R2D3-8

AUG 07 1986

WITHHOLD

ATTACHMENT (ENCLOSURES)

NMSS/NSIR
P-w/h
Ex. 4

Docket No. 70-36

Combustion Engineering, Inc.
ATTN: Mr. H. V. Lichtenberger
Vice President
Manufacturing
Nuclear Power Systems
Windsor, CT 06095

Gentlemen:

This refers to the routine safeguards inspection conducted by Mr. T. J. Madeda of this office; Mr. D. A. Huff of the Office of Inspection and Enforcement; Mr. A. Della Ratta, Region I, and Mr. G. Nelson, Region V on July 7-11, 1986 of activities at the Combustion Engineering Hematite Plant, authorized by NRC Special Nuclear Materials License No. SNM-33 and to the discussion of our findings with Mr. J. A. Rode and other members of his staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel. In addition, as part of the inventory verification, the selection of 17 samples were submitted to the New Brunswick Laboratory for analysis. An addendum to the enclosed inspection report will be issued following receipt of analytical results from the New Brunswick Laboratory. The addendum will include an evaluation of the submitted results.

During this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice. A written response is required. In addition, several items were discussed with site senior staff managers to improve the effectiveness of the material control and accounting program. The items are addressed in Paragraph 6 of the Report Details. We request that you notify this office if any of the items discussed will not be implemented.

Areas examined during this inspection concern a subject matter which is exempt from disclosure according to Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Consequently, the enclosure to this letter, our report of this inspection, and your response to the violations identified in the enclosure to this letter will not be placed in the NRC Public Document Room. Therefore, your statement of corrective action regarding the violation identified in the enclosure should be submitted as a separate enclosure to your transmittal letter.

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 4
FOIA-2004-0234

DD-3

ATTACHMENT CONTAINS
10 CFR 2.790(d) INFO

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

W. L. Axelson, Chief
Nuclear Materials Safety and
Safeguards Branch

Enclosures:
1. Notice of Violation
2. Inspection Report
No. 70-36/86001(DRSS)
(PART 2.790(d) INFORMATION)

cc w/enclosure:
J. A. Rode, Plant Manager
DCS/RSB (RIDS)

RIII	RIII	RIII	RIII
Madeda/kst	Creed	France	Axelson
			8/7/86

ATTACHMENT CONTAINS
10 CFR 2.790(d) INFO