NUCLEAR ENERGY BUSINESS GROUP

GENERAL ELECTRIC COMPANY, 175 CURTNER AVE., SAN JOSE, CALIFORNIA 95125

February 25, 1981

United States Nuclear Regulatory Commission Region IV Office 611 Ryan Plaza Drive, Suite 1000 Arlington, Texas 76012

Attention: Karl V. Seyfrit, Director

Region IV

Reference: NRC Letter - Docket No. 99900403/80-03

dated February 6, 1981

This letter is in response to your February 6, 1981 letter which contained the results of the Quality Assurance Program Inspection of the Nuclear Energy Business Group's facility at San Jose, California, conducted by members of your office on July 7-11, 1980 and the discussions of your findings with representatives from General Electric in meetings at Region IV offices in Arlington, Texas on August 8, 1980 and IE head-quarters office in Bethesda, Maryland on August 27, 1980. Your letter was received in Dr. Beaton's office on February 11, 1981. Dr. Beaton has requested that I respond to your letter on his behalf.

We find nothing in your inspection report of a proprietary nature which should be withheld from public disclosure.

Although there were no specific technical or administrative findings in your inspection report requiring a response from General Electric, the forwarding letter requested General Electric to evaluate its 10CFR Part 21 procedures and to advise you of the results of that evaluation, any procedural changes that General Electric would propose to make as a result of that evaluation, and any other related General Electric management actions.

General Electric is now in the process of evaluating its 10CFR Part 21 procedures and expects to complete that evaluation by April 20, 1981. Closely following the completion of our internal evaluation activities, and prior to implementing any changes, we plan to meet with you to discuss the results of our efforts. At the present time, and until the revised 10CFR Part 21 procedures are implemented, our 10CFR Part 21 evaluation activities are taking into consideration our August 8, 1980

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meeting on this subject with you and members of your staff in Arlington, Texas and the August 27, 1980 meeting with you and Mr. Victor Stello and members of your staffs in Bethesda, Maryland, plus the clarifying questions and answers in the NRC report NUREG-302, Revision 1. We believe that the method of operation discussed above will satisfy your concern until any necessary procedural modifications have been implemented.

In addition, responsive to Mr. Stello's concern about the need to keep the NRC informed regarding items that may be of potential safety interest, but which General Electric believes are not reportable under 10CFR Part 21, General Electric is now informally notifying both the NRC headquarters staff and Region IV staff of such items.

John Barnard

JB/dkp

cc: RH Beaton