potential for recontamination of areas which have already been decontaminated. These factors are discussed below.

III. DISCUSSION

Uranium concentrates are received and stored at the Sequoyah Facility in a fenced yard area west and slightly south of the main process building. Access to the area is through the main facility gate, with the receiving area and scales in front of the main process building. This area was contaminated as a result of the accident which occurred on January 4, 1986, when a 14-ton cylinder of uranium hexafluoride ruptured and most of the contents lost. The licensee has stated that the storage area, receiving areas, and access routes at the facility have been decontaminated. The decontamination of these areas has been confirmed by inspectors from NRC Region IV. As a result, receiving and storage operations may take place without recontaminating clean areas or contamination of trucks and equipment.

SFC has stated that the decontamination activities at the facility have progressed to the point that activities involving the main access areas and the uranium concentrate storage area will not impact the continued

decontamination of the remainder of the facility. At the present time, the areas which remain to be decontaminated are located principally within the main process building.

The receipt of uranium concentrates at the facility is one of the normal operations conducted by SFC. Material is received in sealed 55-gallon drums and stored on pallets within the storage yard. The SFC request is for storage only of the material in the yard area. As such, the source material does not pose an unusual hazard since it is received and will remain within sealed containers.

As part of the submittal requesting resumption of receipt of uranium concentrates, SFC has provided the procedure which will be followed. The procedure includes provisions for receiving, unloading, and storage, and includes procedures for survey and checks to ensure that trucks are not contaminated prior to leaving the site. The procedure also provides the plan which would be used should uranium concentrates be received in a damaged drum. This plan provides for redrumming of the material and cleanup of any spilled uranium.

SFC has indicated that there are financial, health, and safety reasons for allowing receipt of uranium concentrates at the facility. The financial aspects are primarily born by the owners of the uranium, most of which are utilities. SFC provided a letter from Exxon Nuclear to support this contention. The health and safety reasons for allowing receipt of uranium concentrates stems from the present use of temporary storage areas in interstate commerce for uranium which was enroute to the Sequoyah Facility at the time of the incident. Material in interstate commerce, which is being held at temporary locations while in transit, does not provide the security that storage at the licensed facility would provide and increases the probability that members of the public could be exposed to the material.

The staff has discussed this proposal with members of NRC Region IV including Mr. R. J. Everett. The proposal and procedures have been reviewed by Region IV, and they have indicated that they support the proposed resumption of receipt and storage. The staff has also discussed the proposal with Mr. T. Makris, EPA, Mr. J. Miles, OSHA, and Mr. Robert Craig, State of Oklahoma. They have indicated that the proposed action will not interfere with any of their activities, and that they have no objection to NRC authorizing receipt of these concentrates.

IV. CONCLUSIONS AND RECOMMENDATIONS

Upon review of the request for authorization to receive and store uranium concentrates at the Sequoyah Facility which were enroute to the facility at the time of the January 4, 1986 accident, the staff finds that the resumption of this activity would serve to protect public health and safety by reducing the potential for public exposures. The proposed activities would not interfere with decontamination activities at the facility and will not interfere with any enforcement actions which the NRC might wish to pursue.

NRC Region IV has indicated that the Region concurs in allowing uranium concentrate receipt and storage.

The staff therefore recommends that Sequoyah Fuels Corporation be authorized to resume receipt of uranium concentrates which were enroute to the facility and storage of these source materials in the designated area of the facility. The staff recommends that all other activities remain suspended as provided by the confirmatory action letter dated January 17, 1986, between NRC Region IV and Sequoyah Fuels Corporation.

Donald A. Cool, Ph.D.
Uranium Process Licensing Section
Uranium Fuel Licensing Branch
Division of Fuel Cycle and
Material Safety, NMSS

Approved by:

W. T. Crow, Section Leader



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 4, 1986

M-86-14

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James E. Miller III
Director

SUBJECT: Financial Plans for the Remainder of
Fiscal Year 1986

The Office of Management and Budget is issuing guidance today on agency financial plans for the remainder of fiscal year 1986. This guidance, which is technical in nature and is contained in Supplement No. 1 to Office of Management and Budget Bulletin No. 86-7, deals with reapportionment actions related to the President's order requiring the reduction of budgetary resources in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

I urge you to take a personal interest in the revision of your agency's financial plans for the remainder of this fiscal year. It is essential that these plans:

- reflect the lower operating levels necessary to comply with the President's sequestration order;
- be designed to avoid the need for supplemental appropriations late in the year;
- facilitate the transition to the generally lower levels for fiscal year 1987 and beyond that P.L. 99-177 requires; and, most importantly,
- avoid unnecessary disruptions, particularly of the Federal workforce.

It is the intent of both the Congress and the President that the transition to lower program levels be achieved, to the extent possible, without resorting to furloughs or reductions-in-force of employees. Your cooperation in carrying out this intent is essential.