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U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION V

Report No. 70-25/77-10 (IE-V-204)
Docket No. 70-25 License No. SNM-21 Safeguards Group 1

Licensee: Atomics International Division
Rockwell International
8900 De Soto Avenue
Canoga Park, California 91304

Facility Name: November 14-18, 1977

Inspection at: Atomics International

Inspection conducted: November 14-18, 1977

Inspectors:	<u>B. L. Brock</u>	<u>12/2/77</u>
	B. L. Brock, Chemist.	Date Signed
	<u>G. H. Hamada</u>	<u>12/2/77</u>
	G. H. Hamada, Safeguards Statistician	Date Signed
	<u>Y. Kobori</u>	<u>12/2/77</u>
	Y. Kobori, Auditor	Date Signed
	<u>A. V. Wieder</u>	<u>12/2/77</u>
	A. V. Wieder, Auditor	Date Signed
Approved By:	<u>L. R. Nordehaug</u>	<u>12/9/77</u>
	L. R. Nordehaug, Chief, Safeguards Branch	Date Signed

Summary:

Inspection on November 14-18, 1977 (Report No. 70-25/77-10)

Areas Inspected: Routine unannounced inspection of facility operation, measurements and statistical controls, shipping and receiving, storage and internal controls, MUF and LEMUF, records and reports, and management of materials control system. The inspection involved 156 inspector-hours on-site by four NRC inspectors.

Results: No items of noncompliance were identified in the seven areas inspected.

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DETAILS

A. Persons Contacted

*M. E. Remley, Manager, Health, Safety and Radiation Services
*V. J. Schaubert, Manager, Nuclear Materials Management
D. C. Allen, Nuclear Materials Management Representative
S. Wade, Management Systems Specialist
C. L. Nealy, Manager, Analytical Chemistry
R. Tuttle, Manager, Operational Safety and Waste Management
J. D. Moore, Operational Safety and Waste Management
E. Walsh, Methods Analyst, Nuclear Materials Management
J. Wallace, Health Physics Associate
J. Kim, Statistician
C. Mason, Special Clerk, Nuclear Materials Management
M. Reed, NMM Fuel Administrator
R. L. Jaseph, Internal Auditor

*Denotes those attending the exit interview in addition to
R. G. Jones, Vice President and Controller.

B. Action on Previous Inspection Findings

1. (Closed) Noncompliance (25/77-03): Failure to conduct MBA records audit "not less than twice yearly" as required by FNMC plan. Upon application by AI, the Division of Safeguards, Material Control Licensing Branch on October 12, 1977 accepted a reworded FNMC submittal which deletes the twice yearly audit requirement.
 2. (Open) Noncompliance (25/77-06): Failure to maintain procedures for SNM added to or removed from process. In conjunction with efforts to establish written procedures, AI is re-examining its unopened receipts, materials in process and ultimate product account structures. Written procedures are expected to be completed in December, 1977.
 3. (Open) Noncompliance (25/77-06): Failure of the seal control officer to inventory the tamper-safing seals at the time of the bimonthly SNM physical inventory. AI is currently programming a computerized control system to capture information on the distribution, use, destruction and control of tamper-safing devices. Pending its operational implementation (estimated for January, 1978), the licensee had instituted interim procedures to improve control over tamper-safing devices.
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4. (Closed) Noncompliance (25/77-07): Failure to remeasure cut up Uranium Aluminium plates on inventory which were not tamper-safed to assure the validity of their previously measured values. These items were remeasured by a non-destructive assay technique.

C. Functional Areas Inspected

1. Facility Operation

The inspector observed the procedures and practices used during a plate cutting operation.

No items of noncompliance were identified.

2. Measurements and Statistical Controls

The licensee's measurement control program was reviewed. The inspection included observation of remeasurement of selected waste barrels and waste barrel standards. Because of certain apparent anomalies in some of the data points, the licensee is investigating this phenomenon to better understand the cause of these anomalies. The investigation will include additional measurements of waste barrels spiked with known amounts of U-235 as a function of material type. Calibration uncertainty and error propagation procedures were also covered. Analyst certifications were reviewed and found current.

No items of noncompliance were identified.

3. Shipping and Receiving

Each of Atomic's International's Nuclear Material Transaction Reports (NRC-741) for shipments and receipts of special nuclear material during the period 7/05/77 through 10/30/77 were examined for assurance that (1) all special nuclear materials received or shipped were accurately accounted for, (2) that each such transaction was appropriately measured, and (3) that all apparent shipper receiver differences were reviewed and evaluated.

No items of noncompliance were identified.

4. Storage and Internal Control

The inspection verified that the licensee continues to maintain a system of storage and internal controls for SNM which provides for current knowledge of the quantity, identity and location of all SNM within his facilities.

The inspection included a review of controls over the distribution and use of internal transfer documents and tamper-safing devices. A computerized control system for the distribution, use, and destruction of tamper-safing devices was in process of debugging with operational implementation expected in January, 1978.

No items of noncompliance were identified.

5. MUF and LEMUF

MUF and LEMUF data were reviewed for compliance with applicable sections of the regulations.

No items of noncompliance were identified.

6. Management of Material Control System

The inspection reviewed the status of the four open items identified in the previous internal management review. All of the items had been satisfactorily resolved.

No items of noncompliance were identified.

7. Records and Reports

Records, reports and other documentation applicable to the period July 5, 1977 - October 30, 1977 were reviewed to determine that (1) AI has established and continues to maintain a records and reports system which provides accurate information sufficient to locate all SNM in its possession, and to close a material balance as specified by the regulations and license conditions, and (2) the quantities of SNM in AI's possession are not being used for unauthorized purposes.

No items of noncompliance were identified.

D. Exit Interview

Attendees (see Section A.).

The noncompliance items closed since the last inspection were identified (see Section B.).

The following items were identified as remaining open:

1. Failure to maintain procedures for SNM added to or removed from process. Written procedures are expected to be completed in December, 1977.
2. Failure of the seal control officer to inventory the tamper-safing seals at the time of the bimonthly SNM physical inventory. This item will be considered closed when the computerized program for controlling the distribution, use, and destruction of tamper-safing devices has been implemented.

Current findings were discussed. This discussion included the waste barrel remeasurement results, their significance and future actions to be taken in this area. The licensee made no specific commitments nor were any sought.