

United States Nuclear Regulatory Commission
Office of Public Affairs
Washington, DC 20555
Phone 301-415-8200 Fax 301-415-2234
Internet: opa@nrc.gov

No. 96-111

FOR IMMEDIATE RELEASE
(Friday, August 2, 1996)

NRC STAFF, GENERAL ATOMICS SIGN AGREEMENT
ON CLEANUP FUNDING FOR OKLAHOMA FACILITY

The Nuclear Regulatory Commission staff and General Atomics Corporation have asked an NRC Atomic Safety and Licensing Board to approve a settlement agreement related to cleanup of the closed Sequoyah Fuels Corporation nuclear fuel facility near Gore, Oklahoma.

Sequoyah Fuels Corporation is a subsidiary of General Atomics.

In October 1993, the NRC issued an order requiring Sequoyah Fuels Corporation and General Atomics (GA) to provide funding for the cleanup of the Gore facility. Sequoyah Fuels Corporation and GA requested a hearing before an Atomic Safety and Licensing Board on the order. The Cherokee Nation and Native Americans for a Clean Environment were admitted as parties to this administrative proceeding. The latter two organizations have until August 9 to comment on the settlement agreement before the board approves or disapproves it. The board's decision is subject to the Commission's review.

Under the agreement, GA will establish a \$9 million trust fund, for the benefit of the NRC, provided that the Internal Revenue Service issues an opinion that the contributions to the trust are tax-deductible by GA when made and taxable only when distributed from the trust. If the IRS does not agree, GA's contributions to the trust are capped at \$5.4 million.

GA has until October 8 to establish the trust fund. The first deposit of \$600,000 or \$1,000,000 (depending on IRS actions) is to be made on October 18. Further financial and regulatory details are set out in the agreement.

Although both parties recognize the need for approval by the Atomic Safety and Licensing Board, and possibly by the Commission itself, the agreement became effective upon execution on July 10. The agreement is revocable if the board, the Commission, or

another Federal agency or a court disapproves it or any substantive part of it.

In consideration of the trust established by GA, the NRC staff has agreed to rescind its October 15, 1993, order against GA. The 1993 order alleged that GA and Sequoyah Fuels Corporation, which GA acquired in 1988, were jointly and severally responsible for providing funding to continue remediation of existing nuclear contamination at the Sequoyah Fuels site. It further stated that they were responsible for providing financial assurance for decommissioning as required by NRC regulations, and for providing both an updated and detailed decommissioning cost estimate and a plan for ensuring the availability of adequate funds for decommissioning.

The Sequoyah Fuels plant was operated by Sequoyah Fuels Corporation from 1970 to 1993 under an NRC license. It converted uranium oxide (yellowcake) to uranium hexafluoride, a step in the production of nuclear reactor fuel. A second process, begun in 1987, converted depleted uranium hexafluoride to uranium tetrafluoride. Sequoyah Fuels formally notified the NRC in February 1993 that it wished to terminate its license. The license will remain in effect until radiological contamination on the site has been cleaned up to meet NRC requirements.

Due to extensive contamination of groundwater, soil and structures at the site, NRC has included the Gore site in the agency's Site Decommissioning Management Plan. The site receives special NRC attention under the plan to ensure safe and timely decommissioning. NRC initiated development of an environmental impact statement last November to consider alternative decommissioning options and the potential impacts of those options. Further information is available from Jim Shepherd, NRC's project manager for the Gore site, at 301/415-6712.

#