



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA ST., N.W., SUITE 3100  
ATLANTA, GEORGIA 30303

MAR - 4 1980

In Reply Refer To:  
RII:PWS  
70-1113/80-3

General Electric Company  
ATTN: R. J. Alkema, General Manager  
Wilmington Manufacturing Department  
P. O. Box 780  
Wilmington, NC 28401

Gentlemen:

On January 24, 1980, General Electric Company, Wilmington Manufacturing Department, shipped three full cylinders of uranium hexafluoride to Allied Chemical Company in Metropolis, Illinois, in cylinder overpacks that were thought to be empty. General Electric became aware of this matter at approximately 8:30 a.m. on January 28, 1980.

This matter was brought to the attention of Mr. William B. Kenna, Chief, Safeguards Branch, Region II, at approximately 5:15 p.m., on January 28, 1980. A letter outlining the licensee's immediate corrective actions was transmitted to Region II on January 29, 1980. Two Region II inspectors, who were on site performing a routine material control and accountability inspection, verified that the overpack seals and the cylinder tamper-safe seals were intact when the cylinders were returned to the plant site on January 29, 1980. On February 8, 1980, General Electric submitted a report providing a chronology of events pertaining to the incident. A special inspection was conducted by P. W. Steele of this office on February 11-12, 1980 of the activities authorized by License No. SNM-1097 for the Wilmington Manufacturing Department and the lack of controls which permitted the inadvertent shipment of uranium hexafluoride. General Electric submitted their investigation report of the incident to Region II on February 15, 1980.

A management meeting was held in Atlanta, Georgia at the Region II Office on February 27, 1980, to discuss the inspection findings and your corrective actions to prevent a recurrence.

During the inspection, it was found that certain activities under your license appear to be in noncompliance with NRC requirements. These items and references to pertinent requirements are listed in the Notice of Violation enclosed herewith as Appendix A. 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 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 noncompliance; and (3) the date when full compliance will be achieved.

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We are concerned about the implementation of your management and nuclear material control systems that permitted this occurrence. In addition to your response to the specific items of apparent noncompliance, please provide us a written description of those actions taken or planned, including implementing schedules, to improve the effectiveness of your management and nuclear material control systems.

The NRC has placed an increased concern on packaging and transport of radioactive material. This has been depicted in (1) our IE Bulletin No. 79-19, "Packaging of Low-Level Radioactive Waste for Transport and Burial," which was issued August 10, 1979, (2) an amendment to 10 CFR Part 71, effective December 3, 1979, which requires that all shipments of radioactive materials made by NRC licensees, other than shipments subject to the regulations of the U. S. Postal Service, be made in accordance with the regulations of the U. S. Department of Transportation and (3) our letter of December 3, 1979, to all NRC licensees, "Criteria for Enforcement Action for Failure to Comply with 10 CFR 71."

As you are aware from the "Criteria for Determining Enforcement Action," which was provided to you in our letter of December 31, 1974, and the "Criteria for Enforcement Action for Failure to Comply with 10 CFR 71", the enforcement actions available to us in the exercise of our regulatory responsibilities include administrative actions in the form of written notices of violation, civil monetary penalties, and orders pertaining to the modification, suspension or revocation of license.

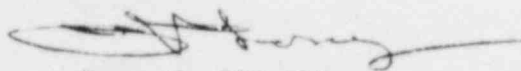
While the incident and the matters identified in Appendix A do not present an immediate threat to the health and safety of the public, we wish to reiterate the necessity for taking prompt management action to assure full compliance with NRC requirements in the future and to correct items of noncompliance identified during the recent inspection. We plan to continue to conduct unannounced inspections to ascertain whether such action has been taken.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractor) believe to be proprietary, it is necessary that you make a written application within 20 days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

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

Sincerely,



James P. O'Reilly  
Director

Enclosures:

1. Appendix A, Notice of Violation
2. Inspection Report No. 70-1113/80-3

cc w/encl:

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