

MAY 13 1969

DNL:RLL
70-820

United Nuclear Corporation
Route 21A
Hematite, Missouri 63047

Attention: Mr. L. J. Swallow, Manager
Nuclear and Industrial Safety
Commercial Products Division

Gentlemen:

This refers to your applications (NIS-CP-LJS-82 and NIS:LJS-69-219) dated October 31, 1968, and April 7, 1969, respectively, concerning the renewal of Special Nuclear Material License No. SNM-777, and confirms the information discussed with Mr. L. J. Swallow during his visit here on April 22 and 23, 1969.

As Messrs. R. L. Layfield and R. L. Stevenson discussed with Mr. Swallow, we agree with the basic format of the renewal application where you describe in detail the operations which you propose to conduct including an assessment of the health and safety aspects of such operations, and in a separate section, specify the technical and administrative specifications which would govern changes in operations. However, in our review of the application we noted the several areas, which were discussed with Mr. Swallow, where corrections, clarification or amplification are necessary. These included your proposed administrative controls as well as technical details of your operations description.

One area of particular interest involves the administrative controls exercised over the conduct of operations and the qualifications of the personnel responsible for implementation of these controls. We believe that your application must clearly define your provisions for review and approval of additions to and/or modification of facilities including verification of the nuclear safety assessments. Also, your specified minimum qualifications for supervisory personnel should be commensurate with the assigned responsibilities. For example, the minimum qualifications for persons assigned the responsibility for performing nuclear safety assessments should specifically reflect training and experience closely related to such assessments. Furthermore, your provisions for the selection of personnel for the specified positions should reflect higher management review and approval.

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In Subsection 207, where you specify minimum frequencies for inspections of facilities, it appears that the NIS Representative would be responsible for inspecting those facilities for which he has assigned responsibility for routine day-to-day surveillance. We believe that such periodic inspections should be performed by the appropriate NIS personnel who are not so closely associated with day-to-day operations. Also, we believe that consideration should be given to requiring the presence of senior NIS personnel whenever new or unusual conditions exist (e.g., startup of a new operation, major process modification, process difficulties, etc.).

We understand the renewal application will be revised to take into account the comments discussed. We would like to have the revision within 90 days from the date of this letter.

If you have any questions regarding this matter, please contact us.

Sincerely,

Original Signed by
Donald A. Nussbaumer

Donald A. Nussbaumer, Chief
Source & Special Nuclear
Materials Branch
Division of Materials Licensing

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