

RAS 8573  
RAS 8574

Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, NW  
Washington, DC 20004  
Tel: 202.739.3000  
Fax: 202.739.3001  
www.morganlewis.com

**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

DOCKETED  
USNRC

September 20, 2004 (4:48PM)

Alvin Gutterman  
Partner  
202.739.5460  
agutterman@morganlewis.com

OFFICE OF SECRETARY  
RULEMAKINGS AND  
ADJUDICATIONS STAFF

September 20, 2004

*VIA US MAIL AND E-MAIL*

Anthony J. Baratta  
Administrative Judge, Special Assistant  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Richard F. Cole  
Administrative Judge  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Alan S. Rosenthal  
Administrative Judge, Presiding Officer  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Re: Docket Nos. 40-8027-MLA-6 and 40-8027-MLA-9

Dear Judges:

This letter is to fulfill the obligation of the Sequoyah Fuels Corporation, the State of Oklahoma and the Cherokee Nation ("the parties") to furnish on September 20, 2004 a status report regarding the negotiations, as documented in the Order dated September 8, 2004 issued by

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the Presiding Officer in MLA-6, and the Notice of Deferral of Ruling on Hearing Request dated September 8, 2004 issued by the Atomic Safety and Licensing Board in MLA-9.

Since the parties described the status of the negotiations in the conference call on September 3, 2004, there has been additional progress toward settlement. The parties have agreed on the principles for resolving many of the issues, and have had several constructive discussions of a draft settlement agreement. Mr. Aemmer continues to mediate these discussions. A number of the analyses that the parties mentioned in the parties' June 8, 2004 motion for extension in MLA-6 have been completed and have established the basis for settlement of the associated issues. Some of the analyses have not yet been completed. While these analyses have taken longer to complete than previously anticipated, there is no indication that the results will be an impediment to settlement.

Certain of the remaining issues, however, continue to be difficult to resolve. The parties nevertheless continue to be optimistic about their ability to achieve settlement, or at least a partial settlement.

The parties have agreed to focus their attention on these more difficult issues during the upcoming negotiation sessions, starting with the session that Mr. Aemmer has scheduled on September 22. The parties plan to provide you with another status report by October 4.

Counsel for the State of Oklahoma (Jim Barwick) and the Cherokee Nation (Jeannine Hale) have authorized me to state that they agree with this status report. Counsel for the NRC

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Staff (Angela Coggins) has authorized me to state that the NRC Staff does not object to the submission of this status report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Alvin H. Gutterman".

Alvin Gutterman  
Attorney for Sequoyah Fuels Corporation

cc: Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing letter dated September 20, 2004 to Administrative Judges Barotta, Cole and Rosenthal from Alvin H. Gutterman was served upon each of the persons listed below by e-mail (as indicated) and by U.S. mail, first class, postage prepaid, on this 20th day of September 2004.

Angela B. Coggins, Esq.  
Mauri Lemoncelli, Esq.  
Office of the General Counsel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [abc1@nrc.gov](mailto:abc1@nrc.gov), [mtl1@nrc.gov](mailto:mtl1@nrc.gov)

SherVerne R. Cloyd  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Mail Stop: T-3F23  
Washington, DC 20555-0001  
E-mail: [src2@nrc.gov](mailto:src2@nrc.gov)

Alan S. Rosenthal  
Administrative Judge, Presiding Officer  
Atomic Safety and Licensing Board Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [rsnthl@comcast.net](mailto:rsnthl@comcast.net)

Kelly Hunter Burch, Esq.  
Assistant Attorney General  
Office of the Attorney General for the  
State of Oklahoma  
Department of Environmental Quality  
4545 N. Lincoln Blvd., Suite 260  
Oklahoma City, OK 73105-3498  
E-mail: [kelly\\_burch@oag.state.ok.us](mailto:kelly_burch@oag.state.ok.us)


Secretary of the Commission\*  
Attn: Rulemakings and Adjudication  
Staff  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [hearingdocket@nrc.gov](mailto:hearingdocket@nrc.gov)

Anthony J. Baratta  
Administrative Judge, Special Assistant  
Atomic Safety and Licensing Board  
Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [ajb5@nrc.gov](mailto:ajb5@nrc.gov)

Richard F. Cole  
Administrative Judge  
Atomic Safety and Licensing Board  
Panel  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [rhc1@nrc.gov](mailto:rhc1@nrc.gov)

Jeannine Hale  
Assistant General Counsel  
Cherokee Nation  
P.O. Box 948  
Tahlequah, OK 74464  
E-mail: [jhale@cherokee.org](mailto:jhale@cherokee.org)

David Aemmer, Chief Mediator  
United States Court of Appeals For The Tenth  
Circuit  
Byron White United States Courthouse  
1823 Stout Street  
Denver, CO 80257  
E-mail: [david\\_aemmer@ca10.uscourts.gov](mailto:david_aemmer@ca10.uscourts.gov)

  
Alvin H. Gutterman

\* Original and two copies