HITACHI

GE Hitachi Nuclear Energy

Scott P. Murray
Manager, Licensing & Liabilities

3901 Castle Hayne Road
P.O. Box 780
Wilmington, NC 28402
USA

(910) 819-5950
(910) 362-5950
scott.murray@ge.com

SPM 12-008

February 3, 2012

Director, Office of Nuclear Material Safety and Safeguards
Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001
Attn: Jack Sulima

Subject: Revised Chapter 10, SNM-960 License Renewal Application

References: 1) NRC License SNM-960, Docket 70-754, TAC # L33042
2) SNM-960 License Renewal Application – D. W. Turner, 4/08/2011

GE - Hitachi Nuclear Energy Americas LLC (GEH) hereby submits a revision to Chapter 2, "Organization and Administration", of the Vallecitos Nuclear Center SNM-960 License Renewal Application dated April 4, 2011 and submitted on April 8, 2011 (Reference 2). The reason for the change is to remove the specific type of degree required for the manager of the Regulatory Compliance Function as described on page 2.4. As a result of this change, Chapter 2 is provided as revision 2 and re-dated February 3, 2012. The change to Chapter 2 is shown with a change bar in the right hand margin of each changed page.

If you have any questions concerning this letter, please call me at (910) 819–5950.

Sincerely,

Scott P. Murray, Manager
Licensing & Liabilities

Attachment: 1) SNM-960 License Renewal Application Chapter 2, Revision 2

cc: R. Johnson, NRC NMSS, Washington, DC
C. Ryder, NRC NMSS, Washington, DC

CHAPTER 2.0
ORGANIZATION AND ADMINISTRATION

2.1 POLICY

The Vallecitos Nuclear Center (VNC) policy is to maintain a safe work place for its employees, to protect the environment, and to assure operational compliance within the terms and conditions of special nuclear material license SNM-960 and applicable NRC regulations. Employees are provided a simple mechanism to report and have safety concerns addressed. The worker concerns program is described in Chapter 11, Section 11.6.3.

2.2 ORGANIZATIONAL RESPONSIBILITIES AND AUTHORITY

2.2.1 KEY POSITIONS (FIGURE 2.1)

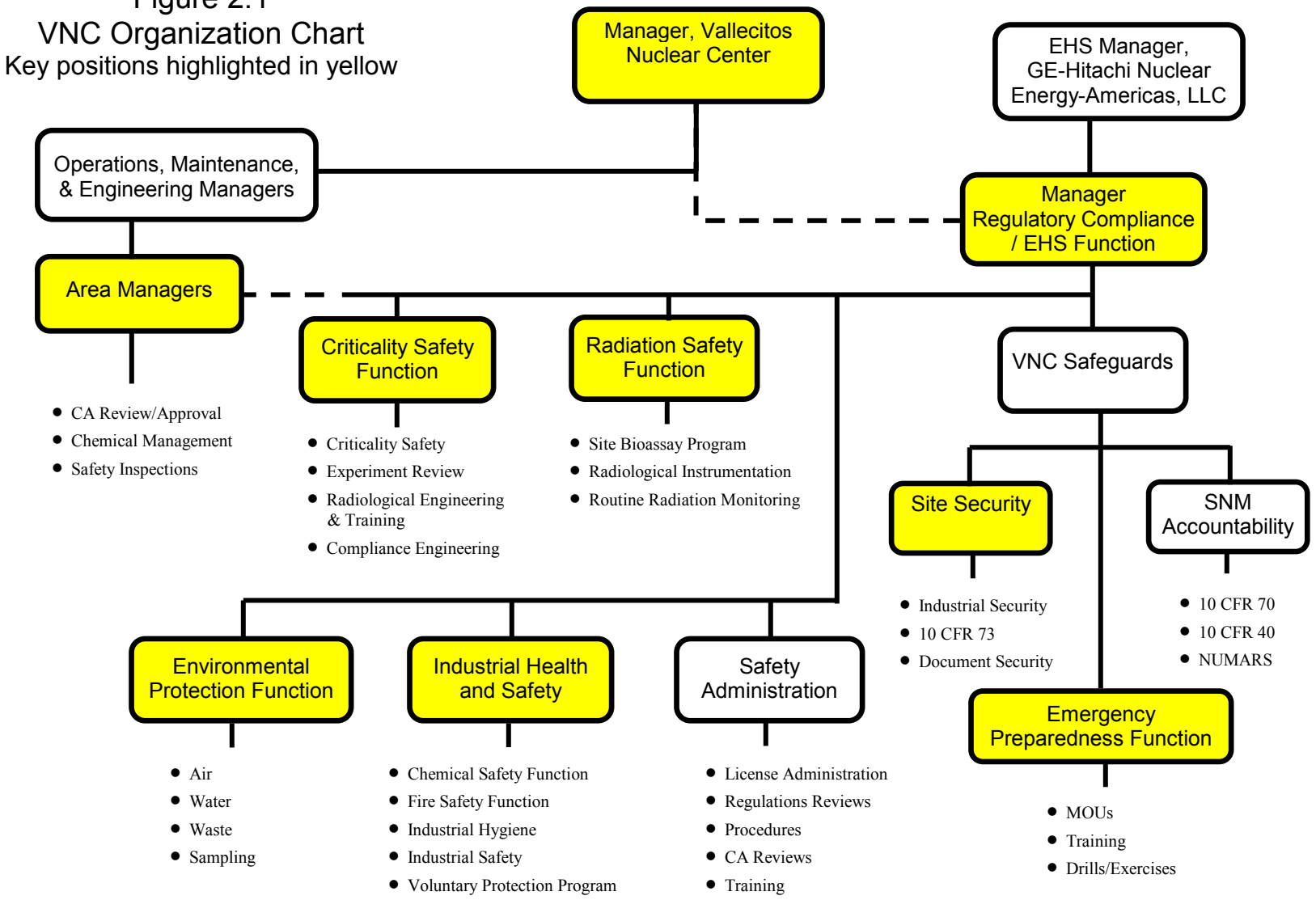
Responsibilities, authorities, and interrelationships among the VNC organizational functions with responsibilities for safe operations and design changes are specified in approved position descriptions and in documented and approved practices.

