

JAN 17 1991

SGDB:RLJ  
70-371

UNC Naval Products  
ATTN: Mr. T. J. Collopy, Manager  
Nuclear Material Control  
67 Sandy Desert Road  
Uncasville, CT 06382-0981

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Dear Mr. Collopy:

This is in response to your letter dated December 10, 1990, whereby you requested an exemption from the requirements to control SSNM measurement performance so that the SEID estimator is less than 0.1 percent of active inventory and to perform the subsequent investigation and report if the 0.1 percent threshold is exceeded.

We have determined that for the reasons put forth in your letter and as explained in discussions held during the week of December 3, 1990, (Material Control and Accounting Safeguards Inspection No. 70-371/90-206) with NRC personnel M. Williams and R. L. Jackson, the request for an exemption to the requirements of 10 CFR 74.59(e)(b) and a portion of 10 CFR 74.59(f)(1)(i) is warranted. We recognize that the circumstances of a plant shutdown was not taken into consideration when the MC&A Reform Rule was adopted.

We have also determined that the exemption will not compromise the general performance objectives of 10 CFR 74.51(a)(1) through (5) and will not adversely affect the common defense and security nor the public health and safety, and is otherwise in the public interest. Hence, we are issuing License Condition 4.10 to Amendment SG-2 of your License No. SNM-368, effective upon receipt of this letter, to read as follows:

- 4.10 Notwithstanding the requirements of 10 CFR 74.59(e)(5) to evaluate all program data and information to assure that measurement performance is so controlled that the SEID estimator is less than 0.1 percent of active inventory and notwithstanding the portion of 10 CFR 74.59(f)(1)(i) relating to investigation and reporting any SEID estimate of 0.1 percent or more of active inventory, the licensee is exempt from the referenced requirements due to the circumstance of plant shutdown. Should normal SSNM manufacturing operations commence, this license condition is void.

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Mr. T. J. Collopy

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We have determined that your letter dated December 10, 1990, contains information of the type specified in 10 CFR 2.790(d). Accordingly, pursuant to Section 2.790(d(1)), such information is deemed to be commercial or financial within the meaning of 10 CFR 9.17(a)(4) and shall be withheld from public disclosure unless subject to the provisions of 10 CFR 9.23.

Sincerely,



Robert F. Burnett, Director  
Division of Safeguards  
and Transportation, NMSS

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