



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION III  
799 ROOSEVELT ROAD  
GLEN ELLYN, ILLINOIS 60137

FEB 15 1991

Docket No. 70-0036  
License No. SNM-33  
EA 91-021

Combustion Engineering, Inc.  
ATTN: James A. Rode  
Plant Manager  
P.O. Box 107, Highway P  
Hematite, MO 63047

Gentlemen:

This refers to the special safety inspection conducted by Mr. James Foster of this office on January 28-31, and February 1, 1991, of activities at the Hematite Nuclear Fuel Manufacturing Facility, authorized by NRC Special Nuclear Material License No. SNM-33, and to the discussion of our findings with Mr. J. Rode and others of your staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in violation of NRC requirements. You will be notified by separate correspondence of our decision regarding enforcement action based on the findings of this inspection. No written response is required until you are notified of the proposed enforcement action.

During the exit interview, a commitment was received to review and revise your emergency classification system to be consistent with recently issued guidance. This guidance specified two emergency classes, Alert and Site Area Emergency. Please advise us of your schedule for completion of this commitment, and we will review your actions in a subsequent inspection.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC Public Document Room.

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Combustion Engineering, Inc.

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We will gladly discuss any questions you have concerning this inspection.

Sincerely,

*Charles E. Norelius*

Charles E. Norelius, Director,  
Division of Radiological Safety  
and Safeguards

Enclosure: Inspection Report  
No. 70-0036/91002(DRSS)

cc w/enclosure:

C. B. Brinkman, Manager,  
Washington Nuclear Operations  
J. F. Conant, Manager, Nuclear  
Materials Licensing  
A. E. Scherer, Vice President  
Nuclear Quality  
J. A. Rode, Plant Manager  
Jerimiah W. (Jay) Nixon,  
Missouri State Senator  
DCD/DCB (RIDS) ✓