



27 December 1985

John H. Frye, II
Administrative Judge
Atomic Safety and Licensing
Board Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: Sequoyah Fuels Corporation
Docket No. 40-8027 MCA
ASLBP No. 85-513-03-ML

Dear Judge Frye:

Enclosed are comments of the National Water Center relative to the informal hearing scheduled for January 7-8, 1986, in Ft. Smith, Arkansas, on the application of Sequoyah Fuels Corporation to expand their operations to include a UF₆ to UF₄ conversion process:

On September 12, 1985, the National Water Center filed a "petition for leave to intervene" in the application of Sequoyah Fuels Corporation for an amendment to its material license, seeking to expand its operation.

In his memorandum and order of September 26, 1985, Judge John Frye III tentatively approved the participation of the National Water Center in the "informal hearing" on this matter on the condition that he be provided with formal authorization of one of their members living in the vicinity of the SFC uranium processing plant by October 4, 1985.

In his memorandum and order of November 5, 1985, "Designating Matters to be Addressed at Hearing," Judge John Frye III acknowledged receipt of this authorization and "admitted [the National Water Center] as a party." In this same memorandum and order, however, Judge John Frye III effectively denied the National Water Center's participation in this hearing, as noted in the detailed meeting agenda and his statement that "NACE, CASE, APC, and Mr. Henshaw will be afforded an opportunity to address that document [NRC Staff draft safety evaluation report and environmental assessment for the UF₆ to UF₄ facility] at the hearing." The denial of the National Water Center's right to appear is noted further by Judge John Frye III's decision that "cross-examination will not be permitted ..." Judge John Frye III does continue that "parties may suggest questions which they wish me to pose," however the mechanism whereby this can be accomplished within the highly refined meeting format is not specified.

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On November 12, 1985, the National Water Center wrote Judge John Frye III, asking "Since we have not been included in any of the agenda items, when specifically will we be allowed to address the issues raised?"

In his memorandum and order of November 19, 1985, Judge John Frye III replied as follows, "Matters raised by NWC's petition which appear to be independent of deep well injection are not only vague, but are related to the entire SFC operation rather than the UF₆ to UF₄ conversion facility. ... Nonetheless, I will permit NWC a brief opportunity to address any water quality concerns prompted by the draft safety evaluation and the environmental assessment for the UF₆ to UF₄ conversion facility when those documents are addressed at the hearing."

In the meeting agenda, as described in Judge John Frye III's memorandum and order of November 5, 1985, the draft safety evaluation report is to be addressed by NACE, CASE, APC, and Mr. Henshaw, in addition to consideration of compliance with 10 CFR § 40.32(b) and (d) ... all within the 30 minute period between 2:30 PM and 3:00 PM! On the following day, between 1:40 PM and 2:10 PM, NACE has been allotted time to present their testimony on "Amendment Environmental Assessment." No other time periods are listed for testimony on the draft safety evaluation or the environmental assessment.

By his failure to amend the meeting format to include testimony by the National Water Center or to provide a specific mechanism for direct participation by the National Water Center, Judge John Frye III has effectively denied the National Water Center the right to direct participation in this hearing.

The National Water Center formally requests that this informal hearing be scheduled with an appropriate agenda that allows full participation by all formally approved intervenors.

Given this abrogation of the right of the National Water Center to appear and participate, the National Water Center will not send a representative to the informal hearing currently scheduled for January 7-8, 1986. The National Water Center does, however, wish to continue efforts to secure adequate safeguards for those watersheds effected by the Sequoyah Fuels Corporation uranium processing operation. To this end, we ask that Judge John Frye III, in his role as representative of the U.S. Nuclear Regulatory Commission, secure from Sequoyah Fuels Corporation the following information to be distributed to all interested parties:

Sequoyah Fuels Corporation Materials Balance, Annual and Cumulative

As part of their normal operations, Sequoyah Fuels Corporation determines the weights and specific activities of all their incoming raw materials, specifically their "yellow cake."

Also as part of their normal operations, Sequoyah Fuels Corporation determines the weights and specific activities of their products, specifically fuel rods and, potentially in the future, UF₄ for weapons.

A comparison of these readily available data, weights and specific activities of raw materials versus weights and specific activities

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of finished products, provides the most accurate measure of the integrity of their manufacturing processes. This comparison also provides the most accurate measure of any radioactive materials that may be escaping into neighboring watersheds, which include the entire Arkansas River Valley.

In the "SFC Response to Petitions Concerning the Proposed UF₆ to UF₄ Conversion Facility," p.9, Sequoyah Fuels Corporation documents the release of 35.15 Curies of uranium to the Illinois River immediately upstream from its confluence with the Arkansas River, since the beginning of their operation in 1972. No data is given on concomitant releases of radium and thorium, radioactive elements known to be carried in this same wastewater discharge.

On page 10 of this same report, Sequoyah Fuels Corporation details the release of "radiological airborne effluents" with no identification of the radioactive elements present or their relative contributions in these direct discharges to the air.

No estimates are provided on the identities, quantities and specific activities of materials that have escaped that company's processes, such as apparent leakage from holding ponds, incineration of combustible radioactively-contaminated materials, etc. although monitoring of various wells, ponds, creek beds, etc. has shown signs of obvious radioactive contamination that can only be uncontained materials from Sequoyah Fuels Corporation.

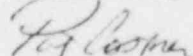
Since monitoring for escaped materials is at best periodic and subject to inherent sampling errors, the materials balance method of inventory, which is used in most conservative industrial operations, is especially applicable to Sequoyah Fuels Corporation's operation at Gore, Oklahoma.

Through this simple, but comprehensive comparison, Sequoyah Fuels Corporation will be able to assess past, present and future operational integrity with respect to radioactive materials. By applying this same technique on each of their sub-processes, they will be able to pinpoint those processes wherein losses of raw materials, intermediate and/or finished products are diminishing their operational economy and the radiological cleanliness of surrounding watersheds.

On other matters, the National Water Center requests identification of those organizations (such as Sequoyah Fuels Corporation, the Environmental Protection Agency, the Nuclear Regulatory Commission, the Oklahoma Department of Health, the Arkansas Department of Health, etc.) who are responsible for determining the distribution and ultimate fate of both water-borne and air-borne radioactive elements discharged by the Sequoyah Fuels Corporation plant. Specifically, where are the 35 Curies of uranium that were released into the Illinois River? What other radioactive elements were also released and in what quantities? What species are impacted? What geographic region is impacted?

We look forward to hearing from you.

Yours for clean water,



Pat Costner
Staff Scientist