



GA Technologies

70-734
PDR

GA Technologies Inc.
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RETURN TO 396-SS



August 30, 1985

In Reply
Refer to: 696-8005

Mr. William T. Crow
Office of Nuclear Material
Safety & Safeguards
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Mr. Willard B. Brown, Chief
Fuel Facility Safeguards
Licensing Branch
Division of Safeguards, NMSS
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555



Ref: (a) Docket 70-734: SNM-696; Letter #696-7088 dated
August 7, 1985, Notification of Reorganization

Subject: Docket 70-734: SNM-696; Additional Information
Regarding Reorganization

Gentlemen:

GA Technologies Inc. (GA) notified you of an impending reorganization in our letter, ref. (a). Subsequently, we received W. Brown's letter dated August 15 and a telephone call from N. Ketzlach expressing concerns and requests for additional information. This response and its attachments provide additional information which we believe will clarify our conclusion that the planned reorganization will not decrease our effectiveness in implementing license conditions and protecting employees as well as public health and safety.

It will perhaps be useful to explain the circumstances which led to what may at first glance appear to be a significant turnover of personnel. Like many companies, GA has experienced a considerable increase in the number of employees who were eligible to retire but have declined to do so. This tends to

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DESCRIPTION:

Additional information
regarding Reorganization

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stagnate promotional opportunities, which is damaging to the morale of the other employees. GA's Board of Directors determined that the company would offer a one-time retirement incentive bonus program in an effort to motivate such employees to retire. Under the Employee Retirement Income Security Act of 1974, as well as company policy, any such special benefits packages must be and were offered to all eligible employees. The offer required that retirement occur between July 8 and December 31, 1985. Eighty-six GA employees accepted the offer.

Purely coincidentally, among those 86, four of the six department heads who reported to Mr. T. R. Colandrea in his Quality Assurance & Compliance Division accepted the offer and, subsequently, one more of those department heads also decided to retire. Of the total of five department heads retiring, one was the head of Quality Assurance; the other four headed Compliance functions. These people and their successors are identified in Attachments 1 and 2.

In part because of this personnel development, the company decided to separate the Quality Assurance and Compliance functions, with Mr. Colandrea becoming Director of Quality Assurance, reporting to Dr. R. A. Dean, Vice President, Reactor Programs. In turn, this led to the planned changes in the reporting relationships of the Compliance functions.

It is GA management's opinion that the Security, Health Physics and Industrial Safety functions must interact continuously at all levels with virtually all of the employees of the company in various ways, in terms of control, inspection, training, conduct of employees, and compliance with company policy, and, moreover, that these functions should be closely associated with employee relations policy and practice. For this reason, it was decided that they should report to the Director of Human Resources, Mr. R. N. Rademacher.

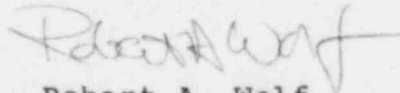
Similarly, it was management's conclusion that the Nuclear Safety, SNM Measurement Control, Nuclear Material Accountability and Licensing Administration functions have fewer interactions with the entire body of company employees, and major responsibilities for interacting with particular members of management in both an administrative and compliance capacity. Accordingly, it is planned that these functions will report to the Secretary, who also has direct cognizance of the company's Internal Audit function, and reports directly to the President.

Finally, as stated in our letter of August 7, both Security and Health Physics and Safety Services will also have a reporting responsibility to the Secretary, who will have the authority specified in the license and plans that were previously vested in the Director, QACD.

For these reasons, and the further information provided in Attachments 1 and 2, we are confident that the reorganization will not decrease the company's effectiveness in fulfilling its license commitments, but will, in fact, contribute to more direct interactions with employees and managers and thus to even greater recognition of and attention to our license commitments. It remains our opinion that GA could, under the terms of the license, proceed with these organizational changes but we have delayed action, as requested, until we could get this additional information to you.

