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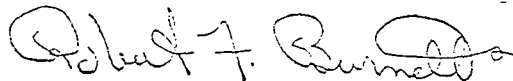
Union Carbide Corporation
Sterling Forest Research Center
ATTN: Mr. Marcus H. Voth
Manager, Nuclear Operations
P. O. Box 324
Tuxedo, New York 10987

Gentlemen:

Reference is made to your letter of November 10, 1978 regarding a request for exemption from 10 CFR 73.50 for certain special nuclear material under License No. SHM-639. We have determined that an exemption to the requirements of 10 CFR 73.50 as pertains to irradiated target material is authorized by law, will not endanger life or property or the common defense and security, and is otherwise in the public interest.

Accordingly, we are hereby amending Materials and Plant Protection Amendment MPP-3 to your License No. SHM-639 by adding Section 9 as set forth in the enclosure to this letter, effective immediately.

Sincerely,



Robert F. Burnett, Director
Division of Safeguards

Enclosure:
As stated

Enclosure A

Section 9 Materials and Plant Protection Amendment
MPP-3 to License No. SNM-639.

- 9.0 The licensee shall comply with the following provisions:
- 9.1 The combined amount of uranium-235 possessed under License Nos. R-81 and SNM-639 which is contained in uranium enriched to 20 percent or more in the U-235 isotope and which is not irradiated shall be less than 5,000 grams.
- 9.2 The licensee is not required to include uranium-235 contained in irradiated target material in calculations of the 5,000 gram threshold for application of 10 CFR 73.50 provided that the hot cells are protected within a protected area so that irradiated target material located there is afforded the same protection measures as given to irradiated fuel elements in the reactor building under the licensee's approved reactor security plan, and
- (a) locks and alarms which annunciate upon unauthorized use when the area is unoccupied are provided to either the hot cell manipulators or hot cell doors
 - (b) any irradiated target material located in the transfer channel or reactor pool is in a container which has an external radiation dose rate of 100 rem at 3 feet from its surfaces without intervening shielding and equipment for handling such containers is provided with locks and alarms which annunciate upon unauthorized use when the area is unoccupied.