



GENERAL ATOMIC

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GENERAL ATOMIC COMPANY
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HNW:80:054

August 1, 1980

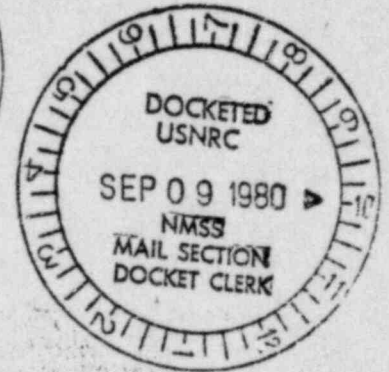
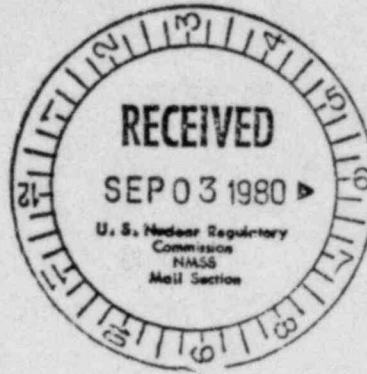
Mr. Robert F. Burnett, Director
Division of Safeguards, NMSS
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Burnett:

The observations set forth in your letter to me of July 17, 1980, covering our meeting in Washington on July 15, 1980, accurately represent facts of the situation as GAC currently knows them. There was, however, one omission. During our July 15 meeting I pointed out, as GAC has done for members of your staff in previous meetings, that full implementation of the upgrade rule will probably take longer than is currently provided for in the regulation. No licensee can reasonably be expected to start necessary construction before its new security plan is approved and it can, therefore, be fairly confident that any construction will also be approved.

Please be advised that there are over 80 tasks that have to be accomplished at GAC for full implementation of the upgrade rule, and they have to be done without significant interference with manufacturing operations that are being carried out. Also, there are other requirements and conditions, e.g., getting local permits and approvals and continued satisfactory labor conditions, over whose impact on the schedule GAC has little or no control. (Without intending to belabor the point unduly, but to offer a graphic example, the San Diego area is currently recovering from a widespread construction labor strike that was honored by the Teamsters. If something of the kind were to recur here or elsewhere later in the year, as a practical matter there would be nothing a licensee or NRC could do to restore labor peace, without which no serious construction work gets done.) Once we receive NRC's approval, GAC intends to pursue new construction and modifications vigorously. However, comprehensive evaluation of the schedule indicates that it may take as long as September 1982 before all aspects of the new plan can be fully operational.

As pointed out in the July 15 meeting, GAC's new security plan to cover a Category 1 facility will be submitted on schedule in the latter part of August 1980. Once relieved of that burden, GAC will begin preparing an



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alternative plan which will be directed toward decommissioning the facility. It is difficult to forecast exactly when that plan can be finished, but once we get a good start we can probably make a projection. We will do both as soon as possible.

Sincerely,



H. N. Wellhouser, Director
Nuclear Materials Control Division

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