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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

October 13, 1994

ABB Combustion Engineering Inc.
ATTENTION: Mr. S. B. Junkrans, Vice President, Fuel Operations
Hematite Nuclear Fuel Manufacturing
P. O. Box 107, Highway P
Hematite, MO 63047

SUBJECT: ENFORCEMENT CONFERENCE (EA NO. 94-195), NRC INSPECTION
NO. 70-36/94-202.

This letter refers to the enforcement conference held at NRC headquarters on September 28, 1994, to discuss the apparent violations and the perceived lack of management oversight of Material Control and Accountability (MC&A) requirements identified during Inspection No. 70-36/94-202. The subject report detailing this meeting and the results are enclosed for your information.

As a result of the inspection findings and the subsequent enforcement conference, the three violations and one non-cited violation were determined to be appropriate. The violations, references to pertinent requirements, and details to be addressed in your response are described in Enclosures 3 and 4 of this report.

In response to NRC questions, the licensee made two commitments during the enforcement conference that included: (1) to provide additional details in a narrative on the proposed improvement program, and (2) to submit quarterly progress reports to the NRC with the first due no later than January 1, 1995. If our understanding of these commitments is in error, please contact this office within 10 days of receiving this report.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's MC&A program are exempt from public disclosure. Accordingly, the Report Details (Enclosure 2), the Notice of Violation (Enclosure 3), and the Non-Cited Violation (Enclosure 4) will not be placed in the Public Document Room.

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The responses directed by this letter and its enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, P. L. No. 96-511.

Should you have any questions concerning this letter, please contact us.

Sincerely,

Original signed by

Philip Ting

Philip Ting, Acting Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket No. 70-36
License No. SNM-33
EA No. 94-195

Enclosures: As stated
cc w/encls: R. W. Sharkey, Manager
Regulatory Compliance

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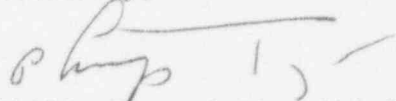
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