



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

March 30, 1992

release

Docket No. 70-36
License No. SNM-33

R

Combustion Engineering, Inc.
ATTN: Mr. J. A. Rode, Plant Manager
Hematite Nuclear Fuel Manufacturing
P.O. Box 107
Hematite, MO 63047

Gentlemen:

This letter is intended to provide further detail and clarification concerning our letter of February 27, 1992, and follow-up telephone conversation between NRC and Combustion Engineering (CE) representatives on March 23, 1992, regarding the proposed construction of a new rod and bundle assembly building at the CE Hematite, Missouri, facility. The new building is intended to be used for part of the operations that are currently being conducted at the CE Windsor, Connecticut, facility. These operations are to be transferred to Hematite as part of CE's planned consolidation of fuel manufacturing operations at the Hematite facility.

In our February 27, 1992, letter, we stated that we have no objection to CE initiating construction of the building. We also advised you that radioactive material could not be introduced into the new areas; i.e., operations could not commence until License No. SNM-33 was amended. The amendment application should include a full safety analysis that would address the structural requirements for the building (i.e., load and load combinations that would encompass all proposed process operations as well as natural design basis events), as well as radiation, nuclear criticality, chemical, process, fire protection, utilities, ventilation, and any other considerations that may affect the health and safety of either plant operators or members of the public. The NRC staff will perform a technical review of this plant design information. Based on the staff's review, modifications to the building might be required. Therefore, as discussed in previous meetings, you are proceeding with the proposed construction at your own risk.

Also, pursuant to 10 CFR Part 51, an Environmental Assessment of the potential impact of the proposed plant operations is required. Because of the time required to perform the environmental assessment, as well as the possibility that the staff's technical review of the safety analysis might require modifications to the plant, you should submit your application as soon as possible and well before planned installation of equipment.

H-79

APR 2 1992

March 30, 1992

With regard to the discussion held by telephone on March 23, 1992, it is our understanding that CE has agreed to participate in an NRC public informational meeting on the new building. That meeting will be held in late April. Our Region III Office will contact you regarding the exact date and agenda. You indicated that you did not anticipate that foundation work would begin on the new building prior to the meeting. In addition, CE agreed to provide NRC with the latest schedule for construction of the new building and installation of equipment, as well as information about the building's structural requirements; i.e., whether the building is designed to meet only the Uniform Building Code or whether other or additional standards have been factored into the design. Please provide this information and your current schedule for submittal of a license amendment within two weeks.

If you have questions, please contact Michael Tokar of my staff at (301) 504-2590.

Sincerely,

/S/

John W. N. Hickey, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Material Safety
and Safeguards.

cc:

Mr. A. E. Scherer, Vice President
Nuclear Quality

Mr. C. B. Brinkman, Manager
Washington Nuclear Operations

Dr. R. S. Siudek, Vice President
Nuclear Fuel

Mr. J. F. Conant, Manager
Nuclear Materials Licensing

Mr. H. E. Eskridge, Manager
Nuclear Licensing, Safety and
Accountability

DISTRIBUTION: Docket No. 70-36
NRC Central File R. Fonner, OGC
PDR MTokar
IMSB R/F J. Greeves
IMUF R/F S. Soong (2)
NMSS R/F V. Tharpe
MTokar

E. Keegan
G. France, RIII
Reg. III
R. Cooper - Reg. I

[DOCKET 7036/COMBUSTION]

*SEE PREVIOUS CONCURRENCE

OFC :IMUF*	:IMUF*	:IMUF*	:IMSB	:OGC*	:	:
NAME :SSoong/11:1s:VTharpe	:MTokar	:JHickey	:RFonner	:	:	:
DATE :3/25/92	:3/25/92	:3/25/92	:3/27/92	:3/26/92	:	:

OFFICIAL RECORD COPY