

Ret to GTharpe
546-85

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MEMORANDUM FOR: Chairman Palladino
Commissioner Roberts
Commissioner Asselstine
Commissioner Bernthal
Commissioner Zech

FROM: Victor Stello, Jr.
Acting Executive Director for Operations

SUBJECT: RESUMPTION OF RECEIPT OF URANIUM CONCENTRATES BY
SEQUOYAH FUELS CORPORATION

WTCrow
RECunningham
DBMausshardt
VStello, EDO
RFonner, ELD
RJEverett, RIV
LCobb, IE
Docket File 40-8027
PDR
LPDR
VLTharpe
RIV

Sequoyah Fuels Corporation, by letter dated January 17, 1986, requested resumption of some activities at the Sequoyah Facility which are not directly related to the startup of production. The staff considers startup as the resumption of production of uranium hexafluoride. Prior to authorizing startup, the staff will review training activities, testing of safety related systems, modifications of equipment, and other issues which may be identified by the Augmented Investigation Team. The licensee is preparing a proposed schedule for startup of production, and plans to brief the staff in the near future. A meeting has been scheduled on February 5, 1986 between Sequoyah Fuels Corporation and Region IV for this purpose.

In the intervening time period, the staff plans to consider authorization for other ancillary activities at the facility such as receipt of uranium concentrates, shipment of product uranium hexafluoride, and purification activities. We have reviewed the request to receive uranium concentrates which were enroute to the facility at the time of the accident and have authorized resumption of this activity. A copy of the letter authorizing resumption and the supporting Safety Evaluation Report are enclosed. The staff plans to keep the Commission informed as we authorize additional activities.

Original Signed By:

Victor Stello, Jr.
Acting Executive Director
for Operations

Enclosures: As stated

cc: SECY
OPE
OGC

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C PDR

See Previous Concurrence Sheet

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NAME:JGDavis :RFonner :RJEverett:LCobb :VStello :					
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