

OCT 16 1987

Return to NMSS/SGLB, 825-SS

SGLB:RLJ
70-687

Cintichem, Inc.
Attn: Mr. J. McGovern
Plant Manager
P.O. Box 816
Tuxedo, New York 10987

Gentlemen:

Distribution:

SGLB r/f

PDR

Docket File 70-687

PTing

DJoy

RJackson

Case File

RKeimig, RI

GComfort, IMSB

A Della Ratta, RI

DWeiss, LFMB

LRouse, IMSB

EWBrach

ESuarez

NMSS r/f

RFonner, OGC

RFBurnett

SG Amendment File

RCunningham

This is in response to your letter dated September 23, 1987, in which you requested an exemption to submit a Fundamental Nuclear Material Control Plan (FNMCP) as required by 10 CFR 74.51(c)(1).

As noted in your letter, your specific exemption request is based on the fact that although you possess strategic special nuclear material in excess of the formula quantity limit stated in the Part 74 Rule, the majority of the material is in the form of irradiated reactor fuel, irradiated isotope production targets and isotope production waste which includes fission products. We have determined that your request is warranted on the basis that (1) you never possess more than a formula quantity of unself-protected special nuclear material on site and (2) the majority of your possessed material is not readily separable from mixed fission products and that it meets the criteria for exemption as self-protected SNM per 10 CFR 73.6(b).

We have determined that the granting of your request and the additional granting of a complete exemption from 10 CFR 74.51, 74.53, 74.55, 74.57 and 74.59 (i.e., the complete MC&A Reform Rule) is warranted in that it will not adversely affect the common defense and security nor the public health and safety and is otherwise in the public interest. Giving you a total exemption from the MC&A Reform Rule is based on our recognition that such rule was not intended to be applied to self-protected (i.e., greater than 100 rem at 3 ft.) special nuclear material. Thus, you should continue to follow the requirements of 10 CFR 70.51, 70.57, and 70.58 as appropriate to your operations. Accordingly, under the authority of 10 CFR 74.7, we are issuing new License Condition 2.3 to Amendment SG-1 of your License No. SNM-639, effective immediately, to read as follows:

- 2.3 Notwithstanding the requirements of 10 CFR 74.51(a) and (b), which require the licensee to provide the capabilities defined in 10 CFR 74.53, 74.55, 74.57 and 74.59, and notwithstanding the restrictions of 10 CFR 70.51(e), 70.57(b) and 70.58(a), which limit the application of 70.51, 70.57 and 70.58 requirements to special nuclear material of moderate strategic significance, the licensee shall:

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- A. be exempt from 10 CFR 74.51, 74.53, 74.55, 74.57 and 74.59 requirements,
- B. follow all requirements of 10 CFR 70.51(b), (c), (e), and (f),; 70.57(b) and (d); and 70.58(a); unless specifically exempted or excepted by another license condition in this SG-1 Amendment, and
- C. continue to follow the Plan identified in Condition 2.1.

It should be noted that the above license condition is being granted on the basis that Cintichem, Inc., never possesses more than a formula quantity of unself-protected strategic special nuclear material (i.e., less than 100 rem at 3 ft. without intervening shielding) on site. In this regard, we request that you formally submit a request to the Fuel Cycle Safety Branch, Division of Industrial and Medical Nuclear Safety, (within 30 days after receipt of this letter) asking that your SNM-639 License be modified so as to restrict your possession of unself-protected high enriched uranium to 4.900 kilograms (or any other value less than 5.000 kg) of U-235 contained in HEU.

It should be noted that this license condition was mutually agreed upon during a telephone conversation on October 5, 1987 between Mr. J. J. McGovern of Cintichem and Mr. R. L. Jackson of NRC.

We have determined that the enclosure to your September 23, 1987 letter contains information of the type specified in 10 CFR 2.790(d). Accordingly, pursuant to Section 2.790(d)(1), such information is deemed to be commercial or financial within the meaning of 10 CFR 9.5(a)(4) and shall be withheld from public disclosure unless subject to the provisions of 10 CFR 9.12.

Sincerely,

ORIGINAL SIGNED BY E. Q. TEN EYCK

for

Robert F. Burnett, Director
 Division of Safeguards
 and Transportation, NMSS

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*Coordinated with
 R.C. Kouse, INMS
 10-15-87*

OFC :SGLB	:SGLB	:SGLB	:SGLB	:SGLB	:SGLB	:SGTR	:SGTR
NAME :RJackson	:ESuarez	:PTing	:RForner	:EWBrach	:ETenEyck	:RBurnett	
DATE :10/6/87	:10/6/87	:10/7/87	:10/9/87	:10/13/87	:10/16/87	:10/16/87	