



NUCLEAR METALS, INC.

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June 20, 1973

United States Atomic Energy Commission
Directorate of Regulatory Operations
Region 1
970 Broad Street
Newark, N.J. 07102

Attention: Mr. James P. O'Reilly, Director

References: Docket No. 70-82; 40-672
Your letter of April 23, 1973
Our letter of May 15, 1973

Gentlemen:

This letter is supplemental to our letter of May 15, 1973. It is intended to provide additional information on our plans to improve the effectiveness of our Management Control System. This was requested in your letter of April 23, 1973 but we did not make direct mention of it in our May 15, 1973 reply.

What we have done and are doing to ensure that we have an effective Management Control System is as follows:

1. We have reviewed in depth our AEC licenses, pertinent documents and references. From this review we have extracted a complete listing of all operations which require monitoring, inspection and documentation of the results. We have reduced all of these operations to a Master Schedule Control Document which has been established primarily as a Management Control System and which supplements all other logs and documentation required.
2. The Safety Engineer is responsible on a day-to-day basis for maintaining the Master Schedule Control Document and ensuring that all monitoring and inspection has been carried out on a timely basis and that proper documentation has been effected.
3. Our Director of Administration, as a member of our Senior Management team, reviews the Master Schedule Control Document on a weekly basis

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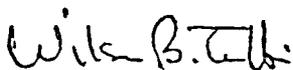
with the Safety Engineer to ensure compliance. The Director of Administration is responsible for signing off that he has indeed conducted a thorough weekly review of all items in the Master Schedule Control Document.

4. The Master Schedule Control Document is reviewed on a monthly basis at our Safety Committee Meeting. The Safety Committee is comprised of three members of the Senior Management team, namely the Director of Administration, the Manager of Manufacturing and our Radiation Officer, as well as our Safety Engineer.
5. As President of Nuclear Metals, Inc. I personally review the Master Schedule Control Document on a monthly basis at our Management Review Meeting. The committee for this meeting comprises the President, the Director of Administration, the Radiation Officer and the Safety Engineer. All areas requiring monitoring, inspection and documentation during the prior monthly period are reviewed. Any problems which have arisen and any areas where documentation shows a need for corrective action are discussed.
6. The Master Schedule Control Document is available for review on a daily basis and as President I spot check it directly with the Safety Engineer to ensure religious adherence to our stated procedures.

The above procedure has been implemented for only a short time but it has demonstrated its usefulness as an effective Management Control System. It is subject to revision if we find ways to improve its effectiveness.

Should you have any questions regarding this Management Control System, we will be pleased to discuss them with you.

Sincerely,



Wilson B. Tuffin
President

BCC: R. A. Robie
R. C. Franks
A. R. Gilman
R. B. MacKay