2.2.1.1 Manager, Vallecitos Nuclear Center

The Manager, Vallecitos Nuclear Center is the individual who has overall responsibility for safety and activities conducted at the facility. The Manager, Vallecitos Nuclear Center directs operations by procedure, or through other management personnel. The activities of the Manager, Vallecitos Nuclear Center are performed in accordance with VNC's policies, procedures, and management directives. The Manager, Vallecitos Nuclear Center provides for safety and control of operations and protection of the environment by delegating and assigning responsibility to qualified Area Managers who are charged with maintaining and operating the facility in accordance with all applicable building codes and regulations.

The minimum qualifications of the Manager, Vallecitos Nuclear Center are a BS or BA degree and two years experience in nuclear operations. The Manager, Vallecitos Nuclear Center is knowledgeable of the safety program concepts as they apply to the overall safety of a nuclear facility and has the authority to shutdown any process or facility. The Manager, Vallecitos Nuclear Center must approve restart of any operation shutdown.

Figure 2.1
VNC Organization Chart
Key positions highlighted in yellow



2.2.1.2 Area Manager

The Area Managers are the designated individuals who are responsible for ensuring that operations and activities necessary for safe operations and protection of the environment are conducted properly within their designated areas of the facility. Designated Area Manager responsibilities include:

- Assure safe operation, maintenance and control of activities
- Assure safety of the environment as influenced by operations
- Assure application of assurance elements to safety controls, as appropriate
- Assure configuration control for safety controls for the assigned facility area, as required
- Assure use of approved written operating procedures which incorporate safety controls and limits
- Assure adequate operator training.

The minimum qualifications of an Area Manager is a BS or BA degree in a technical field, and two years of experience in nuclear operations; or a high school diploma with five years of nuclear experience.

Area Managers shall be knowledgeable of the safety program procedures (including as applicable chemical, radiological, criticality, fire, environmental and industrial safety) and shall have experience in the application of the program controls and requirements, as they relate to their areas of responsibility. The Manager, Vallecitos Nuclear Center approves the assignment of individuals to the position of Area Manager, and the listing of Area Managers, by area of responsibility, is maintained current by the Manager of Regulatory Compliance and EHS.

The Area Manager shall incorporate the results of reviews, audits, inspections, assessments and investigations to improve operational controls, procedures and performance.

2.2.1.3 Regulatory Compliance Function

The Regulatory Compliance function is administratively independent of production responsibilities and has the authority to shutdown any process or facility in the event that adequate controls for any aspect of safety may not be assured. This function has designated overall responsibility to establish the radiation safety, criticality safety,

environmental protection, chemical safety, fire protection and emergency preparedness programs to ensure compliance with federal, state and local regulations and laws governing operation of a nuclear facility. These programs are designed to ensure the health and safety of employees and the public as well as protection of the environment.

