

R3/D2#87
December 24, 1997

ABB Combustion Engineering, Inc.
ATTN: Mr. Bruce Kaiser, Vice President, Fuel Operations
Hematite Nuclear Fuel Manufacturing
3300 State Road P
Hematite, MO 63047

SUBJECT: NRC INSPECTION NO. 70-36/97-203

Dear Mr. Kaiser:

The Nuclear Regulatory Commission conducted a routine inspection of your facility's material control and accounting (MC&A) safeguards program on November 17 - 21, 1997. The scope and results of the inspection are summarized in the enclosure, which also includes details of the inspection.

At the conclusion of the inspection, the findings were discussed with members of your staff. Within the scope of the inspection, one non-cited violation was identified, and one violation and six inspector follow-up items were closed.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's MC&A program are exempt from public disclosure. Accordingly, the enclosure will not be placed in the Public Document Room.

Should you have any questions concerning this letter, please contact me.

Sincerely,

Original signed by Philip Ting

Philip Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket No. 70-36
License No. SNM-33

Enclosure: As stated
cc w/enclosure: R. W. Sharkey, Manager, Regulatory Compliance

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**U.S. NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS**

Docket No.: 70-36

License No.: SNM-33

Report No.: 70-36/97-203

Safeguards Group: III

Licensee: ABB Combustion Engineering, Inc.
Fuel Operations Manufacturing Facility

Location: Hematite, MO

Dates: November 17 - 21, 1997

Inspectors: C. Collins, MC&A Physical Scientist, Inspection Section
D. Whaley, MC&A Physical Scientist, Inspection Section
D. McGowan, Pacific Northwest National Lab,
provided technical assistance

Approved by: P. Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Enclosure

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PARTIAL LIST OF PERSONS CONTACTED

Licensee

W. E. Cook	Rod Scanner Specialist
M. G. Eastburn	NMC Criticality Safety Specialist
H. Eskridge	Sr. Consultant
R. Freeman	Nuclear Criticality Specialist
K. C. Funke	Health Physics Supervisor
B. Graves	Lab Supervisor
D. S. Harris	Quality Engineer
D. Haydue	Quality Manager
J. W. Luckenbach	Quality Engineer
A. J. Neack	Manager Maintenance
S. A. Naeger	M&TE Specialist
G. J. Page	Director, Uranium Operation
B. G. Pasco	Manufacturing Engineer
D. Rohde	Project Manager, Training
D. E. Underwood	Engineering Manager
S. P. Welch	Accountability Specialist

INSPECTION PROCEDURES USED

IP 85401	MC&A Management Structure
IP 85402	Measurement Program
IP 85403	Measurement Control Program
IP 85404	Physical Inventory
IP 85405	Item Control Program
IP 85407	Assessment Program
IP 92701	Followup

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LIST OF ACRONYMS USED

FNMCP	Fundamental Nuclear Material Control Plan
HiCAD	Hematite Inventory and Control Database
IFI	inspector followup item
LEID	limit of error of the inventory difference
LEU	low enriched uranium
MC&A	material control and accounting
NCV	non-cited violation
NDA	non-destructive assay
NMMA	Nuclear Material Measurement and Accountability
NMMSS	Nuclear Materials Management and Safeguards System
PVS	Process Vax System
SEID	Standard error of the inventory difference
SNM	special nuclear material
SRD	shipper-receiver difference
SSR	software service request
TID	tamper-indicating device
UF ₆	uranium hexafluoride
U ₃ O ₈	uranium oxide
UO ₂	uranium dioxide

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