

Snell & Wilmer

LAW OFFICES

3100 Valley Bank Center
Phoenix, Arizona 85073-3100
(602) 257-7211
Fax: (602) 257-7864

George H. Lyons (602) 257-7295

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

SALT LAKE CITY, UTAH

November 1, 1991

Mr. James Lieberman
Director
Office of Enforcement
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: In the Matter of Sequoyah Fuels Corporation
Docket No.: 40-8027
License No.: SUB-1010
EA 91-067

Dear Mr. Lieberman:

I am the attorney representing Carolyn L. Couch in the above-referenced matter. By your Order filed October 3, 1991, you have alleged that Mrs. Couch "failed to provide complete and accurate information to the NRC, willfully failed to comply with NRC regulations, and made false statements during NRC inspection and investigation activities." (See page 7 of the Order Modifying License). Indeed, later in the Order Modifying License there appears to be a verbatim description of certain comments allegedly attributed to Mrs. Couch, some of which apparently are embodied in "sworn testimony" whereas others are not similarly described.

In order for me to adequately advise and represent my client on the matters alleged in the Order Modifying License, it is essential that I be able to immediately obtain a copy of any and all interview notes, testimony, or tape recordings of my client, Carolyn L. Couch, obtained by or in the possession of the NRC. Only through review and analysis of this material will it be possible to adequately advise and represent Mrs. Couch in this matter.

I am sure you are aware that if formal discovery processes are instituted in this matter, such information will be routinely provided to the person having previously made the statements at issue. Rather than institute a formal discovery process in this matter at this time, I would like to obtain the material as soon as possible in order to expedite review of the

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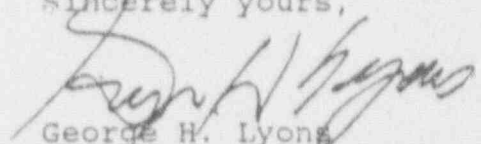
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Mr. James Lieberman
Director, Office of Enforcement
U.S. Nuclear Regulatory Commission
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material to assist me in advising Mrs. Couch before even determining whether formal discovery will be necessary.

I appreciate the NRC's recent extension of time provided to Mrs. Couch in order to file an answer or request a hearing in the above-referenced matter. Hopefully, if I am able to review the requested material expeditiously, it may not be necessary to request any additional extensions of time. If you have any questions concerning this matter, please do not hesitate to contact me at your convenience. I look forward to hearing from you.

Sincerely yours,



George H. Lyons
For Snell & Wilmer

GHL:tlm

cc: Robert D. Martin
Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

NOV 20 1991

MEMORANDUM FOR: G. Michael Vasquez, Team Leader

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

SUBJECT: INSPECTION TEAM CHARTER

During the week of December 2-6, 1991, you are to lead an inspection team at the Sequoyah Fuels Corporation's facility in Gore, Oklahoma. The purpose of the inspection is to determine SFC's compliance with the October 3, 1991, Order Modifying License (Effective Immediately) and Demand For Information (Order) and to evaluate SFC's status with regard to restart of the Sequoyah facility. To this end, the team shall:

1. Assess the adequacy and completeness of the health and safety and environmental program reviews to date. Ensure that the population of procedures that SFC plans to review is comprehensive. Determine if previously identified procedural weaknesses have been corrected.
2. Assess the effectiveness of worker training in new and modified procedures.
3. Determine if SFC's basis for deferring review of certain procedures until after facility restart is consistent with the intent of the Order.
4. Assess SFC's actions, completed and planned, in response to the management issues raised in the Order, including management effectiveness and staff readiness to reinstitute operations.

During performance of the inspection and drafting of the inspection report, team members are to report directly to the team leader. The team's activities should use the guidance in NRC 1501, as appropriate.

The inspection report will be designated 40-8027/91-16. Draft report inputs from team members shall be made to you no later than the close of business on December 13, 1991. The report should be issued by January 3, 1992.

A list of the correspondence and documents related to the Order is attached. You are responsible for forwarding additional documents to each team member as they are generated or received. Each team member should review these documents prior to conducting the inspection. Any questions should be directed to the team leader.

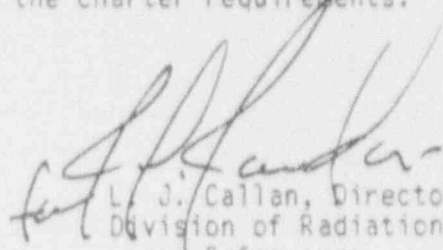
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G. Michael Vasquez

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You should prepare inspection tasks for each team member. These inspection tasks should assure completion of the charter requirements.


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

Enclosure:

Attachment - List of Correspondence

cc:

R. D. Martin

R. E. Cunningham, NMSS

C. Lieberman, OE

C. Haughey, NMSS

C. P. Gaudon, DRSS

C. L. Cain, NMIS

M. Horne, NMSS

S. Chickel, DGC

T. Combs, GPA/CA

Team Members

ATTACHMENT
LIST OF CORRESPONDENCE

1. October 3, 1991, letter from Thompson to Sheppard, Order
2. October 7, 1991, letter from Sheppard to Martin, confirmation of action regarding Ms. Couch
3. October 7, 1991, letter from Sheppard to Martin, License No. SUB-1010, Docket 40-8027, Sequoyah Fuels Corporation Planned Activities
4. October 11, 1991, letter from Callan to Sheppard, acknowledging receipt of two October 7 letters, concurrence with some of SFC's activities, and not concurring with one activity
5. October 17, 1991, letter from Sheppard to Martin, submitting names and resumes of reviewers. (Morton and Smith with others attached)
6. October 18, 1991, letter from Sheppard to Martin, requesting additional time to respond to certain portions of the Order
7. October 18, 1991, letter from Sheppard to Martin, corrections to October 18, 1991, letter
8. October 14, 1991, letter from Martin to Sheppard, reply to October 17, 1991 letter
9. October 18, 1991, letter from Martin to Sheppard, Order Modifying License (Effective Immediately) and Demand For Information (EA-91-067) (replying to SFC's October 18 letter, as corrected October 23).
10. October 18, 1991, letter from Sheppard to Martin, reply to October 14, 1991, letter (SFC no longer seeking approval for Smith as a reviewer)
11. November 4, 1991, letter from Curran (NACE) to Martin, Sequoyah Fuels Enforcement Action
11. November 4, 1991, letter from Sheppard to Martin, requesting approval of Culberson and submitting lists of SFC procedures that would be reviewed prior to and after restart
13. November 8, 1991, letter from Callan to Sheppard, supplemental reply to October 17, 1991, letter (requesting a response to Ms. Curran's letter)
14. November 13, 1991, letter from Sheppard to Callan, supplemental reply to October 17, 1991, letter (responding to Ms. Curran's letter)
15. November 15, 1991, letter from Callan to Sheppard, reply to November 4, 1991, letter (requiring further additional information for reviewing the lists of procedures to be reviewed)

Attachment

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16. November 15, 1991, letter from Callan to Sheppard, reply to October 25, 1991, letter (acknowledging that SFC is no longer seeking approval of Mr. Smith)
17. November 15, 1991, letter from Sheppard to Martin, announcing management organizational changes