The manager of the Regulatory Compliance function must hold a BS or BA degree and have five years of management experience in assignments involving regulatory activities. The manager of the Regulatory Compliance function must have appropriate understanding of health physics, nuclear criticality safety, environmental protection, and chemical and fire safety programs.

2.2.1.4 Criticality Safety Function

The criticality safety function is administratively independent of production responsibilities and has the authority to shutdown potentially unsafe operations. This function must approve restart of an operation they request be shutdown.

Designated areas of responsibility include:

- Establish the criticality safety program including design criteria, procedures and training
- Provide authoritative professional advice and counsel to Site employees and management on criticality safety control measures, including review and approval of operating procedures
- Assess normal and credible abnormal conditions
- Determine criticality safety limits for controlled parameters
- Specify criticality safety control requirements and functionality
- Perform methods development and validation to support criticality safety analyses
- Perform neutronics calculations, write criticality safety analyses and approve proposed changes in process conditions or equipment involving fissionable material
- Assess the effectiveness of the criticality safety program through audit programs

The criticality safety function manager shall hold a BS or BA degree in science or engineering, have at least three years experience in assignments involving regulatory

activities, and have at least one year experience in the understanding, application and direction of nuclear criticality safety programs.

Minimum qualifications for a member of the criticality safety function are a BS or BA degree in science or engineering with at least one year of relevant criticality safety experience.

2.2.1.5 Radiation Safety Function

The radiation safety function is administratively independent of production responsibilities and has the authority to shutdown potentially unsafe operations. This function must approve restart of an operation they request be shutdown.

Designated areas of responsibility include:

- Establish the radiation protection and radiation monitoring programs, including the As Low As Reasonably Achievable (ALARA) program
- Establish the radiation protection design criteria, procedures and training programs to control contamination and exposure to individuals
- Evaluate radiation exposures of employees and visitors, and ensure the maintenance of related records
- Conduct radiation and contamination monitoring and control programs
- Evaluate the integrity and reliability of radiation detection instruments
- Provide analysis and approval of proposed changes in process conditions and process equipment involving radiological safety
- Provide advice and counsel to Site employees and management on matters of radiation safety
- Assess the effectiveness of the radiation safety program through audit programs

A member of the radiation safety function shall have experience in the assigned safety function, and has authority and responsibility to conduct activities assigned to the radiation safety function. The minimum qualifications of personnel assigned functional responsibility in the radiation safety function shall be:

1. The radiation safety function manager shall hold a BS or BA degree in science or engineering, have at least five years experience in assignments that include responsibility for radiation safety, and have experience in the understanding, application and direction of radiation safety programs. An

alternate minimum experience qualification is a professional certification in health physics (CHP).

2. A specialist in the radiation safety function shall hold a BS or BA degree in science or engineering, have at least two years experience in assignments that include responsibility for radiation safety or have eight years of experience in health physics or radiation protection.
3. A radiation monitor technician (RMT) in the radiation safety function shall have a high school degree, or equivalent, with two years experience in handling radioactive materials, or two years of college and four months experience; also, successful completion of a GE-Hitachi Nuclear Energy certification program, which includes written examinations covering radiation protection procedures.

2.2.1.6 Environmental Protection Function

The environmental protection function is administratively independent of production responsibilities and has the authority to shutdown operations with potentially uncontrolled environmental conditions. This function must approve restart of an operation they request be shutdown.

Designated areas of responsibility include:

- Identify environmental protection requirements from federal, state and local regulations which govern SNM-960 operations
- Establish systems and methods to measure and document adherence to regulatory environmental protection requirements and license conditions
- Provide advice and counsel to Site employees and management
- Evaluate and approve new, existing or revised equipment, processes and procedures involving environmental protection activities
- Assure proper federal and state permits, licenses and registrations for non-radiological discharges from the facilities

2.2.1.7 Industrial Health and Safety (Including Chemical and Fire Safety Functions)

Industrial Health and Safety maintains programs generally related to OSHA and Cal/OSH regulations. In regards to SNM-960 operations, functions specifically pertinent are the chemical and fire safety functions. The function is administratively independent of the production responsibilities and has the authority to shutdown

operations with potentially hazardous health and safety conditions. These functions must approve restart of an operation they request be shutdown.

