

PDR



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

SGML:RFB (JGP/R.LJ)
70-1113

JUN 20 1979

General Electric Company
ATTN: Mr. A. L. Kaplan, Manager
 Licensing and Compliance Audits
P. O. Box 780
Wilmington, North Carolina 28401

Gentlemen:

This refers to our meeting of June 8, 1979 at which time we discussed with members of the General Electric - Wilmington facility your submittal, "Application Amendment S-8 For Physical Inventory of UO₂ Pellets and Certain Containers of SNM" dated April 2, 1979 as well as modifications 1 and 2 submitted April 4 and May 4, 1979.

After due consideration, taking into account our conversations with the General Electric staff members and as a result of our re-review and reanalysis of your submittals, we must still conclude that your application does not meet the requirements of certain sections of 10 CFR Part 70. These sections are as specified in our letter to you dated June 5, 1979.

Notwithstanding the ability of General Electric - Wilmington's current system to detect theft and/or diversion of SNM in a timely manner, we maintain that your application is deficient in that it does not provide for: (1) a physical inventory, with measurements conducted at the time on nontamper-safed material, which is needed on at least an annual basis to confirm special nuclear material accountability data and (2) reconciliation of the results of the annual material balance within a 30 calendar day period following the start of a physical inventory. Accordingly, your request for approval of the application is denied.

It has been established that the attachments to your letters of April 2 and 4 and May 4, 1979 contain information of a 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 information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12.

Sincerely,

Robert F. Burnett
Robert F. Burnett, Director
Division of Safeguards

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