

February 22, 1996

Docket No. 70-00687  
Cintichem, Inc.  
ATTN: Mr. J. J. McGovern  
P.O. Box 816  
Tuexdo, NY 10987

Dear Mr. McGovern:

A recent audit of the NRC's license fee billings identified costs for an inspection conducted at your facility on April 17, 1991, that had not previously been billed. Enclosed is the invoice for the cost of this inspection and a copy of the inspection report which was issued. The charges are based on the hourly rate in effect at the time the inspection activities occurred. If the enclosed invoice is paid within 30 days of the invoice date, no interest will be charged. Also enclosed is a copy of the Terms and Conditions and 10 CFR Part 15, Debt Collection Procedures. We apologize for the inconvenience the delayed billing may cause you. As a result of the audit, the review process has been changed to help prevent this from recurring.

If you have any questions, please contact Maurice Messier at 301-415-6087.

Sincerely,

Original Signed By  
Glenda Jackson

Glenda C. Jackson, Chief  
License Fee Section  
License Fee and Accounts Receivable Branch  
Division of Accounting and Finance  
Office of the Controller

Enclosures: As stated

DISTRIBUTION:

B20 Material Inspection Correspondence *w/ encl.*  
Invoice File *MM0078-96 w/ encl.*  
Docket File *70-687*  
NUDOCS (ML-61)  
PDR  
Bill Brach, NMSS  
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NAME	MMessier		GCJackson	<i>S</i>	DBDandoi	<i>DBD</i>		
DATE	<i>2/1/96</i>		<i>2/2/96</i>		<i>2/7/96</i>		<i>1</i>	<i>/96</i>

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U. S. NUCLEAR REGULATORY COMMISSION  
INSPECTION FEE INVOICE  
10 CFR 170.31

Invoice Date

Invoice Number

=====

02/26/96

=====

MM0078-96

Attention: MR. J. J. MCGOVERN

CINTICHEM, INC.  
PO BOX 816  
TUXEDO, NY 10987

License Number	Date of Inspection	Lic. Fee Category	Code	Amount Due
=====	=====	=====	=====	=====
SNM-639	04/17/91	14	INS-R	\$ 12144.00
TOTAL FEE THIS BILLING \$				12144.00

Terms and conditions are attached.

Make Checks Payable To:

=====

U.S. Nuclear Regulatory Commission  
License Fee and Accounts Receivable Branch  
PO Box 954514  
St. Louis, MO 63195-4514

<=== This PO Box address is for  
<=== receipt of payments only.

Questions? Call Mr. Maurice Messier 301/415-6087

LFARB#1

REGION 1 INSPECTION FEE SUMMARY REPORT  
MANHOURS EXPENDED PER COMPLETED INSPECTION  
QUARTERLY SUMMARY - OPERATING FACILITIES  
PERIOD COVERING: 03/24/91 TO 06/29/91  
MATERIALS LICENSES

RUN DATE: 12/05/95  
PAGE: 2

SNM-639

LICENSEE NAME: CINTICHEM, INC.  
P. O. BOX 816  
TUXEDO

DOCKET #: 07000687

FACILITY NAME: CINTICHEM, INC.

NY 10987

INSPECTION REPORT NUMBERS:	*	91201	*	*	*	*	*	*	*	*	*
	*	-----	*	*	*	*	*	*	*	*	*
ROUTINE EFFORT	*		*	*	*	*	*	*	*	*	*
PREP./DOCUM.	*	105.0	*	*	*	*	*	*	*	*	*
INSPECTION	*	27.0	*	*	*	*	*	*	*	*	*
		-----									
SUBTOTAL ROUTINE		132.0									
SUB. ROUTINE FEE	\$	12144.00									
REACTIVE EFFORT	*		*	*	*	*	*	*	*	*	*
PREP./DOCUM.	*	0.0	*	*	*	*	*	*	*	*	*
INSPECTION	*	0.0	*	*	*	*	*	*	*	*	*
	*	-----	*	*	*	*	*	*	*	*	*
SUBTOTAL REACTIVE		0.0									
SUB. REACTIVE FEE	\$	0.00									
REPORT TOTALS		132.0									
FEE PER REPORT	\$	12144.00									
TOTAL ROUTINE FEE	\$	12144.00		TOTAL INSPECTION FEE	\$	12144.00					
TOTAL REACTIVE FEE	\$	0.00		CONTRACTUAL SERVICES	\$	0.00					
		-----				-----					
TOTAL INSPECTION FEE	\$	12144.00		TOTAL FEE	\$	12144.00					

