



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
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February 4, 1997

MEMORANDUM TO: Ross A. Scarano, Director  
Division of Nuclear Materials Safety, RIV

FROM: John W. N. Hickey, Chief *John W. N. Hickey*  
Low-Level Waste and Decommissioning  
Projects Branch  
Division of Waste Management, NMSS

SUBJECT: UNRESOLVED ITEM 40-8027/9601-02

Purpose

The purpose of this memorandum is to provide input to Region IV on the resolution of an Unresolved Item identified during an inspection of the Sequoyah Fuels facility during August 1996.

Background

During August 5-9, 1996, Region IV conducted a routine inspection of the Sequoyah Fuels Corporation (SFC) facility near Gore, Oklahoma. The results of that inspection are reported in inspection report IR 40-8027/96-01, dated September 9, 1996. During the inspection of the licensee's emergency plans and fire protection, Modules 88050 and 88055, the NRC inspector determined that SFC's fire protection plan did not match license-based documents, such as Chapter 6 of the license renewal application and Chapter 10 of the Safety Demonstration Section. As a result, URI 40-8027/9601-02 was opened, and referred to the Low-Level Waste and Decommissioning Projects Branch (LLDP) for resolution.

Discussion

Chapter 6 of the license application is entitled Special Process Commitments. It "... outlines special conditions in the operation of the Sequoyah Facility ..." that SFC will meet to ensure adequate protection of health and safety during operations of the facility (Emphasis added). Review of Chapter 6 shows that, in general, it is a statement of the requirements for support systems operation during the processing of licensed materials.

Following an uncontrolled release of NOX from the main process in November 1992, SFC informed NRC that it would not restart the main process, and that it would cease all operations by July 1993 and seek license termination. By letter dated July 7, 1993, SFC notified NRC that all operation had ceased. In a response letter dated September 1, 1993,

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(R.M. Bernero to J.H. Ellis) NRC notified SFC that "... activities that involve licensed material are limited to ... decommissioning and maintaining control of entry ...." (Emphasis added) That is, SFC is prohibited from operating the processes for licensed materials.

Based on our evaluation of the limited activities allowed at the site, LLDP has determined that the conditions for support system operability identified in Chapter 6 are not applicable.

LLDP has also reviewed the potential for a physical threat to health and safety from not meeting the requirements of Chapter 6. Fire protection requirements at SFC are based on the off-site dose limits specified in 10 CFR 40.31(j). In the current condition, SFC has removed from the site the n-hexane used in the solvent extraction process, the major potential source of conflagration, and all other bulk chemicals at the facility. SFC has also shipped all bulk yellowcake and cleaned out all operations systems to minimize residual uranium. Further, by letter dated October 25, 1996, SFC certified to NRC that the facility currently meets the dose limits of Section 40.31(j)(1)(I). Therefore, LLDP concludes that there is no health and safety threat related to the current conditions of systems identified in Chapter 6.

To clarify future requirements, SFC requested on November 18, 1996, a license amendment to remove all conditions of Chapter 6 from the license except for protective covers on cylinder valves during shipping. LLDP is processing this request with Region IV on concurrence. In the Observations and Findings Section of §6 of the Inspection Report, the inspector identifies "... SFC's fire protection program did not match the current licensed based documents such as ... Chapter 10 of the Safety Demonstration ...." However, as stated in the Introduction of Regulatory Guide (RG) 3.52<sup>1</sup>, which defines what is in a materials license, "... Part II (demonstration), on the other hand, is [for] NRC licensing staff during review of the ... application ...." On the title page for Part II of the RG, it is stated that "Part II ... contains detailed information **demonstrating adherence to the license conditions.**" As shown in the discussion above, there are no active license conditions related to fire protection at SFC at this time. Therefore, the bases for commitments in Chapter 10 are inoperative, and SFC is not bound by them.

#### Recommendations

Based on the above discussions and actions, LLDP recommends that Region IV close this issue without resort to enforcement actions.

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<sup>1</sup> Standard Format and Content for the Health and Safety Sections of License Renewal Applications for Uranium Processing and Fuel Fabrication, RG 3.52, Revision 1, November 1986.

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