

SEP 12 1968

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Isotopes, Inc.
Nuclear Systems Division
P.O. Box 4937
Middle River, Maryland 21220

Attention: Mr. Peter Vogelberger
Vice President and
General Manager

Gentlemen:

Because of the transfer of special nuclear material license SNM-53 from the Martin Marietta Corporation to Isotopes, Inc., we would like to take this occasion to review with you certain licensing activities with respect to nuclear materials safeguards involving the Martin Marietta Corporation.

On February 3, 1967, the Atomic Energy Commission amended its regulations in 10 CFR Part 70 to require certain of its licensees to establish and maintain written material control and accounting procedures which are sufficient to enable the licensee to account for the special nuclear material in his possession under license. Licensees affected immediately were those authorized to possess at any one time 5,000 grams or more of contained uranium 235, uranium 233, or plutonium, or any combination thereof. All licensees authorized to possess that amount of special nuclear material in an unsealed form were required to submit to the Commission a full description of their procedures for controlling and accounting for special nuclear material, and an identification of those fundamental material controls which each licensee considers essential for assuring that his special nuclear material will be adequately safeguarded. The latter controls will be taken into consideration as possible conditions to be incorporated into each license.

In response to this requirement, the Martin Marietta Corporation submitted an application on April 12, 1967, which referenced procedures contained in previously submitted applications as their procedures for controlling and accounting for special nuclear materials. Our review of this and other applications indicated to us that guidance was needed

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by licensees in the preparation of safeguards procedures and fundamental material controls. A proposed guide was prepared and distributed to all concerned licensees in January 1968. At that time, the licensees were invited to attend an industry meeting at our Bethesda offices on February 14, 1968, to discuss our program and to present comments on the proposed guide. Mr. Charles Keller of Martin attended this meeting.

Comments received at the February meeting were considered in revising the proposed guide, and in May 1968 the "Proposed Guide for Preparation of Fundamental Material Controls and Nuclear Materials Safeguards Procedures, Revision A" was distributed to licensees and made public by means of an AEC announcement.

At the February 1968 meeting, it was pointed out to the licensees that none of the applications received in response to the earlier amendment of Part 70 were acceptable and that revised applications should be submitted, based on the information contained in our proposed guide. Individual submittal dates were negotiated with each licensee and meetings were held with a number of licensees to discuss their submittals.

Our discussions with Mr. Keller established a date of September 30, 1968, as the date for submittal of the revised description of the procedures for controlling and accounting for special nuclear material, and an identification of fundamental material controls considered essential for assuring that special nuclear material will be adequately safeguarded. This date was confirmed to us by Mr. Keller in his letter of June 11, 1968.

We look forward to receiving this submittal from Isotopes, Inc. We will be happy to discuss our program with you at any time.

Sincerely,

bcc: D. A. Nussbaumer, DML
V. J. D'Amico, NMS (2)

(Signed) J. L. Bloom

DISTRIBUTION:
Docket 70-58 (Yellow)
NMS Case file
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Justin L. Bloom, Assistant Director
for Licensing and Regulations
Division of Nuclear Materials
Safeguards

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