



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

DEC 11 1992

Docket: 40-8027
License: SUB-1010

Sequoyah Fuels Corporation
(Subsidiary of General Atomics)
ATTN: James J. Sheppard, President
P.O. Box 610
Gore, Oklahoma 74435

Gentlemen:

SUBJECT: NRC INSPECTION REPORT 40-8027/92-28 (NOTICE OF VIOLATION)

This refers to the special, announced inspection conducted on October 13-23, 1992, by Mr. Elmo E. Collins, Inspection Team Leader, and the inspectors identified in the attached report, of the NRC Region IV and Region II offices. The inspection included a review of activities authorized by Source Material License No. SUB-1010 for the Sequoyah Fuels Corporation (SFC). At the conclusion of the inspection, the findings were discussed with you and those members of your staff identified in the enclosed report at a public exit briefing held on October 23, 1992, at the SFC Carlisle Training Center.

The inspection was conducted to determine SFC's completion of procedure reviews and upgrades conducted in response to the Order Modifying License and Demand For Information (Order) dated October 3, 1991. The procedures reviewed during the inspection included health and safety and environmental procedures scheduled for revision following restart of the facility. This schedule was documented in SFC letters dated November 4 and December 10, 1991. In addition, the inspection assessed SFC's progress in implementing its planned actions to improve management controls.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a review of management organization and controls, a selective review of procedures and representative records, the worker training associated with procedures, interviews of personnel, and observations of activities in progress.

Overall, the team concluded that SFC has satisfactorily completed the commitments in response to the October 3, 1991 Order. Further, SFC senior managers have demonstrated a commitment to achieving the objectives described in SFC's performance improvement plan and appear to have been effective in communicating these objectives to the staff. However, SFC is still in the initial stages of implementing performance improvements, and the findings of the inspection clearly illustrate the need for management to continue to be diligent in implementing SFC's planned initiatives.

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In general, the team found that the procedures reviewed were technically adequate and that workers were adequately trained. Some of the procedure discrepancies identified by the team indicated a lack of attention to detail in developing the procedures, and some examples of poor procedure implementation and training were observed, as discussed below.

Based on the results of this inspection, certain licensed activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). The violations involved the failure to complete health and safety technician training certifications, the failure to document some instances of skin contamination as required by procedure, and the failure to impose some quality control checks for environmental airborne sample analysis. These violations are of concern because they show that improvements in procedure implementation and procedure training are warranted.


You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96.511.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,


L. J. Callan, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. Appendix A - Notice of Violation
2. Appendix B - NRC Inspection Report
40-8027/92-28 w/attachment

cc: (See next page)

CC:
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bcc:

DMB - Original (IE-07)

JLMilhoan

LJCallan

JPJaudon

MRodriguez, OC/LFDCB (4503)

*WLFisher

*CLCain

*EECollins, DRP

*NMIS

*MIS System

*RIV Files (1)

*RSTS Operator

*REHall, URFO

JTGreeves, NMSS (6 H3)

JWNHickey, NMSS (6 H3)

MTokar, NMSS (6 H3)

MLHorn, NMSS (6 H3)

SLuttal, OGC (15 B18)

JGoldberg, OGC (15 B18)

TRCombs, OCA (17 A3)

JLieberman, OE (7 H5)

LLKasner

GMVasquez

JGilliland

GFSanborn, EO

GBKuzo, RII

GRKonwinski, URFO

*W/IFS Form

W by telson

URFO by telson

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