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MAR 10 1988

SGLB:RLJ

70-1113

General Electric Company
Nuclear Fuel and Components
Manufacturing

ATTN: Mr. T. Preston Winslow, Manager
Licensing and Nuclear Materials
Management

P.O. Box 780
Wilmington, North Carolina 28402

Dear Mr. Winslow:

This letter concerns the Facility Attachment for the implementation of the Safeguards Agreement and Subsidiary Arrangements under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) between the US and the International Atomic Energy Agency (IAEA), at your low enriched uranium fuel fabrication facility. This action represents the transference of your facility from participation under Article 2(a) of the Protocol to the Agreement to Article 39(b) of the Agreement.

In accordance with the provisions of 10 CFR 75.8(b), Safeguards Amendment SG-1 to your License No. SNM-1097 is amended, effective immediately, to revise License Condition 2.3 as follows:

- 2.3 The licensee shall follow Codes 1 through 7 of Facility Attachment No. 11b dated February 29, 1988 to the US/IAEA Safeguards Agreement.

The Facility Attachment is Enclosure 2 of this letter.

In addition, Safeguards Amendment SG-1 to your License No. SNM-1097 is amended, effective immediately, to add clarifying license conditions as an addendum. These license conditions were mutually agreed upon in a telephone conversation between you and our Mr. Charles W. Emeigh on February 22, 1988. The addendum, contained in Enclosure 1, is in response to concerns expressed by General Electric-Wilmington nuclear material management personnel as to the meaning and intent of certain language contained in certain sections of Facility Attachment No. 11b dated February 29, 1988.

It should be noted that the markings on the enclosed Facility Attachment that read, "Safeguards Confidential" are of IAEA origin and has no connotation in regards to any domestic (US) security classification.

It has been determined that the enclosed Facility Attachment No. 11b dated February 29, 1988 contains information of a type specified in 10 CFR 2.790(d).

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Accordingly, pursuant to Section 2.790(d)(1), such information is deemed to be commercial or financial information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12.

Sincerely,

EWB

E. William Brach, Chief
Licensing Branch
Division of Safeguards
and Transportation, NMSS

Enclosures:
As stated

EWB
3/15/88

closes case no. 07001113H40M
* See previous concurrence

OFC: *SGLB	: *SGLB	: *SGLB	: *SGLB	: *SGLB	: *SGLB	:
NAME: RJackson	: ESuarez	: Eneigh	: PTing	: CNSmith	: EWBach	:
DATE: 02/27/88	: 03/08/88	: 03/29/88	: 03/8/88	: 03/11/88	: 03/12/88	:

ENCLOSURE NO. 1

ADDENDUM TO SAFEGUARDS AMENDMENT SG-1

GENERAL ELECTRIC - WILMINGTON

LICENSE NO. SNM-1097

US/IAEA SAFEGUARDS AGREEMENT

For purposes of this license amendment, the Facility Attachment referenced in L.C. 2.3 shall be interpreted in accordance with the following:

Facility Attachment Code 2.2

Substantive changes to the information provided in the Wilmington Plant Design Information Questionnaire (DIQ) means those changes requiring amendment of the Facility Attachment. Such changes shall be provided by letter to the NRC Office of Nuclear Material Safety and Safeguards at least 70 days in advance of implementation.

Non-substantive changes to the information provided in the DIQ means those changes not requiring amendment of the Facility Attachment. Such changes shall be provided by Concise Note (FORM DOE/NRC-740M) as part of the routine update of the DIQ.

The types of modifications with respect to which information is required, under 10 CFR 75.11, to be submitted in advance are those items stated in Code 2.2.

1. "Any change in the purpose or type of the facility" means:

Any deviation from the described activities involving source or special nuclear material and any change to the maximum enrichment and/or quantities of U-235 currently authorized by License No. SNM-1097, and/or as described in Paragraph 5 of the Design Information Questionnaire (DIQ) dated September 10, 1987, or as modified in accordance with 10 CFR 75.11(c). Included also is any deviation from the described source and special nuclear material (SNM) production activities described in Paragraph 6 of the DIQ dated September 10, 1987, or as modified in accordance with 10 CFR 75.11(c).