\*\*\* PLEASE NOTE: A RATE OF \$116/\$123 WAS USED TO CALCULATE THE FEES FOR DATES ON OR AFTER 6/24/1995

MAY 3 1991

INS. RPT 70-687/91-201

- 1 -

SGDB: TNP  
Docket No. 70-687  
License No. SNM-639  
  
Cintichem, Inc.  
ATTN: Mr. J. J. McGovern  
Plant Manager  
P.O. Box 816  
Tuxedo, NY 10987

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Case File RMilstein  
SGDB r/f & c/f CGaskin  
MWilliams DJoy  
GNelson RKeimig, RI  
TPham ADellaRatta, RI  
ESuarez

Dear Mr. McGovern:

SUBJECT: INSPECTION REPORT NO. 70-687/91-201

The Nuclear Regulatory Commission (NRC) conducted a routine inspection of your facility's material control and accounting safeguards program on April 17-19, 1991. The scope and results of the inspection are summarized in the Inspection Report Summary (Enclosure 1). Areas examined during the inspection are described in the Inspection Report Details (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. Two non-cited violations were identified as discussed in Enclosure 3 to this report. No response is required in regard this matter.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's material control and accounting program are exempt from public disclosure. Accordingly, the enclosed Inspection Report Details (Enclosure 2) and Non-Cited Violations (Enclosure 3) will not be placed in the Public Document Room.

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

Sincerely,

Signed

Theodore S. Sherr, Chief  
Domestic Safeguards Branch  
Division of Safeguards  
and Transportation, NMSS

Enclosure: As stated

SGDB *TNP* SGDB *ESuarez* SGDB *DKasun* SGDB *TSherr*  
T Pham/ar ESuarez DKasun TSherr  
5/2/91 5/02/91 5/3 /91 5/3/91

SECURITY-RELATED INFORMATION  
ENCLOSURE(S) ONLY CONTAINS(S)  
10 CFR 2.790(d) INFORMATION

*9105080264 IP*

The information on this page is considered to be 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.: 70-687/91-201  
License No.: SNM-639  
Safeguards Group: II  
Licensee: Cintichem, Inc.  
P.O. Box 816, Tuxedo, NY 10987  
Inspection Conducted: April 17-19, 1991

Inspector: Thomas N. Pham 5/2/91  
T. N. Pham, MC&A Physical Scientist  
Physical Security and MC&A Licensing  
and Inspection Section  
Domestic Safeguards Branch  
Date Signed

Approved by: D. J. Kasan 5/3/91  
D. J. Kasan, Section Leader  
Physical Security and MC&A Licensing  
and Inspection Section  
Domestic Safeguards Branch  
Date Signed

SUMMARY

Scope: The areas examined during this routine material control and accounting (MC&A) safeguards inspection included facility organization and management controls, measurement control and statistics, physical inventory, and various MC&A related records and reports. Additional discussions and observations pertaining to current and planned licensee decommissioning and decontamination (D&D) activities were conducted as part of this inspection. A tour of the facility was made to observe current D&D efforts. The licensee's D&D Plan is under current NRC review for final approval.

Results: Within the scope of this inspection, two non-cited violations were identified as described in Enclosure 3. Two follow-up items from a previous inspection were closed.

