R-3/D2#23

OCT 1 2 1984

Docket No. 70-36 M

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

Gentlemen:

This refers to the announced special physical security inspection conducted by Mr. B. W. Stapleton of this office on September 24-25, 1984, 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.

No items of noncompliance with NRC requirements were identified during the course of this inspection.

Commitments made to resolve concerns noted during the inspection are described in Paragraph 3 of the Report Details. Please advise us if our understanding of your proposed actions is incorrect. Areas examined during the 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, our report of this inspection will not be placed in the Public Document Room.

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

Intermation in this record was deleted in accordance with the Freedom of Information Act, exemptions $\underline{4}$ FOIA- aoo4 - ozz4

> Enclosure: Inspection Report No. 70-36/84-04(DRSS) (Part 2.790(d) Information)

cc w/encl: J. A. Rode, Plant Manager DMB/Document Control Desk (RIDS) RIII RIII RIII Stapleton/jp Creed Ridg 10/10/84

Sincerely,

Miller

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

CFR 2.790 CH II

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Report No. 70-36/84-04(DRSS)

Docket No. 70-36

License No. SNM-33

Safeguards Group III

Licensee: Combustion Engineering, Inc. Post Office Box 500 Windsor, CT 06095

Facility Name: Hematite Plant

Inspection At: Hematite, MO

Inspection Conducted: September 24-25, 1984

Date of Last Physical Security Inspection: Initial Inspection

Type of Inspection: Announced Special Physical Security

Inspector: B. W. Stapleton

Physical Security Inspector

Approved By: J. R. Creed, Chief Physical Security Section <u>10-10-84</u> Date

<u>10 -10 - 24</u> Date

Inspection Summary

<u>Inspection on September 24-25, 1984 (Report No. 70-36/84-04(DRSS))</u> <u>Areas Inspected:</u> Continued Implementation of Strike Plans During an Extended Strike. The inspection involved a total of ten inspection hours by one NRC region-based inspector. Included in the inspection hours were meetings by the inspector with Local Law Enforcement Agencies (LLEA). <u>Results:</u> The licensee was found to be in compliance with NRC requirements in the areas examined during the inspection.

(Details: Part 2.790(d) Information)

ATTACHMENT CONTAN'S