If, after reviewing this information, you feel our effectiveness will be diminished by the reorganization, please contact me as soon as possible to discuss the specific point(s) of concern. Under the circumstances, with some managers having already left, and others leaving shortly, it is important that we stabilize the situation as quickly as possible. I can be reached at (619) 455-2033.

Sincerely,



Robert A. Wolf
Secretary

Attachments:

1. Description of Organizational Changes
2. Resumes

cc: John B. Martin, NRC, Region V

ATTACHMENT 1

Description of Organizational Change

The reorganization will eliminate the Quality Assurance and Compliance Division, and reassign its components to other organizations of the company. The office of the corporation's Secretary will assume responsibility for assuring compliance with applicable license requirements and will control the radiological and nuclear safety and safeguards of licensed material. This organization will establish the necessary policies of operation, cause them to be published in company wide guides and manuals, and coordinate related activities with operating groups to assure compliance with related policies, procedures, regulations and license conditions. The Secretary will have the authority specified in the license and plans previously vested in the director of QACD.

The Nuclear Material Management organization, which included a nuclear accountability function and a waste yard operation, is being eliminated. Nuclear Material Accountability will be responsible for the nuclear material accountability function and for assuring compliance with SNM custody and control regulations and license conditions.

The Waste Yard Operation has been reassigned to the Fuel Operations Division under the Vice President, Reactor Programs. This operation is responsible for the collection, processing and/or packaging of waste prior to its shipment for disposal. This move is in keeping with the regulatory intent and our general license commitments to place significant material handling operations in operating groups separate from the material control functions specified in Section 3.2.2 of the subject license specification. This places responsibility on the Fuel Operations Division, a major contributor to the waste volume, to properly classify and package the material in preparation for its shipment. Licensing Administration, Nuclear Material Accountability and Health Physics will continue to review procedures and activities of waste yard operations as well as control the individual shipments therefrom. Nuclear Material Accountability will have primary control responsibility over the shipments to assure that appropriate material accounting documents, releases, certifications, shipping orders, etc., are completed prior to dispatching the shipment.

Another benefit of the new organization is to remove the SNM Measurement Control function from the Fuel Operations Division and elevate it at a level equal to other company material control functions. The elevated function will be independent of the fuel processing organizations, their quality control organization and the company SNM material accounting function. This is made possible by combining it with the company's Nuclear Safety function. Both functions necessarily have strong background in nuclear interactions, statistics and calculational techniques as well as require intimate knowledge of material flows through the processes.

Nuclear Safety and SNM Measurement Control, License Administration, and Nuclear Material Accountability functions will report to the Office of the Secretary. The Security and Health Physics functions will report administratively to the Director of Human Resources. However, functionally, in matters regarding the establishment and the implementation of company policies and procedures to ensure conformance with governmental requirements as stipulated in regulations, permits and licenses, these organizations will report to the Office of the Secretary. Thus, the Office of the Secretary is vested with the responsibility and the authority to manage the functions of Health Physics, Nuclear Safety, Licensing Administration, Nuclear Material Accountability and Security in all matters important to the company's effectiveness in fulfilling its license commitments. Each of the managers of these functions will have direct access to the highest level of authority in reporting to the Secretary; the Secretary reports directly to the office of the President.

Thus, the reorganization will result in no adverse changes to the working relationships of the various functional organizations nor in their effectiveness in discharging their responsibilities to implement license conditions either singularly or in concert. For example, consistent with established procedures, all Work Authorizations and appropriate safety related information shall be approved in writing by Health Physics, Nuclear Safety, Nuclear Material Accountability, and Licensing Administration. In addition, all such requests shall continue to be sent to Security Administration and/or the Criticality and Radiation Safety Committee for approval when appropriate (as specified in the license).

Furthermore, Licensing Administration, as the designee of the Secretary, will continue to approve all Supporting Plans described in Section 8 of the subject license to ensure conformance with GA policies and governmental requirements as stipulated in regulations, permits and licenses.