2. "Any change in the layout of the facility which affects the implementation of safeguards" means:

Any change in the existing facility and/or site layout or new addition affecting any activity involving source material or SNM as described in Paragraphs 10 and 11 of the DIQ dated September 10, 1987 or as modified in accordance with 10 CFR 75.11(c). Included also is any modification to or deviation from the data provided in Paragraphs 13 and 14 of the DIQ dated September 10, 1987, or as modified in accordance with 10 CFR 75.11(c).

3. "Any change that makes the selected KMP'S (as described in Code 3.1.2) inadequate for the Agency's accounting purpose" means:

Any change to Key Measurement Points (KMP's) as described in Code 3.1.2 of the General Electric-Wilmington Facility Attachment to the US/IAEA Safeguards Agreement, or as modified in accordance with 10 CFR 75.11(c), that results in any KMP alteration affecting the purpose of KMP's as stipulated by 10 CFR 75.4(m).

4. "Any change in the physical inventory procedures that would adversely affect the inventory taking for the Agency's accounting purposes" means:

Any change to the description data contained in Paragraph 34 of the DIQ dated September 10, 1987, or as modified in accordance with 10 CFR 75.11(c), that would not permit the Agency to conclude a SNM material balance for the General Electric-Wilmington facility.

5. "Any change that adversely affects the accuracy of measurements at any KMP (as described in Code 3.1.2) by a factor of 2 or more" (as applied to the standard deviation) means:

Any planned change in a measurement system that results in the estimates of the random and systematic errors being affected by a factor of 2 or more from the estimates listed in Table 36-2, "Relative Errors-Random and Systematic," referenced in Paragraph 36 of the DIQ dated September 10, 1987.

6. "Any change in the statistical procedures used to combine individual measurement error estimates to obtain limits of error for S/R differences and MUF" means:

Any deviation from (or modification of) the equations and/or calculations outlined in Paragraph 37 of the DIQ dated September 10, 1987, or as modified in accordance with 10 CFR 75.11(c).

7. Facility Attachment 3.1.2

KMP * - This is a KMP in which all S/R differences must be recorded and reported even if numerically zero. This means that the operator must record S/R differences and that the U.S. Government must calculate and report the S/R differences to the IAEA.

8. Facility Attachment Code 3.1.3

"Declared values applicable to the stratified inventory listing to be provided to the Agency" means.

The uranium and uranium-235 values assigned to nuclear material items at the time of the inventory cut-off. The assigned values may or may not be final, but shall be adequate for agency sampling plan calculations.

9. Facility Attachment Code 3.4

"Measured discards as pertains to the 0.3 effective kilogram threshold established by the agency for a six month period" means:

The total of liquid and gaseous effluents from the facility for a 6-month period.

10. Facility Attachment Code 4

With respect to advance notification requirements as they pertain to additions or deletions of material composition code, the licensee may add or delete composition codes for nuclear materials routinely processed and on inventory immediately upon telephone notification to the Office of Nuclear Material Safety and Safeguards. Followup documentation, in the form of a Concise Note, shall be submitted to the Safeguards Licensing Branch, Division of Safeguards and Transportation, NMSS within three regular workdays of the telephone notification.

11. Facility Attachment Code 4.1

Measured discards should be recorded as an SN (Shipment to non-safeguarded facility) when shipped off-site to an authorized burial ground. The IAEA system will not process measured discards as LD's when they are shipped off-site.

12. Facility Attachment Codes 4.1 & 5.1.1

"Recording of receipts on shipper's values upon receipt" means:

The operator shall establish an auditable record that reflects shipper's values entered within one working day of the time of receipt, and shipper-receiver difference values computed and entered upon completion of receiver's measurement. The referenced record need not be an integral part of the operator's nuclear material accounting recordkeeping system.

13. Facility Attachment Code 4.1 (KMP-3)

With respect to uranium blending, measurement accuracy and precision estimates are not appropriate in the case of material category changes (i.e., natural uranium to the enriched uranium account) since uranium and uranium-235 measurements are not performed.

14. Facility Attachment Code 5.1.1

For inventory changes, time of recording, "upon" means:

No later than the next regular workday (Monday through Friday).

15. Facility Attachment Code 6.2.2

For concise notes describing the anticipated operational programme, "anticipated operational programme" means:

Anticipated physical inventory schedule.

For the Nuclear Regulatory Commission

E. William Brach, Chief
Licensing Branch
Division of Safeguards
and Transportation, NMSS

Dated: _____