



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA 19406

SEP 19 1979

Docket Nos. 50-54
70-687

Union Carbide Corporation
ATTN: Mr. James J. McGovern
Production Manager, Radiochemicals
P. O. Box 324
Tuxedo, New York 10987

Gentlemen:

Subject: Combined Inspection 50-54/79-03; 70-687/79-01

This refers to the inspection conducted by Mr. D. Holody of this office on April 24-27, 1979, of activities authorized by NRC License Nos. R-81 and SNM-639, and to the discussions of our findings held by Mr. Holody with yourself at the conclusion of the inspection.

Areas examined during this inspection are described in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, measurements made by the inspector, and observations by the inspector.

Our inspector also verified the steps you had taken to correct the two items of noncompliance brought to your attention in our letter dated July 13, 1978. With regard to Item 1, we found this to be a recurring item of noncompliance. With regard to Item 2, we found that it was not corrected by the date you committed to in your response of August 9, 1978. In that response, you indicated that an audit of the Nuclear Material Control and Accounting procedures and records would be completed by October 3, 1978. Our review indicated that you failed to complete this audit until after October 3, 1978, and the documentation of the audit findings was not performed until January, 1979. This constitutes a deviation from your commitment to correct the item of noncompliance in the specified time frame.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This item of noncompliance has been categorized into the levels as described in our correspondence to you dated December 31, 1974. This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved.

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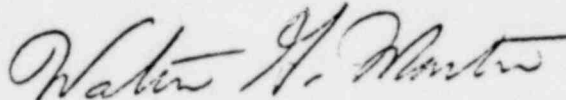
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In addition to your response to the item of noncompliance, please respond to the deviation by describing the actions you will take to insure that items of noncompliance are corrected in a timely manner. In your response to the item of noncompliance and the deviation, please give these matters your particular attention by (1) examining your management controls over such matters, (2) determining and correcting the fault which resulted in your failure to correct one item of noncompliance, and your failure to correct another item of noncompliance in the committed time frame, and (3) defining in your response to this letter, the specific corrective measures you have taken to prevent recurrence of such management inadequacies in the future.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials and your facility security procedures are exempt from disclosure; therefore, the enclosures to this letter, and your response to this letter will not be placed in the Public Document Room and will receive limited distribution.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Walter G. Martin, Chief
Safeguards Branch

Enclosures:

1. Appendix A, Notice of Violation (Contains 2.790 Information)
2. Office of Inspection and Enforcement Combined Inspection Report
Numbers 50-54/79-03 and 70-687/79-01 (Contains 2.790 Information)

cc w/report cover sheet only:

- D. B. Holzgraf, Nucleonics Manager
- J. W. Paradiso, Reactor Supervisor
- C. Konnerth, Health Physicist
- R. Bollinger, Vice President, Medical Products Division

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