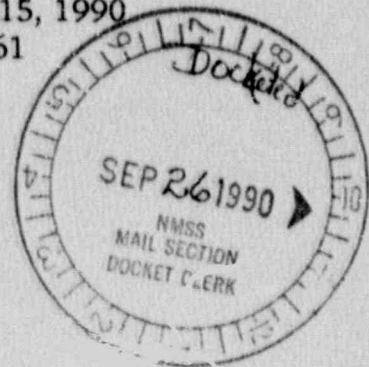


PDR: No

August 15, 1990
696-1561



Mr. Donald J. Kasun, Acting Chief
Domestic Safeguards and Regional
Oversight Branch
Division of Safeguards and Transportation
NMSS
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Kasun:

Subject: Docket 70-734: SNM-696; Request for Exemption from Measurement Requirements of 10 CFR 70.58(e)

Dear Mr. Kasun:

General Atomics (GA) has entered into a contract with EG&G-Idaho to fabricate fuel containing approximately 3 kgs of fully enriched uranium for the DOE's New Production Reactor (NPR) Program. Since GA now operates as a Category II facility (with a possession limit of less than 5 kgs SSNM), it will be necessary for GA to relocate approximately 2 kgs of SSNM currently on inventory prior to receiving the NPR fuel feed material in order to stay below our licensed possession limit.

We have made arrangements with Babcock & Wilcox (B&W) in Lynchburg, Virginia, to store approximately 2 kgs of our historical and/or dormant SSNM for about one year while we perform this NPR task. Once the NPR fuel fabrication task is complete, the fuel and most of the residual SSNM will be returned to the DOE allowing GA to accept the return of its material from B&W. The material we plan to store at B&W is currently stored in tamper-safe sealed containers and will be shipped in seven (7) DOT 17H Type A 55-gallon shipping packages. Each shipping package contains an inner DOT 17H 30 gallon drum. Both the outer 55 gallon drum and the inner 30 gallon drum will each be tamper-safed with a self-locking keyless padlock seal.

While at B&W, the material will not be processed and will remain under tamper-safe seal during the entire time it remains at B&W. GA hereby requests that upon the return of this material (still under tamper-safe seal) to GA from B&W, it be exempted from the measurement requirements of 10 CFR 70.58(e) and of Section 3.1 of our Fundamental Nuclear Material Control Plan.

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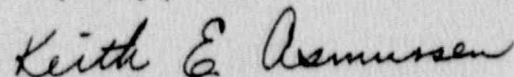
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GA's need for this requested exemption was discussed with Martha Williams by telephone on May 7, 1990. Ms. Williams expressed the opinion that this would be a reasonable request and should meet with NRC approval since the material would merely be stored at B&W under GA's measured values and later returned under the same measured values. She did point out that B&W must also make a similar request for their facility.

If you have any questions regarding this request, please contact me at (619) 455-2823. Enclosed is GA's check for \$150 to cover the administration fee associated with this request.

Very truly yours,



Keith E. Asmussen, Manager
Licensing, Safety and
Nuclear Compliance

Enclosure: GA Check

cc: Mr. Dan Carver, B&W