Designated areas of responsibility include:

- Identify industrial health and fire protection requirements from federal, state, and local regulations which govern the SNM-960 operations
- Develop practices regarding non-radiological chemical hazards that could affect the safety of licensed materials
- Provide advice and counsel to Site employees and management on matters of industrial health,chemical and fire safety
- Provide consultation and review of new, existing or revised equipment, processes and procedures regarding industrial safety, chemical safety and fire protection

2.2.1.8 Site Security Function

The site security and emergency preparedness function is administratively independent of the production responsibilities. Designated areas of responsibility include:

- Provide physical security for the site
- Provide advice and counsel to Site employees and management on matters of site security

2.2.1.9 Emergency Preparedness Function

- Establish and maintain the emergency preparedness program, including training and program evaluations
- Maintain agreements and preparedness with off-site emergency support groups
- Provide advice and counsel to Site employees and management on matters of emergency preparedness

2.2.2 MANAGEMENT CONTROLS

Management controls for the conduct and maintenance of VNC's health, safety and environment protection programs are contained in formally approved, written procedures prepared in compliance with a formal document control program. A description of the controls is provided in Chapter 11, Section 11.5.

It is the responsibility of the manager of an activity or area involving radioactive materials to:

Take all necessary steps to plan and organize the work within his/her area of responsibility, in accordance with approved radiation safety standards and operational procedures.

Identify needs for operational procedure revisions when there is a planned change in conditions such as types or quantities of radioactive materials or equipment modifications.

Integrate the results of reviews, inspections, engineering assessments and investigations to correct or improve operational procedures, controls and performance.

2.3 TRAINING

Personnel training is conducted as necessary to provide reasonable assurance individuals are qualified, continue to understand, and recognize the importance of safety while performing assigned activities.

Training is provided for each individual at VNC, commensurate with assigned duties. Training and qualification requirements are met prior to personnel fully assuming the duties of their positions, and before assigned tasks are independently performed. Formal training relative to safety includes radiation and radioactive materials, risks involved in receiving low level radiation exposure in accordance with 10 CFR 19.12, basic criteria and practices for radiation protection, nuclear criticality safety principles, chemical and fire safety, maintaining radiation exposures and radioactivity in effluents ALARA, and emergency response.

The system established for management assurance, and record retention of training and retraining is described in Chapter 11, Section 11.4.

2.3.1 NUCLEAR SAFETY TRAINING

Area Managers shall assure that new employees receive instruction in criticality safety, radiation safety, plant operating procedures, site emergency procedures and general industrial safety prior to their working with special nuclear materials in a criticality limit area (CLA). A criticality control training program is maintained to emphasize the need for following the criticality control procedures and to aid personnel in understanding the various parameters that are essential to the maintenance of subcritical conditions. The program may be conducted by the Criticality Safety function, some other portion of the Regulatory Compliance and EHS function, or combined with training performed by operating components. This training may be combined with Radiation Safety training. Each employee taking the criticality safety course completes a written test. Employees requiring criticality safety training receive refresher training annually.

2.3.2 OPERATIONAL TRAINING

Training of personnel is described in Chapter 11, Section 11.4.

2.4 SAFETY COMMITTEES

2.4.1 ALARA COMMITTEE

The ALARA Committee is described in Chapter 4, Section 4.2.

2.4.2 VALLECITOS TECHNOLOGICAL SAFETY COUNCIL

The Vallecitos Technological Safety Council (VTSC) is an independent review body and consists of a minimum of five senior members of GE-Hitachi Nuclear Energy's technical and/or management personnel. Its proceedings, findings and recommendations are reported in writing to the Manager, Vallecitos Nuclear Center, Manager of Regulatory Compliance and EHS, and to appropriate functional managers responsible for operations, which have been reviewed by the committee. Such reports shall be retained for at least three years.

The committee holds at least two meetings each calendar year with a maximum interval of 210 days between any two consecutive meetings.

The functions of the VTSC include the following:

- Review of major changes in authorized plant activities which may affect nuclear or non-nuclear safety practices
- Professional advice and counsel on environmental protection, and criticality, radiation, chemical and fire safety issues affecting the nuclear activities
- Review of reportable incidents and the nuclear safety program
- An annual site safety and compliance program review which considers:
    - Content and implementation of the radiation protection program
    - Means to enhance the effectiveness of the radiation protection program

2.5 CHANGE MANAGEMENT

Change Management is described in Chapter 11, Section 11.2.