

COMBUSTION ENGINEERING

License File

SNM-33

Dist. 70-36

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March 3, 1989

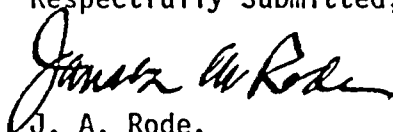
Bruce S. Mallet, Ph.D., Chief
Nuclear Materials Safety Branch
U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, IL 60137

Dear Mr. Mallett:

As requested by your letter dated February 3, 1989, enclosed is a report on the status of the two items which appeared to be in violation of NRC requirements, as specified in the Notice of Violation concerning Inspection Report 70-36/88003 (DRSS).

Please advise if further information is required.

Respectfully Submitted,



J. A. Rode,
Plant Manager

Enclosure
JAR/ead/16030

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**COMBUSTION ENGINEERING - HEMATITE
LICENSE NO. SNM-33**

Status of items specified in Notice of Violation - Inspection Report
70-36/88003 (DRSS)

1. Failure to monitor upon receipt the external surfaces of packages containing more than Type A quantities of radioactive material for contamination caused by leakage of the contents.

The Type A quantity limit of 3 curies for enriched uranium was exceeded by a small increment when we began to receive UF_6 enriched above 4% in August, 1988. To correct this oversight, we have modified our UF_6 receiving procedure and checklist to include a requirement to survey for external contamination on the surfaces of the UF_6 cylinder overpacks. Shipping/Receiving and Health Physics personnel have been instructed in the new receiving procedure.

We are now in full compliance with the incoming survey requirement, and will routinely audit performance to avoid further violations.

2. Failure to perform an independent audit of the quality assurance program for transportation and/or handling of packages during the 1986 through 1988 operating years.

Quality Assurance audits of the CE Hematite facility were performed in 1986, 1987 and 1988 by qualified independent auditors from our Windsor, Connecticut location. These audits covered the entire Hematite Quality Assurance Manual, including Section 13, "Handling, Storage and Shipping", which references the document "Quality Assurance Program for Shipping Packages for Radioactive Materials". These audit reports are kept on file by the Hematite Quality Control Manager and were not reviewed by the NRC inspectors, but are available for review during a future inspection.

We believe that we are in full compliance with the requirement for periodic audits of the transportation quality assurance program.