



EXEMPT FROM DISCLOSURE
 TO CFR 2.770 INFORMATION
 UNITED STATES
NUCLEAR REGULATORY COMMISSION
 REGION II
 101 MARIETTA STREET, N.W.
 ATLANTA, GEORGIA 30303
MAY 16 1984

S-72 89-072
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 EX

MEMORANDUM FOR: Charles N. Smith, Nuclear Materials Control Licensing Section,
 Fuel Facility Safeguards Licensing Branch
 Division of Safeguards, Office of Nuclear Material Safety and
 Safeguards

FROM: Edward J. McAlpine, Chief, Material Control and Accountability
 Section, Nuclear Materials Safety and Safeguards Branch
 Division of Radiation Safety and Safeguards

SUBJECT: RECOMMENDATION RESULTING FROM REGION II, INSPECTION REPORT NOS.
 70-1113/83-28 AND NO. 70-1113/84-06 AT GENERAL ELECTRIC (OIL
 84-06-04)

Based on inspection findings, the following policy issue needs resolution.

The licensee's current delegation of measurement control functions may be
 contrary to accepted practice. Section 1.7.4 of the licensee's Fundamental
 Nuclear Material Control (FNMC) Plan states that "Licensing and Nuclear Materials
 Management (L&NMM) is responsible for the statistical analyses and models
 associated with the SHM control and accounting program". However, the licensee
 staff member who calculates analytical control chart limits has no direct respon-
 sibility to the Manager, L&NMM. Procedures relative to control chart limit
calculations are, however, approved by the Manager, L&NMM. At present, the
 licensee staff member who calculates analytical control chart limits has direct
 responsibility to the Manager of the Chemet Laboratory. This practice appears to
 be inconsistent with 10 CFR 70.58(b)(2) which states that "Material control and
 accounting functional and organizational relationships shall be identified and
 assigned in the licensee organization to provide a separation of functions so
 that the activities of one individual or organizational unit serve as controls
 over and checks of the activities of other individuals or organizational units."
An individual who performs measurement control calculations while at the same
time has direct responsibility to the laboratory appears to violate the
"separation of functions" requirement.

See by 11/24/84 memo to RII
 2.79

The licensee's current practice also appears to be inconsistent with the FNMC
 Plan review criteria. The review criteria relative to section 4.5.2 (Control
 Limits) states that the establishment and modification of all control limits
shall be approved by the Measurement Control Coordinator. The licensee does not
 follow this practice. The review criteria in this section further states that

2.7
 1/30

CONTACT:
 B. L. Richards
 242-5574

1/30/85
 MCA
 Manager, L&NMM
 does approve
 see CUI
 dated
 11/2/82

Ed. J. McAlpine

Must report to licensee
 check main work
 ... of control limits

EXEMPT FROM DISCLOSURE
 TO CFR 2.770 INFORMATION

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Handwritten notes and signatures in the bottom right corner.

W. N. Smith

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"There is no restriction concerning who actually [computes the control limits] provided 1 above (criteria specified above) is satisfied." Therefore, the licensee's current delegation of [control chart limit calculations] might be acceptable, provided the measurement control coordinator approves the [establishment and modification of all control limits].

We request that you review this issue from a policy standpoint and tell us whether the licensee's current practices are appropriate.

Ed J. McAlpine
Edward J. McAlpine

cc: L. Cobb, IE:HQ



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MAY 9 1984

General Electric Company
ATTN: Mr. J. A. Long, General Manager
Wilmington Manufacturing Department
P. O. Box 780
Wilmington, NC 28402

~~Smith~~
Jackson.

Gentlemen:

2-3-1
5:31

GE Employee
Allegations

SUBJECT: REPORT NO. 70-1113/84-05

On March 26-29, 1984, NRC inspected activities authorized by NRC License No. SNM-1097 for your Wilmington Manufacturing Department. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Within the scope of the inspection, no violations or deviations were identified.

In accordance with 10 CFR 2.790(d) and 10 CFR 73.21, safeguards activities and security measures are exempt from public disclosure; therefore, the enclosures to this letter, with the exception of the report cover page which presents a nonexempt summary, will not be placed in NRC's Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

for Douglas M. Collins

J. Philip Stohr, Director
Division of Emergency Preparedness
and Materials Safety Programs

Enclosure:
Inspection Report No. 70-1113/84-05
(Exempt from Disclosure)

cc w/encl:
C. M. Vaughan, Manager
Licensing and Nuclear Materials
Management Unit

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