

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. 70-36/96-201

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 May 13 through 17, 1996. The scope and results of the inspection are summarized in Enclosure 1, and details of the inspection are described in Enclosure 2.

The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. At the conclusion of the inspection, the findings were discussed with members of your staff.

Within the scope of the inspection, two violations were identified. In addition, three new inspector follow-up items were opened for further tracking and evaluation. Although these findings do not indicate a significant decrease in the effectiveness of the safeguards program, they do reflect some weaknesses in your measurement control program.

With regard to the violations, you are required to respond to this letter, and should follow the instructions specified in the enclosed "Notice of Violations," (Enclosure 3) when preparing your response. In the response, you should document the specified actions taken for the violations and any proposed actions to prevent recurrence.

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, Enclosures 2 and 3 will not be placed in the Public Document

Information in this record was deleted  
in accordance with the Freedom of Information  
Act, exemptions 4

FOIA-2004-0234

00-22

DECONTROLLED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

Bruce Kaiser

- 2 -

The responses directed by this letter and its enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, P.L. No. 96-511.

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

Sincerely,

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

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

Enclosures: As stated

cc w/encs: R. W. Sharkey, Manager, Regulatory Compliance

Distribution  
NRC File Center

Doc File 70-36

PDR, LPDR w/o enc1 2

SSoong, FCLB

DECONTROLLED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED  
DOCUMENT TRANSMITTED HEREWITH  
CONTAINS 2.790 INFORMATION

*release*

DECLASSIFIED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

EWBrach. FCSS  
MTokar. FCLB  
FCSS r/f  
ETenEyck. FCSS  
a:Pham/CE96201.INS

TCox. FCLB  
FCOB r/f  
NMSS r/f  
GShear. RIII

RPierson. FCLB  
DWhaley. FCOB  
CLight. FCOB  
MMessier. LDFB (w/o Encl. 2)

EEckfeld. FCOB  
LDOng. FCOB  
Case File  
DJoy. FCLB

OFC	FCOB		FCOB		FCOB		FCOB	
NAME	TPham:nt		CCollins		JRoth		PTing	
DATE	06/ /96		06/ /96		06/ /96		11/ /95	

C= COPY    E= COVER & ENCLOSURE    N= NO COPY  
OFFICIAL RECORD COPY

DECLASSIFIED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED  
DOCUMENT TRANSMITTED HEREWITH  
CONTAINS 2.790 INFORMATION

*release*

DECLASSIFIED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

The information on this page is considered appropriate  
for public disclosure pursuant to 10 CFR 2.790(d)

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

Report No.: 70-36/96-201  
License No.: SNM-33  
Safeguards Group: III  
Licensee: ABB Combustion Engineering, Inc.  
Hematite, MO  
Inspection Conducted: May 13 - 17, 1996

Inspectors: \_\_\_\_\_ Date Signed \_\_\_\_\_  
T. N. Pham, Physical Scientist  
Inspection Section, Operations Branch  
\_\_\_\_\_  
C. A. Collins, Physical Scientist  
Inspection Section, Operations Branch  
\_\_\_\_\_  
Approved by: \_\_\_\_\_ Date Signed \_\_\_\_\_  
J. Roth, Section Leader  
Inspection Section, Operations Branch

SUMMARY

Scope: The areas examined during this routine material control and accounting (MC&A) safeguards inspection included MC&A Management Structure, Measurement Program, Measurement Control Program, Item Control Program, Assessment Program, and licensee action with regard to previously identified follow-up items.

As part of the contract between the Nuclear Regulatory Commission (NRC) and the New Brunswick Laboratory (NBL), Dave Baran, Safeguards

DECLASSIFIED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

*release*

DECONTROLLED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

Assistance and Reference Materials Division, provided technical assistance during the inspection.

Results: Within the scope of the inspection, two apparent violations were identified, three new inspector follow-up items (IFI) were opened. Two previous IFIs were closed during the inspection.

Enclosure 1

DECONTROLLED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED  
DECONTROLLED WHEN 2.790 INFORMATION  
ENCLOSURES ARE REMOVED

*release*