

PDR

NOV - 8 1989

Docket No. 70-1257

Advanced Nuclear Fuels Corporation
2101 Horn Rapids Road
P. O. Box 130
Richland, Washington 99352-0130

Attention: Mr. Charles W. Malody, Manager
Regulatory Compliance

Gentlemen:

SUBJECT: NRC Inspection

This letter refers to the routine inspection conducted by Messrs. C. A. Hooker and K. M. Prendergast of this office and A. Datta of the NRC Nuclear Material Safety and Safeguards office on September 25-29, 1989 of activities authorized by NRC License No. SNM-1227 and to the discussion of our findings held by Mr. Hooker with Mr. R. G. Frain and other members of your staff at the conclusion of the inspection. It also refers to the October 4, 1989 telephone conversation between Mr. Hooker and Mr. J. Pieper of your staff concerning your semi-annual environmental report for the first half of FY 1989.

Areas examined during this inspection are described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

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.

Your response to this Notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A.

Your attention is also directed to paragraph 5 of the enclosed report, which describes the excessive amount of combustible materials (filters) located in the south end of the Packaged Radioactive Materials Warehouse. This matter is of concern to us because no fire protection system is provided in this area and special nuclear materials are being stored in an adjacent area in the same building. We also understand that you have plans for the disposal of the vast number of used filters stored in this area. In addition to the response to the violation, please describe your schedule for the removal of the filters, the expected date of completion, and what compensatory measures could be taken until the amount of combustible material is reduced to an acceptable level.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

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The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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

Sincerely,

Original Signed

Gregory P. Yuhas, Chief
Emergency Preparedness and
Radiological Protection Branch

Enclosures:

- A. Appendix A (Notice of Violation)
- B. Inspection Report No. 70-1257/89-03

cc w/enclosures:

- G. H. Bidinger, NMSS, HQ
- C. W. Malody, ANF Corporation
State of Washington

bcc w/enclosures:

- Docket File
- G. Cook
- B. Faulkenberry
- J. Martin
- A. Johnson

bcc w/o enclosure B:

- M. Smith
- J. Zollicoffer

REGION V

Call from Telephone call 11/6/89

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YES / NO	YES / NO	YES / NO	YES / NO	YES / NO
<i>RV/gmd</i> CHooker 11/7/89	<i>KPrebergast</i> KPrebergast 11/7/89	<i>RFish R.F.</i> RFish 11/8/89	<i>ADatta</i> ADatta 11/7/89	<i>AJohnson</i> AJohnson 11/7/89

[REQUEST COPY]	[REQUEST COPY]	[REQUEST COPY]	[REQUEST COPY]	[SEND TO PDR]
YES / NO	YES / NO	YES / NO	YES / NO	YES / NO
<i>GYuhas R.F.</i> GYuhas 11/8/89				