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

NOV 30 1989

'89 DEC -7 A10:32

MEMORANDUM FOR: Peter B. Bloch  
Administrative Judge

THROUGH: Stuart A. Treby  
Assistant General Counsel  
for Rulemaking & Fuel Cycle

Lawrence J. Chandler  
Assistant General Counsel  
for Hearings and Enforcement

FROM: Colleen P. Woodhead  
Counsel for NRC Staff

SUBJECT: ROCKWELL BOARD ORDERS OF SEPTEMBER 18 AND  
OCTOBER 4, 1989

SERVED DEC -7 1989

In our review of the referenced orders with the NMSS Staff, we have noted two matters which the Staff believes should be clarified. The first matter concerns the applicability of Appendix B of 10 C.F.R. Part 50 to the Rockwell license and was raised in your Memorandum and Order dated October 4, 1989 in footnote 1 where you state that Appendix B applies to the Rocketdyne facility. The Staff does not believe that this license is subject to Appendix B of Part 50. As relevant to materials licenses, Appendix B is applicable to a plutonium processing and fuel fabrication plant. As defined in 10 C.F.R. § 70.4(r):

"Plutonium processing and fuel fabrication plant' means a plant in which the following operations or activities are conducted: (1) Operations for manufacture of reactor fuel containing plutonium including any of the following: (i) Preparation of fuel material; (ii) formation of fuel material into desired shapes; (iii) application of protective cladding; (iv) recovery of scrap material; and (v) storage associated with such operations; or (2) research and development activities involving any of the operations described in paragraph (r)(1) of this section, except for research and development activities utilizing unsubstantial amounts of plutonium."

Because Rockwell does not manufacture reactor fuel or perform research and development leading to manufacturing of reactor fuel, it is not subject to the requirements of Appendix B.

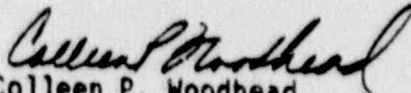
The second matter was raised in your Memorandum and Order of September 18, 1989, where you noted that any work for DOE appears exempt from NRC

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licensing. The Staff believes that in the circumstance of this proceeding that statement is incorrect. Only those activities conducted for DOE on the DOE-controlled portion of the Santa Susana Field Laboratory Site are exempt from NRC regulation by 10 C.F.R. § 70.11(a). This may not have been clear to the participants in the limited appearance session on September 28, 1989 when this matter was discussed.

  
Colleen P. Woodhead  
Counsel for NRC Staff

cc: Service List

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of

ROCKWELL INTERNATIONAL CORPORATION

(Rocketdyne Division, Special  
Nuclear Materials License SNM-21)

Docket No.(s) 70-25-ML

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing MEMO, FROM WOODHEAD TO BLOCH have been served upon the following persons by U.S. mail, first class, except as otherwise noted and in accordance with the requirements of 10 CFR Sec. 2.712.

Administrative Judge  
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Administrative Judge  
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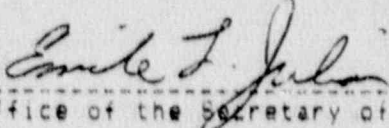
Docket No. (s) 73-25-ML  
MEMO. FROM WOODHEAD TO BLOCH

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Dated at Rockville, Md. this  
7 day of December 1989

  
Office of the Secretary of the Commission