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Dear []

Thank you for your October 12, 1992, letter to me inquiring about operations at the Combustion Engineering (CE) facilities at Hematite, Missouri and Windsor, Connecticut.

In response to your comment that you have heard that ABB-CE has purchased a lot of surrounding property at the Hematite facility, we also have heard the same from CE representatives. However, as far as we know to date there are no specific plans as to what CE plans on doing with the property. If it is their intention at some time in the future to expand their current operations, they will need to notify the NRC and request specific authorization if the expansion involves any NRC regulated materials.

Regarding your question of what licenses CE has now or had in the past at their Windsor, Connecticut facility, I provide the following. CE Windsor currently possesses a Special Nuclear Materials License (SNM-1067) which allows Windsor to operate a uranium pellet plant and a fuel rod plant. This license was issued in May 1968 and will remain in effect as an active license until the Hematite facility receives authorization from the NRC to expand their operations. Following that, the license will remain in effect only authorizing decontamination of the facility. In addition to that license, the Windsor facility also possesses another NRC Byproduct Materials License which authorizes various materials for research and development. There are no current plans to transfer that license to the Hematite facility. Other operations at the Windsor plant pertain to design and maintenance of nuclear power reactors and the manufacturing of instrumentation for reactor control rooms. As with the Byproduct Materials License, there are no plans to move any of these activities from Windsor.

In response to your question regarding where products from CE may be sold, there are requirements in the Code of Federal Regulations Title 10 which specifically indicate to whom NRC licensed materials may be transferred to. This limits transfers and sales to entities who are either specifically licensed by the NRC or an Agreement State to accept the material, or to the Department of Energy. There are also provisions in the regulations which allow the export of licensed materials to other countries who do not have embargoes and/or restrictions to receiving such materials. Those countries who have restrictions are specifically identified in the Code of Federal Regulations.

As requested, I also would like to provide you with an update on the current status of construction activities at the site and to the status of the Environmental Impact Statement (EIS). As you are aware the actual building which will house the fuel rod assembly process has been constructed. Although

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not readily observable from the highway there has been some installation of equipment in the building. This includes the installation of conduit within various concrete slabs in the building and the installation of a fuel pellet retrieval system. The installation of the latter was observed by NRC Region III inspectors and was found to be built and installed with sound engineering practices. Other systems currently being installed include passageways for pellet transfer carts and ventilation system components. The NRC will continue to monitor the installation of safety related systems and will continue to perform periodic onsite inspections to assure that the equipment and associated installations are in conformance with accepted design criteria. We will keep you apprised of those activities.

In discussing the EIS with our headquarters staff who have the principal responsibility in that area, we have been informed that the Hematite expansion operations are being reviewed under an Environmental Assessment (EA). On October 13, 1992, a letter was sent to CE specifically requesting information on the anticipated operations at the site which may affect the environment. Upon receipt of their response, the EA will be placed in the Federal Register. We will provide you with a copy of that assessment when it becomes available.

I hope I have answered all of your questions which you had regarding the CE expansion project. If you have any further questions or need to discuss any other aspects of the expansion project please call me or Mr. Roy Caniano of my staff at (708) 790-5500.

Sincerely,

ORIGINAL SIGNED BY W. L. AXELSON

W. L. Axelsson, Deputy Director
Division of Radiation Safety
and Safeguards

bcc: License File No. SNM-33,
Docket No. 70-0036
M. Tokar, NMSS
J. Hickey, NMSS

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France/dsv
10/19/92

RIII *[initials]*
Caniano
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RIII *[initials]*
Grove
10/21/92

RIII *[initials]*
Axelsson
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