

December 9, 2003 (1:25PM)

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
ATOMIC SAFETY AND LICENSING BOARDOFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Before Administrative Judges:

Alan S. Rosenthal, Presiding Officer
Anthony J. Baratta, Special Assistant

In the Matter of

SEQUOYAH FUELS CORPORATION,

(Gore, Oklahoma Site)

Docket No. 40-8027-MLA-6

December 3, 2003

JOINT STATUS REPORT ON SETTLEMENT NEGOTIATIONS

Pursuant to a request conveyed by Ms. Sharon Perini of the Atomic Safety and Licensing Board Panel on November 21, 2003, counsel for Sequoyah Fuels Corporation ("SFC") and the State of Oklahoma ("Oklahoma") hereby submit a status report on settlement negotiations between Oklahoma and SFC on the Reclamation Plan ("RP") for the Gore, Oklahoma site. Ms. Perini requested that this status report be submitted to the Presiding Officer and the Special Assistant by December 3, 2003.

As indicated in the NRC Staff's quarterly reports to Judge Bechhoefer, Oklahoma and SFC have been conducting settlement negotiations that are considering various issues, including concerns identified by Oklahoma regarding the RP that is the subject of the MLA-6 proceeding. As part of those negotiations, the parties met in March 2003, after the RP was prepared, to discuss Oklahoma's technical concerns about the RP and explore the potential for settlement. A large number of issues and concerns were

identified that could not be resolved at that meeting, and the parties agreed to continue to exchange information and to seek settlement.

Since that meeting, counsel for Oklahoma and SFC have had several settlement discussions, and information submitted to the NRC by SFC since March 2003 has resolved some of Oklahoma's concerns. While there has been progress, there is not yet a clear path to settlement. Oklahoma and SFC are committed to continuing settlement discussions, but are uncertain whether a settlement can be achieved.

Respectfully submitted,

(by permission)
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**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Joint Status Report on Settlement Negotiations were served upon the persons listed below by e-mail (as indicated) and U.S. mail, first class, postage prepaid, on this 3rd day of December 2003.

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