



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

August 18, 1987

32
File ONLY
Send original to R
NMS Subject files

40-8027

William F. Weld, Esq.
Assistant Attorney General
Criminal Division
U. S. Department of Justice
Washington, D.C. 20530

Dear Mr. Weld:

Thank you for your letter of May 28, 1987, (signed by Mr. Lippe) which brought to my attention certain matters based upon the Department's review of our referral in case No. 4-86-005, Sequoyah Fuels Corporation. Your letter noted a lack of uniform standardized procedures governing the operations of licensees and suggested that this created potential problems.

First, let me thank you for sharing these observations with me so that I could follow up. I sincerely appreciate this courtesy and cooperation.

Subsequent to the January 4, 1986 accident at Sequoyah, the NRC staff has received numerous recommendations for improving its programs for the licensing and regulation of nuclear materials, including the recommendations in the report of the Committee on Government Operations, House Report 100-167, 100th Congress. The bulk of those that relate immediately to UF₆ conversion facilities have been implemented. The NRC staff is also pursuing new initiatives, such as multi-agency team inspections, in licensing and inspection that go beyond the immediate functional area of UF₆ handling involved in the accident. These initiatives should result in increased effectiveness in the regulation of nuclear material licensees.

These measures should also adequately address the questions raised in your letter regarding a more consistent regulatory program as part of the basis for prosecutorial action. We also view a more consistent regulatory program as desirable. A consistent program, however, will need to take into account the fact that licensees do not necessarily use the same chemical processes and procedures to produce a radioactive material product. Thus there will be variations among licensees in requirements for health and safety. In any case, however, the Commission's objective is to obtain a comparable and consistent level of safe performance from each licensee.

We will continue to be aware of the important considerations raised in your letter. I believe that the agency is trying its best to move in the direction of standardized procedures where warranted. In any event, if

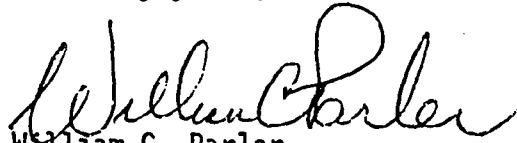
6/27

875108

070814021
070814021
070814021

the Department has similar observations in the future, it would be beneficial to receive them.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William C. Parler". The signature is fluid and somewhat stylized, with the first name "William" and last name "Parler" clearly distinguishable.

William C. Parler
General Counsel

the Department has similar observations in the future, it would be beneficial to receive them.

Sincerely yours,

William C. Parler
General Counsel

DISTRIBUTION

RFonner	STreby
OGC R/F	OGC S/F
Reg File	Central File

*SEE PREVIOUS CONCURRENCE PAGE

OGC	OGC	OGC
*	*	*
RFonner	STreby	MMalsch
8/2/87		8/14/87

NMSS
OCB
RBERNERO
8/17/87

OGC
WCParler
8/17/87
Run up 11th floor

William F. Weld, Esq.
Assistant Attorney General
Criminal Division
U. S. Department of Justice
Washington, D.C. 20530

Dear Mr. Weld:

Thank you for your letter of May 28, 1987, (signed by Mr. Lippe) informing me that the Department has declined prosecution in case No. 4-86-005, Sequoyah Fuels Corporation. Your letter noted that a lack of uniform standardized procedures governing the operations of licensees presents a problem in prosecution in that a jury might see a licensee under prosecution as being treated unfairly if it were subject to a condition not applied to others similarly situated. Secondly, the letter noted that prosecution could discourage licensees from establishing tighter and safer controls than those used by other licensees if they would thereby be subjecting themselves to the increased likelihood of prosecution.

Subsequent to the January 4, 1986 accident at Sequoyah, the NRC staff has received numerous recommendations for improving its programs for the licensing and regulation of nuclear materials, including the recommendations in the report of the Committee on Government Operations, House Report 100-167, 100th Congress. The bulk of those that relate immediately to UF6 conversion facilities have been implemented. The NRC staff is also pursuing new initiatives, such as multi-agency team inspections, in licensing and inspection that go beyond the immediate functional area of UF6 handling involved in the accident. These initiatives should result in increased effectiveness in the regulation of nuclear material licensees.

These measures should also adequately address the questions raised in your letter regarding a more consistent regulatory program as part of the basis for prosecutorial action. We also view a more consistent regulatory program as desirable. A consistent program, however, should take into account the fact that licensees do not necessarily use the same chemical processes and procedures to produce a radioactive material product. Thus there will be variations among licensees in requirements for health and safety. In any case, however, the Commission's objective is to obtain a comparable and consistent level of safe performance from each licensee.

Sincerely yours,

William C. Parler
General Counsel

DISTRIBUTION

RFonner
OGC R/F
Reg File

STreby
OGC S/F
Central File

EC	: OGC	: OGC	: OGC	: OGC	:	:
VE	: RFonner	: STreby	: MMalsch	: WParler	:	:
1	: 6/1/87	: 6/1/87	: 6/1/87	: 6/1/87	:	: