



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV

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

JAN 7 1992

MEMORANDUM FOR: Gary R. Konwinski, URFO (FTS 554-5807)  
Mary L. Thomas, RES (FTS 492-3886)  
George Kuzo, RII (FTS 841-2560)  
W. Scott Pennington, NMSS (FTS 964-2693)  
Larry T. Ricketson, RIV (FTS 728-8165)  
Tom Clark, NMSS (FTS 964-3424)

FROM: G. Michael Vasquez, RIV (FTS 728-8121)  
Linda Kasner, RIV (FTS 728-8121)

SUBJECT: TEAM INSPECTION OF SEQUOYAH FUELS CORPORATION (SFC)  
JANUARY 13-17, 1992

We are scheduled to perform the second team inspection at the Sequoyan Facility, owned by Sequoyah Fuels Corporation (a subsidiary of General Atomics) in Gore, Oklahoma. The purpose of the inspection is to determine SFC's compliance with the Order and to evaluate SFC's status with regard to restart of the Sequoyah Facility (see attached Memoranda from L. J. Callan dated December 20, 1991, and January 6, 1992). (The inspection has been announced to the licensee.)

Originally, the team inspection was scheduled to be conducted January 6-10, 1992, but has been postponed until January 13-17, 1992.

As far as logistics is concerned, (except for Gary) you should schedule your flights to arrive Sunday evening, January 12, 1992, in Fort Smith, Arkansas. We shall all stay at the Holiday Inn in Fort Smith (the telephone number is (501) 783-1000). We shall have a team meeting at 7 p.m. at the Holiday Inn, on Sunday, January 12. The exit will be scheduled to begin at 9 a.m. on Friday, January 17.

Guidance documents for this inspection include: MC 2600; MC 2601; Memoranda from L. J. Callan (referenced above); the Order; Inspection Modules 30703, 83822, 88005, 88045, and 92701; NRC inspection reports since August 1990; SFC's Facility Environmental Investigation Findings Report; and other documents as appropriate.

To prepare for the inspection, each team member should study the Order, SFC's responses (especially the November 4 and December 10 letters), NRC Inspection Report 40-8027/91-16 dated December 23, 1991; memoranda from L. J. Callan referenced above; and NRC's associated correspondence, BEFORE arriving onsite. Also, I have requested that SFC provide me those procedures that SFC has reviewed and approved, so that I may disseminate them to you before the inspection. We will not review draft information. Linda Kasner will be

responsible for distributing information relevant to the management appraisal review to the appropriate team members.

Each team member will be assigned certain tasks, including review of selected procedures. The team will not attempt to evaluate every procedure SFC is reviewing prior to restart. Rather, the team will perform an in-depth review of a few key procedures. Therefore, when evaluating procedures you should assess: (1) the technical content and clarity, such that the intent of the procedure will be met; (2) that changes to the procedures adequately address previously identified weaknesses; and (3) the effectiveness of training provided to SFC workers. Team members evaluating the management appraisal and SFC's response will be given inspection assignments by Ms. Kasner.

When team members desire to walk down a procedure with the appropriate SFC personnel, you should inform me 1 day in advance. I will coordinate these requests with the licensee to ensure efficient use of our time and the licensee's resources.

The team will meet at 5 p.m. each day and each team member will discuss his observations, both program improvements and weaknesses in the licensee's program. Team members must be present during the entire meeting with the exception of those team members working with Linda, who will conduct separate nightly briefings. The purpose of these daily meetings is to provide a team review of the adequacy of SFC's overall response to the Order, management effectiveness, and SFC staff readiness to reinstate operations. Team members should also use this time to formulate their thoughts for the exit briefing and the report. Each morning, the team leader, or a designated team member, will discuss the team's observations with a member of licensee management.

The team should be prepared for an exit briefing at 9 a.m. on January 17, 1992. Therefore, all team members shall conclude their inspection activities by Thursday, January 16 at 1 p.m. At that time the team will meet and each team member will write down his findings. The team will then compose the content for the exit briefing. Generally, the team leader will communicate the team's findings at the exit, with selected inspectors discussing their specific observations. Also on Thursday afternoon, we should plan to brief regional management.

