

For Div. of Compliance

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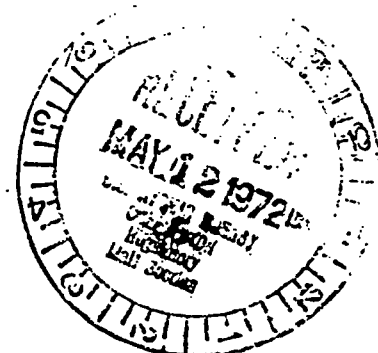
May 9, 1972

In reply, refer to NISM-72-45

Director, Division of Materials Licensing
U. S. Atomic Energy Commission
Washington, D. C. 20545

Attn: Mr. Donald A. Nussbaumer, Chief
Fuel Fabrication and Transportation Branch

Subj: Renewal of AEC License No. SNM-33, Docket 70-36



Gentlemen:

Proposed subpart 207 of AEC License No. SNM-33 contains a section pertaining to "outside" audits of Gulf United's nuclear and industrial safety program. These audits have been principally for internal use and, while they are valuable to Gulf United, we do not believe that they should be incorporated in the AEC license. Furthermore, the increased frequency and depth of Compliance inspections along with frequent audits and inspections by other Federal and State Regulatory Agencies and our insurance carriers and associations have rendered the "outside" audits less important than before. Accordingly, it is requested that you delete Page 1 of 2, Subsection 207.4, Audits, and replace Page 1 of 2 with the enclosed, re-numbered Page 1 of 1 of the same Subsection.

For your information, Gulf United plans to continue the practice of "outside" audits but with different frequency, emphasis and objectives to suit our changing needs in the important area of total safety management.

Sincerely,

Peter Loysen, Manager
Nuclear & Industrial Safety

PL:am

G-72

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LICENSE: SNM-33, Docket: 70-36
SECTION: 200 - ORGANIZATION, PERSONNEL AND
ADMINISTRATION
SUBSECTION: 207 - Inspections and Audits

Page 1 of 1

Approved

Issued 5/8/72

Supersedes

4/21/72

207. Inspections and Audits

1. General

A continuous re-appraisal of the safety program is provided through a system of daily checks, regular inspections, and audits. Health physics personnel, thoroughly familiar with regular operations, make daily checks to determine that there has been no change in the parameters or conditions of operations, that may affect the safety of these operations. A planned schedule of regular inspections is established by the Department Manager. Infractions and violations are corrected on the spot with the concurrence of the cognizant Specialist and/or Manager of Industrial Safety. Results of inspections and audits are included in the department monthly report.

2. Daily Checks

Daily checks and visits are observations made routinely by Health Physics Technicians who observe, note, and make general observations in addition to their radiation survey functions.

3. Inspections

Inspections are performed by NIS Department Representative (nonresident), Specialist or NIS Manager. An inspection includes a review of checks to determine the area or areas requiring more detailed observation. Generally, a specific area will be observed for a sufficient time to indicate corrective action if needed. Inspections are documented and maintained as a record for at least one year. These inspections will be performed as follows:

<u>Function</u>	<u>Minimum Frequency[#]</u>
Health Physics	2 months
Nuclear Criticality Safety	2 months

[#]The minimum frequency is increased when new operations are in the startup phase.

June 7, 1972

P. R. Nelson

As shown by the re-numbered page 1 of 1 of Subsection 207, the licensee has given this change little thought. The title of 207 still lists AUDITS and in No. 1 General it still speaks to AUDITS.

The attached page marked COPY and is page 2 of 2 of 207 is the page to be deleted from the license. Any Health and Safety Program of this magnitude requires a Quality Assurance check to assure that personnel responsible for the program are performing their function. I have no objection to who performs the audit as long as they are knowledgeable; however an audit of the overall program should not be deleted as a license requirement in my opinion. This function could also be performed by a Safety Committee and is done in

this manner on some licenses.
However a committee has not
been established for this license
at the New Haven Plant. NOTE:
SNM 33 covers Hematite, Mo.
and New Haven, Conn.

Ray Smith

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SECTION: 200 - ORGANIZATION, PERSONNEL AND
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Page 2 of 2

Approved

Issued 4/21/72

Supersedes

2/6/70

207. Inspections and Audits

4. Audits

An audit is a more thorough inspection in which the results of previous checks, inspections or audits are also reviewed, as an evaluation on the effectiveness of the program. All aspects of the activities involved, including the equipment, facilities and operator's knowledge are covered. A review of the follow-up action taken on previous audits and inspections, the recommended corrective action, and a schedule date which such action will be accomplished are also covered. These audits may also involve a detailed review of non-safety documents such as operating procedures, route cards, etc. It may also include a review of the nuclear materials management program. These audits are documented by a formal report to the Manufacturing Vice President. Records of audits are maintained for at least one year. An audit is performed once a year by a team appointed by the Manufacturing Vice President.

COPY

No. Cys. Received

Date of Document

Received

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Comments?

NOTE: Signature & Date Required

COMMENTS:

Smith give me your thoughts on
this matter. WLB

WLB - comments -

I am not in favor of the revised Page 1 since an audit should be performed at least annually by someone not directly responsible for the operations audited. The audit should be reported to corporate management and should be performed by competent auditors. If they choose to use outside auditors that is their privilege but it can be done by corporate personnel. The audit should assure management that the daily and monthly audits are being performed and that rules and administrative controls are being followed.

W.K. Browne
4/6/72

8/28/72 - Contacted Dave. do not intend letting G.U. SUM33 of the book on audits. will continue to keep such condition in mind. WLB 8/28/72