

DAN

File

Kerr McGee Plutonium
Plant

DEC 26 1973

Ms. Louise A. Dambold
4301 North 42, Terrace
Oklahoma City, Oklahoma 73112

Dear Ms. Dambold:

Thank you for your letter of October 11, 1973 regarding the Kerr-McGee Plutonium Fuel Plant located near Crescent, Oklahoma. We appreciate your interest in this matter and believe that the following information is responsive to your inquiry regarding the licensing status of this plant.

The Kerr-McGee Plutonium Fuel Plant was constructed in 1969 at the site of the firm's existing Uranium Fuel Plant. Following evaluation of Kerr-McGee's license application, dated March 31, 1969 with later supplements, the Atomic Energy Commission (AEC) issued Materials License No. SRN-1174 on April 2, 1970 for the period ending April 30, 1971. The license authorized receipt and use of plutonium and uranium, in accordance with specified license conditions, for the fabrication of mixed plutonium-uranium nuclear reactor fuel. On March 1, 1971, in accordance with the procedures prescribed by the Commission's regulations, Kerr-McGee filed an application to renew this license. With the filing of an application at least 30 days prior to expiration, the regulations state that "the existing license shall not expire until the application for renewal has been finally determined by the Commission." Since the Commission has not taken final action on Kerr-McGee's renewal application, the Plutonium Fuel Plant is now being operated under this unexpired license. With respect to compliance with this license and its conditions, the Plutonium Fuel Plant is subject, at all times, to inspection and surveillance by the Region III Office of the Commission's Directorate of Regulatory Operations.

In an unrelated action and subsequent to the filing of the renewal application, it was determined that the Plutonium Plant operations were subject to the Commission's procedures for implementation of the National Environmental Policy Act (NEPA). As required by these procedures, Kerr-McGee filed an initial environmental report on the Plutonium Fuel Plant on November 9, 1971. A revised environmental report was filed on November 24, 1971 by Kerr-McGee to provide additional material as requested by the AEC Regulatory staff. Notice of availability of this report inviting public comments was published in the FEDERAL REGISTER on December 28, 1971 (36 F.R. 25057).

OFFICE ▶

SURNAME ▶

DATE ▶

8512170099 731226
PDR ADOCK 04008027
C PDR

On October 15, 1971, as also required by these procedures, Kerr-McGee submitted a written statement of reasons with supporting facts why its AEC Material License No. SRM-1174 should not be suspended, in whole or in part, pending completion of the required NEPA environmental review. In response to AEC staff requests for further data, Kerr-McGee submitted a supplemental statement on November 13, 1971. The AEC staff considered the statements of the applicant and based upon its independent judgment and balancing of factors specified in the Commission's regulations made a determination on December 27, 1971 not to suspend operations at the Plutonium Plant pending completion of the NEPA review. The notice of this determination, published in the FEDERAL REGISTER on January 5, 1972 (37 F. R. 104-105), stated that the determination did "not preclude the Commission, as a result of its ongoing environmental review, from continuing, modifying, or terminating the license or from appropriately amending the license to protect environmental values." The notice also provided a 30-day period following publication during which interested persons might request a hearing. No requests for hearing were received. Copies of the Kerr-McGee submittals and the Commission's determination are maintained in the Carnegie Library, Guthrie, Oklahoma, as well as the AEC Public Document Room in Washington, D. C.

As required by the Commission's rules, the Regulatory staff is preparing an independent draft environmental impact statement for the Plutonium Plant which will assess the environmental impact of the plant in the light of the short-term and long-term uses of the environment, identify any unavoidable adverse environmental effects and any irreversible and irretrievable commitments of resources occasioned by operation of the plant, include a preliminary cost-benefit analysis, and contain an analysis pursuant to section 102(2)(D) of the National Environmental Policy Act of appropriate alternatives. On March 12, 1973 and again on May 14, 1973, the Commission's Directorate of Licensing requested Kerr-McGee to furnish further information to supplement that available in the public literature and provided by Kerr-McGee in its license applications and environmental reports. Although some additional information was obtained on an informal basis during a site visit by the AEC project manager on June 11 and 12, 1973, we have not yet received all the data needed for our independent environmental review of the Plutonium Plant. The AEC staff is taking action to obtain this information from Kerr-McGee. The Regulatory staff considers the completion of its environmental review of this activity to be important, and will

OFFICE ▶					
SURNAME ▶					
DATE ▶					

Ms. Louise A. Dambold

- 3 -

expedite the completion of the environmental statement as soon as all the necessary data are available.

As soon as the draft environmental statement is completed, copies will be sent to Federal and Oklahoma State agencies for review and comment. A copy will be placed in the public record maintained at the Guthrie, Oklahoma library and the public will be advised of the availability of the statement by a notice published in the FEDERAL REGISTER inviting comments. In view of your interest in this matter, a copy of the statement will be forwarded directly to you.

During this period of operations by Kerr-McGee while the Commission's environmental statement is in preparation, the Commission's Directorate of Regulatory Operations is continuing its active program of inspection and surveillance of ongoing activities at this facility to assure compliance with the existing license provisions. For example, with respect to your comment on the handling of waste at the plant, Regulatory Operations has just recently completed an in-depth investigation of this aspect of the Kerr-McGee activities. Although the investigation revealed instances of some leakage from low-level waste drums resulting in limited contamination, there is no evidence that such leakage resulted in plutonium releases to the off-site environs. A copy of this investigation report and other inspection reports of the plant are available for public review at the library at Guthrie.

Sincerely,

Original Signed by
Leland C. Rouse

D. A. Nussbaumer
Assistant Director for Fuel Cycle
Directorate of Licensing

Distribution:
SHSmailey
DANussbaumer
OGC
RBChitwood
LCRouse
MMGroff - L-326
L R/F
L:FM R/F
L:FFRB R/F
Subject File
SC # 1 10/16/73

See attached for other concurrences

OFFICE	L:FFRB	L:TS	OGC	L:FC	L:FM	L:FX
SURNAME	LCRouse:pw	RBChitwood	IRMapes	DANussbaumer	RECunningham	SHSmailey
DATE	12/6/73	12/14/73	12/20/73	12/21/73	12/21/73	12/21/73