



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

February 26, 1992

OFFICE OF THE
CHAIRMAN

MEMORANDUM TO: FILE

FROM: Dennis K. Rathbun

SUBJECT: TELEPHONE CALL FROM JACK NEWMAN, ATTORNEY FOR
SEQUOYAH FUELS

On February 25, 1992, Mr. Jack Newman called me to discuss topics in connection with Dr. Selin's visit to Sequoyah Fuels scheduled for March 2, 1992. He indicated that they would be prepared to discuss any or all of the following list of topics:

1. Current status of the Sequoyah Fuels plant
2. Status of compliance with the NRC staff's October 3rd order
3. Management changes which had been made at the Sequoyah Fuels plant
4. Changes to operating procedures at the plant
5. In the event restart of the facility is authorized, how the Sequoyah Fuels organization would actually plan facility start-up
6. Readiness assessment
7. Results of Sequoyah Fuels own internal investigation
8. The so-called Carlisle event -- contaminated boxes found in an unrestricted area
9. Sequoyah Fuels financial picture -- Capital, operating and maintenance expenditures

Dennis K. Rathbun

Congressman Synar raised the following questions in a telephone conversation with Dr. Selin last evening (March 5).

1. Will the individuals identified in NRC's investigation be removed from the Sequoyah Fuels site prior to an NRC decision to permit restarting operations at the plant? If not, how can the NRC be sure that safety concerns arising in conjunction with the performance of these individuals will have been adequately addressed? NMSS/CL-V
2. Why hasn't NRC's investigations included the entire management chain to the top of the organization? How can we be sure that other corporate officials higher up in the organization haven't been involved in cover-up of safety problems if the NRC has not even interviewed them? OI
3. How can the NRC permit restart of the facility which currently has approximately \$750,000 in the Sequoyah Fuels decommissioning fund knowing of the extensive contamination at the site which is expected to cost millions in cleanup operations? NMSS
4. What are the legal commitment and the resources from the General Atomics corporate organization available to Sequoyah Fuels for cleanup of the Sequoyah site. OGC/ NMSS

ROUTING AND TRANSMITTAL SLIP

Date

3/6/92

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials Date

1.

2.

3.

4.

5.

Action

File

Note and Return

Approval

For Clearance

Per Conversation

As Requested

For Correction

Prepare Reply

Circulate

For Your Information

See Me

Comment

Investigate

Signature

Coordination

Justify

REMARKS

July, the attached Price-Waterhouse report causes confusion because it shows SFIC in the license when in fact the licensee is SF. NMSS had approved a license transfer from SFIC to SFC in late 1989. The chart is consistent with the organization of the company as verified by Counsel for GA.

Bill E-14

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No. FTS
728-8271