The information this page is considered to be opropriate for public disclosure pursuant to 10 CFR 2.790.

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

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Region V

Report No. 70	0-25/7908 (IE-V-339)	
Docket No.	70-25 License No. SNM 21	Safeguards Group
Licensee:	Energy System Group - Rockwell International	operation in the second s
	8900 De Soto Avenue	and and the second s
	Canoga Park, California 91304	
Facility Name		
Inspection at	Canoga Park	
	onducted: September 20-21, 1979	
	Material Control and Accounting Inspection Visit:	June 4-8, 1979
	ection: Announced - Material Control and Accounting	
Inspectors:	S. Hamada	10/19/79 Date Signed
A PRO- PERSON NO.	G. Hamada G. Hamada J. Kalistician/Chemist	1 1
		10/19/79 Date Signed
	Y. Kobori Auditor	Date orgnes
		Date Signed
	7171.	10/19/19
Approved by:	L. R. Norderhaug, Chief, Safeguards Branch	Date Signed
Inspection S		
Areas Ins	pected: Measurement Controls and Records and Reports.	
	The inspection involved 24 inspector-hours on NRC inspectors and was begun during the regul	site by two ar hours.
Results:	The licensee was found to be in compliance wi in the areas examined during the inspection.	th NRC requirements

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1. Key Persons Contacted

IC ATION

- * M. Remley, Manager, Health, Safety and Radiation Services
- * V. Schaubert, Manager, Nuclear Materials Management
 - C. Nealy, Manager, Analytical Chemistry
 - * Denotes those present at the exit interview in addition to R. G. Jones, Vice President and Controller.

REPORT DETAILS

2. Licensee Action on Previous Inspection Findings

There were no items of noncompliance noted on the previous inspection. (Report 79-04)

3. Exit Interview

Inspection findings were discussed with licensee personnel indicated in Paragraph 1.

The inspectors took this opportunity to announce to licensee management that an inventory verification by NRC inspectors was being scheduled to coincide with the licensee's next physical inventory. The inspectors pointed out that a certain degree of planning and coordination with licensee personnel would be required prior to the verification effort. While there was some expression of concern on the impact of this program on production schedules and manpower costs, licensee management expressed their desire to cooperate fully with this effort.

4. Unresolved Items

No unresolved items remain outstancing for this facility.

5. Independent Inspection Effort

During the current inspection, inspectors updated the Regional file copy of the licensee's procedure manual and also obtained copies of the licensee's operator "working" procedures relating to physical inventory plans, inventory listing instructions and tables of SNM material composition codes.

6. MC 85206B - Measurement Controls

During this inspection, inspector effort focused on a licensee initiated experiment designed to test for analytical bias. A key ingredient of this experiment is the participation of a second laboratory to provide the outside check needed to establish the presence or absence of a bias. Because Region V, Safeguards, has a special interest in measurement bias and its effect on the material balance, it seemed appropriate that the New Brunswick Laboratory (NBL) be the other laboratory. NBL also fits the requirement that this second laboratory be a well established reputable organization. This experiment should establish whether or not a measurable measurement bias is present.

MATION.

A well blended batch of uranium-aluminum alloy (UA1,) powder was split into sixty four fractions with a splitter. Thirty two of these were shipped to NBL for uranium assay. The other thirty two samples are to be assayed at ESG.

7. MC 85216B - Records and Reports

No items of noncompliance were noted.

SNM inventory reports for physical inventory periods commencing January 3 and ending on July 6, 1979, were reviewed and traced to licensee records maintained for unopened receipts, materials in process and ultimate product. The licensee reported an inventory difference for the two month period ended July 6, 1979, which exceeded both its associated limit of error and 300 grams of high enriched uranium and U-235. The report required by 10 CFR 70.53 (b)(1) under those circumstances was issued to Region V on August 3, 1979. The excessive inventory difference was attributed to shipper-receiver differences on EBR-II scrap shipped for recovery in April-May, 1977.

The shipper-receiver differences were traced to the affected Forms NRC-741 Nuclear Material Transaction Reports.

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UNITED STATES NUCLEAR REGULATORY COMMISSION REGION V 1990 N. CALIFORNIA BOULEVARD SUITE 202, WALNUT CREEK PLAZA WALNUT CREEK, CALIFORNIA 94596

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Docket No. 70-25

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WORKING CUPY

76-7-349

Energy Systems Group Rockwell International 8900 De Soto Avenue Canoga Park, California 91304

Attention: Mr. R. G. Jones Vice President and Controller

Gentlemen:

Subject: NRC Inspection of Energy Systems Group

8001220082

This refers to the inspection conducted by Messrs. G. Hamada, B. Brock, Y. Kobori and A. Wieder of this office on November 5-16, 1979, of activities authorized under NRC License No. SNM-21. It also refers to the discussion of our inspection findings with members of the staff at the conclusion of the inspection.

The areas examined during the inspection included your program for controlling and accounting for special nuclear material pursuant to applicable provisions of Part 70, Title 10, Code of Federal Regulations, and specific requirements of NRC License No. SNM-21. Within these areas, the inspection consisted of selective examinations of procedures and records, interviews with personnel and observations by the inspectors.

No items of noncompliance with NRC requirements were identified within the scope of this inspection.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials are exempt from disclosure; therefore, the inspection report will not be placed in the Public Document Room and will receive limited distribution.

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Energy Systems Group

DEC 21 1979

Should you have any questions concerning this inspection, we will be glad to discuss them with you.

Sincerely,

24. Norderhaug, Chief R. Norderhaug, Ch Safeguards Branch

Enclosure: IE Inspection Report No. 70-25/79-09 (IE-V-349)

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