Draft report inputs from the team members shall be made to me no later than the close of business on the day of the exit, January 17, 1992, and the report should be issued by February 4, 1992. Draft inputs should include discussions about program improvements and weaknesses in the licensee's program. Conclusions should be supported with brief but thoughtful documentation. A tentative outline for the inspection report is shown in Attachment 1.

Assigned review tasks may be modified at my discretion and only with my approval. Individual assignments are as follows:

## Tom Clark:

- Perform a brief, random review of all SFC procedures and ensure that, except for environmental-related procedures, SFC has identified all the procedures encompassed by the Order. (Although this had been done during the previous team inspection, consider the information provided in SFC's December 10 letter.)
- Evaluate some of the procedures that SFC plans to defer until after restart. Verify that the basis for deferral meets the intent of the Order. (Although this had been done during the previous team inspection, consider the information provided in SFC's December 10 letter.)
- Verify SFC's corrective actions to the NRC-identified issues from the team inspection conducted December 2-6, 1991, regarding the laundry procedure, and respiratory protection requirements in the primary fluorination tower operation (see team inspection report 91-16).
- Review SFC's control of procedures, including G-001, "Sequoyah Facility Operating Procedure System," and how the H&S department controls its procedures (see team inspection report 91-16 and SFC's December 10 letter).
- FAP-1276, "General Employee Training" (also retraining)
- FAP-1277, "Contractor Training" (also review escort responsibilities)
- HS-001, "Establishing and Posting Control Areas"
- HS-409, "Use of the MSA Model 360 Carbon Monoxide, Combustible Gas and Oxygen Survey Instrument"
- HSDEPT-104, "Contamination Incident Reports"

## George Kuzo:

- Review SFC's response to the NRC-identified issues from the team inspection conducted December 2-6, 1991, regarding the following procedures: G-114, Change Room Procedure; G-158, "Radioactive Contamination Control;" G-304, "Hazardous Work Permits;" HS-502, "Issuing Respiratory Protection Equipment;" and HS-503, "Selection of Respiratory Protection Equipment (RPE)"
- HSDEPT-102, "Shift Health and Safety Technician Procedure Qualification Sheet"

- Review the adequacy of training for H&S technicians (both contractor and SFC, with emphasis on SFC technicians) and their supervisors, including recent training, in light of their responsibilities for H&S, contamination controls, and other program responsibilities at SFC. Also, evaluate whether the technicians understand the procedure changes and how they will implement them. Has SFC defined technician responsibilities and authorities?
- HS-301, "Radiation, Contamination and Release Surveys"
- HS-104, "In-Plant Air Sampling and MPC-Hour Exposure"
- G-115, "Survey of Low Specific Activity (LSA) Radioactive Shipments and Receipts"
- HSDEPT-119, "Entry by Personnel into High Radiation Areas"

Larry Ricketson  
and Mary Thomas:

- Review the management controls in the health and safety program, including oversight by the Manager, Health and Safety and the newly appointed Vice President, Regulatory Affairs.
- Review the Health and Safety procedures to ensure they are complete and form a workable program that establishes the appropriate level of safety. (In reviewing communications, consider G-195, "Notice of Work Practice Violation;" HSDEPT-104, "Contamination Incident Reports;" HSDEPT-002, "Health & Safety Reports and Requirements;" G-190, "Investigation and Reporting of Accidents, Incidents, Near-Misses, and Anomalous Conditions;" HS-010, "Radiation and Radioactive Material Incident Investigation and Reporting")

Gary Konwinski:

- Review the management controls in the environmental program, including oversight by new Manager, Environmental
- EDI-102, "Environmental Action Level Exceedance Investigation"
- HS-102, "Airborne and Liquid Effluent Monitoring"
- Review the population of SFC procedures and ensure that SFC has identified all the environmental-related procedures encompassed by the Order

- Determine if SFC's basis for deferring review of certain environmental-related procedures until after facility restart is consistent with the intent of the Order

*for Richard O. Leonard, Jr.*  
G. Michael Vasquez  
Senior Health Physicist  
Nuclear Materials Inspection Section

Enclosure:  
As stated