

R3/D2 #88



May 23, 1997

Docket No. 70-0036  
License No. SNM-33

U. S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555

**SUBJECT: REPLY TO A NOTICE OF VIOLATION**

Gentlemen:

Enclosed is Combustion Engineering's Reply to a Notice of Violation concerning NRC Inspection Report No. 70-36/97-201, dated April 25, 1997.

The enclosed Reply to a Notice of Violation is marked as containing 10 CFR 2.790 information since it pertains to our material control and accounting (MC&A) safeguards program. Under provisions of Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, reports containing information related to a licensee's MC&A safeguards program are exempt from public disclosure.

We will be glad to discuss any questions you have concerning our response. If you have any questions or need further information, please contact me or Mr. Dave Harris of my staff at (314) 937-4691.

Very truly yours,

COMBUSTION ENGINEERING, INC.

Robert W. Sharkey  
Director, Regulatory Affairs

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

cc: Bill Beech, Regional Administrator  
Region III

RA97/581

NFPD/1



**ENCLOSURE CONTAINS 10 CFR 2.790 INFORMATION**

00-21

ABB CENO Fuel Operations



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

April 25, 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: INSPECTION NO. 70-36/97-201

Dear Mr. Kaiser:

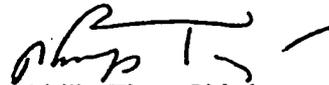
The Nuclear Regulatory Commission (NRC) conducted a routine inspection of your facility's material control and accounting (MC&A) safeguards program on March 24-27, 1997. The scope and results of the inspection are summarized in the Enclosure 1, which also includes details of the inspection.

At the conclusion of the inspection, the findings were discussed with members of your staff. Within the scope of the inspection, one apparent violation was identified, involving failure of the Regulatory Compliance Manager to review and approve three procedures which affect the MC&A program. Concerning this violation, you are required to respond to this letter, and should follow the instructions specified in the enclosed "Notice of Violation," (Enclosure 2) when preparing your response.

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,

  
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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ABB Combustion Engineering, Inc. April 25, 1997  
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Sincerely,  
(Original signed by)  
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.:** 70-36/97-201

**Safeguards Group:** III

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

**Location:** Hematite, MO

**Dates:** March 24-27, 1997

**Inspectors:** C. Collins, MC&A Physical Scientist, Inspection Section  
S. Caudill, MC&A Physical Scientist, Inspection Section

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

Enclosure 1

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DOCUMENT TRANSMITTED HEREWITH CONTAINS 10 CFR 2.790  
INFORMATION**

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## PARTIAL LIST OF PERSONS CONTACTED

### Licensee

- G. Boyer, Quality Control Technician
- \* H. Eskridge, Senior Consulting Engineer
- J. Fitzsimmons, Quality Control Technician
- W. Graves, Laboratory Supervisor
- \* D. Harris, Nuclear Material Measurement and Accountability Specialist
- E. Saito, Health Physicist
- \* W. Sharkey, Regulatory Compliance Manager
- G. Uding, Quality Coordinator

\* Attended exit meeting

## INSPECTION PROCEDURES USED

IP 85401	MC&A Management Structure
IP 85402	Measurement Program
IP 85403	Measurement Control Program
IP 85405	Item Control Program
IP 85406	Resolution Program
IP 85408	Recordkeeping
IP 92701	Follow-up

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## LIST OF ACRONYMS USED

FNMC	Fundamental Nuclear Material Control Plan
IFI	inspector follow-up 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
NMMS	Nuclear Materials Management and Safeguards System
SNM	special nuclear material
SRD	shipper-receiver difference
TID	tamper-indicating device
UF <sub>6</sub>	uranium hexafluoride
U <sub>3</sub> O <sub>8</sub>	uranium oxide
UO <sub>2</sub>	uranium dioxide
URI	unresolved item

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