

40-8027

May 10, 1995

MEMORANDUM TO: David L. Meyer, Chief
Regulatory Publications Branch
Division of Freedom of Information
and Publications Services
Office of Administration

FROM: Michael F. Weber, Chief [Original signed by:]
Low-Level Waste and Decommissioning
Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

SUBJECT: SEQUOYAH FUELS CORPORATION - RESPONSE TO 10 CFR PART 2.206

Attached please find one signed original of the subject Federal Register notice for your transmittal to the Office of the Federal Register for publication. Five additional copies of the notice are attached for your use.

Attachment: As stated

Contact: Jim Shepherd, NMSS/DWM
415-6712

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U.S. NUCLEAR REGULATORY COMMISSION

Docket No. 40-8027

SEQUOYAH FUELS CORPORATION

(License No. SUB-1010)

RECEIPT OF PETITION FOR DIRECTOR'S DECISION UNDER 10 C.F.R. § 2.206

Notice is hereby given that by the "NATIVE AMERICANS FOR A CLEAN ENVIRONMENT'S PETITION FOR AN ORDER REQUIRING SEQUOYAH FUELS CORPORATION TO FILE A FINAL SITE CHARACTERIZATION PLAN AND FOR AN ORDER FORBIDDING TRANSFER OF SFC PROPERTY PRIOR TO OBTAINING A LICENSE AMENDMENT," dated March 11, 1995, the Native Americans for a Clean Environment (NACE or Petitioner) request that the Nuclear Regulatory Commission take action with regard to Sequoyah Fuels Corporation (SFC or Licensee).

Petitioner requests that the NRC: (1) reverse the NRC staff's decision to permit SFC to proceed with site characterization without submitting a revised Final Site Characterization Plan (SCP) by issuing an order requiring SFC to submit a revised Final SCP, or at the minimum a Confirmatory Action Letter requiring SFC to submit a Final SCP by a date certain; (2) issue an order forbidding SFC, Sequoyah Fuels International, Sequoyah Holding Corporation, or any other associated corporation that holds title to property under License SUB-1010, from transferring any interest in any of its property before SFC applies for and receives a license amendment permitting such a transfer; (3) before issuing any such license amendment, find reasonable assurance that any entity acquiring an interest in the SFC property fully understands the nature of the liabilities and responsibilities it is

Attachment

undertaking for cleanup and long-term care of the site and that it has the financial capability to carry out those responsibilities; and (4) obtain or perform a title search of all property used in connection with the SFC license in order to clarify the identity and ownership of all property subject to License SUB-1010.

As the bases for its requests, Petitioner states that: (1) given the serious deficiencies found by the staff in its review of the SFC Draft SCP, the NRC staff illegally and improperly excused SFC from its obligation to submit a final SCP, in violation of the Timeliness in Decommissioning Rule, the NRC's Action Plan to Ensure Timely Cleanup of SDMP Sites, the NRC's December 29, 1992, Demand for Information to SFC, the Memorandum of Understanding between the NRC and the Environmental Protection Agency, and commitments by the NRC to NACE that SFC would be required to demonstrate how it would sample all potentially contaminated areas in a site characterization plan; (2) SFC is presenting a "Trust Indenture" to several towns and the county of Sequoyah for the creation of an industrial park; (3) the Trust Indenture depicts the 1400 acres of land subject to License SUB-1010 as the candidate area for the industrial park, but neither the Trust Indenture nor the associated documents refers to actual or potential contamination of the site due to groundwater migration from the contaminated processing area, of effluent streams and ditches, or of the Carlisle School, the need to obtain a license amendment before transferring this property, the transferee's potential liability for cleanup of the property, or that SFC has been ordered by NRC and EPA to characterize the extent of contamination on this property; (4) the 1400 acres subject to the Trust Indenture surrounds the 85-acre processing area SFC has identified as the major focus of its site

characterization and cleanup effort; and (5) SFC has made conflicting representations regarding the size of the "facility" or "site" to the NRC and in the Trust Indenture.

The Petition is being evaluated pursuant to 10 C.F.R. § 2.206 of the Commission's regulations. The Petition has been referred to the Director of the Office of Nuclear Material Safety and Safeguards. As provided by Section 2.206, appropriate action will be taken on this Petition within a reasonable time.

A copy of the Petition is available for inspection at the Commission's Public Document Room at 2120 L Street, N.W., Washington, DC 20555.

FOR THE NUCLEAR REGULATORY COMMISSION



Carl J. Paperiello, Director
Office of Nuclear Material Safety
and Safeguards

Dated at Rockville, Maryland
this 10 day of May, 1995.