ENCLOSURE 1

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REPORT DETAILS

Inspection Report No. 70-687/91-201

1. Licensee Personnel Contacted

- \* J. J. McGovern, Plant Manager
  - \* J. L. Ditton, Shipping/Receiving P.I. Coordinator & Report
  - \* F. J. Morse, Measurement Control Coordinator/Project Manager, Decommissioning
  - \* E. Truskowski, Manager Health, Safety & Environmental Affairs
  - \* J. Kennedy, Q.C. Supervisor & Q.C./Record Retention
  - J. Adler, Co-Project Manager, Decommissioning
- \* Attended exit meeting

2. Facility Organization and Management Controls (85203)

The inspection included review of the licensee's current management structure and training and qualification program. The licensee's organization chart dated November 14, 1990, was updated while the inspector was on site. The licensee failed to report four new appointments to reflect current MC&A assignments as of April 17, 1991. In addition, the licensee has not implemented the certification program for two of these new appointees. These program inadequacies are summarized in Enclosure 3. The licensee's failure to meet these objectives and commitments has not decreased significantly the effectiveness of the safeguards program, however it does reflect a weakness in the administrative practices.

3. Measurement Control and Statistics (85209)

Calibration data and control charts for standard measurements were reviewed. Limited activities on measurement have been performed because of the circumstance of plant shutdown. The licensee's measurement control program was found to be sufficient.

4. Physical Inventory (85211) & Records and Reports (85215)

Reconciled values reported on NRC Form 327 for the March 5, 1991, and January 4, 1991, physical inventories were traced to the original documents and calculations were confirmed. The inventory differences (ID's) were within regulatory limits.

ENCLOSURE 2

5. Followup on Inspector Identified Problems and Unresolved Items (92701)

(Closed) Inspector Followup Item No. 90-202-01. Annual review and audit of Physical Inventory results and the Measurement Quality Assurance Manual have been completed by the Measurement Control Coordinator. This item is closed.

(Closed) Inspector Followup Item No. 90-202-02. Routine practices for logging all standard measurements for documentation and verification of control chart data have been implemented by the licensee. This item is closed.

6. Exit Meeting (30703)

The inspection scope and findings were summarized during a meeting on April 19, 1991, with the licensee personnel identified in paragraph 1 above. Two followup items resulting from a previous inspection, as noted in paragraph 5 above, were closed. No exceptions were expressed by the licensee in regard to the two non-cited violations identified in Enclosure 3.

The inspection determined that the overall effectiveness of the licensee's MC&A safeguards program had not been significantly affected due to the non-cited violations.

NON-CITED VIOLATIONS (NCV)

Inspection Report No. 70-687/91-201

NCV No. 91-201-01:

The licensee's organization chart was updated on April 17, 1991. There were four new changes in MC&A assignments: Manager Health, Safety and Environmental Affairs, Q.C. and Analytical Services Manager, Q.C. Supervisor, and Measurement Control Coordinator. Cintichem failed to notify the NRC of these changes to the Fundamental Nuclear Material Control (FNMC) Plan in compliance with the requirements of 10 CFR 70.32(c)(2)(i).

NCV No. 91-201-02:

Training and qualification were not implemented for two new appointees to FNMC Plan responsibilities: Manager Health, Safety and Environmental Affairs, and Q.C. and Analytical Services Manager. This was contrary to the training program as described in Section 1.3 of the FNMC Plan and the requirements of 10 CFR 70.57(b)(7).

ENCLOSURE 3



MAY 3 1991

INS. RPT 70-687/91-201

- 1 -

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Docket No. 70-687  
License No. SNM-639  
  
Cintichem, Inc.  
ATTN: Mr. J. J. McGovern  
Plant Manager  
P.O. Box 816  
Tuxedo, NY 10987

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NSIC w/o encl 2&3 RBurnett  
Doc. File 70-687 MMessier, LFMB, w/o encl 2&3  
Case File RMilstein  
SGDB r/f & c/f CGaskin  
MWilliams DJoy  
GNelson RKeimig, RI  
TPham ADellaRatta, RI  
ESuarez

Dear Mr. McGovern:

SUBJECT: INSPECTION REPORT NO. 70-687/91-201

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Theodore S. Sherr, Chief  
Domestic Safeguards Branch  
Division of Safeguards  
and Transportation, NMSS

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5/2/91 5/02/91 5/3/91 5/3/91

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