ATTACHMENT II

Resumes

This contains resumes of individuals who are or will be filling the licensed functions of SNM-696, Section 3.2.2, as well as the Measurement Control functions identified in Sections 1 and 4 of the FNMC Plan.

We believe that the respective resumes demonstrate that we have prudently considered the qualifications for each person being considered for key licensed positions in the reorganization. The resumes include the names of individuals and their functional position. A review of the resumes will show that the license specified qualifications have been met.

These personnel changes can be summarized as follows:

<u>Retiring</u>	<u>Retirement Date</u>	<u>Planned Successors</u>
William R. Mowry Manager Licensing Administration	9/9/85	Dr. Keith E. Asmussen Manager Licensing Administration
Everett L. Quimby Manager Security	12/31/85	Alexander L. Galli Manager Security
Richard J. Nirschl Manager Nuclear Safety	8/31/85	Meldon H. Merrill Manager Nuclear Safety and SNM Measurement Control
Kenneth C. Duffy Manager Nuclear Materials Management	7/31/85	Chester L. Wisham Manager Nuclear Material Accountability

Dr. Keith E. Asmussen, Manager, Licensing Administration

Ph.D. Nuclear Engineering, Iowa State
University of Science and Technology, 1969

Graduate Study in Nuclear Engineering (1 year)
University of Arizona, 1967

M.S. Nuclear Engineering, Iowa State University, 1966

B.S. Engineering Operations (Industrial Engineering),
Iowa State University, 1965

Registered Professional Engineer, Nuclear Engineering, California

Dr. Asmussen joined GA's Nuclear Analysis and Reactor Physics Department as a Senior Reactor Physicist in 1969. His initial responsibilities were in the areas of nuclear fuel management analyses and reactor physics calculations. In 1972 he was temporarily assigned to the Fuel Performance Branch where he performed thermal and fuel performance calculations and was responsible for developing the reactor core thermal safety limit and other fuel related technical specifications for a large HTGR. In 1973 and again in 1976, he served as a site physicist at the Fort St. Vrain (FSV) HTGR. His responsibilities involved planning, coordinating and participating in the initial fuel loading, subcritical testing and monitoring, zero power physics testing and rise-to-power testing. He spent 18 months working in the HTGR Physics group of Hochtemperatur Reaktor Bau (HRB) located in Mannheim, W. Germany. At HRB he acted as GA liaison and consultant regarding HTGR core and fuel design and fuel management. In 1976 he returned to GA's San Diego offices and became a section leader engaged in Lead Plant HTGR core physics design and nuclear analysis. Late in 1977 he was given the special assignment of coordinator of all testing (in-pile and out-of-pile) related to resolving the FSV core temperature fluctuation problem. In 1979 he became Manager, Fort St. Vrain Fuel Engineering where he was given the additional responsibility for directing all the technical analyses required

to design, manufacture and license FSV reload segment fuel. Other responsibilities included fuel accountability, core reactivity monitoring and monitoring the performance of the core and fuel. He played a key role in developing revised Technical Specifications for the FSV reactor and obtaining NRC release for unrestricted full power operation. In 1983 he became Coordinator, Fort St. Vrain Core Activities. In this capacity his technical responsibilities remained unchanged but he assumed responsibility as project manager of these and related tasks.

Dr. Asmussen has served for six years on GA's Fuel Material Review Board which reviews and dispositions non-conformance reports, waivers, etc., related to the FSV Fuel Specifications. He has worked intimately with GA Licensing personnel, as well as Public Service Company of Colorado Licensing personnel, on a variety of issues involving personnel interaction with NRC staff.

Alexander L. Galli, Manager, Security Control

B.S. in Military Studies, University of Maryland.

U.S. Army Command and General Staff College.

Special studies include administration, personnel management, data processing, security investigations, intelligence operations and industrial security.

Mr. Galli has had extensive management, operation and administrative experience in all aspects of physical, industrial and personnel security. During thirty years of service in the U.S. Army Military Intelligence, six years as a Security Manager for the Distribution Division of a large retail corporation and two years as the Security Control Manager for the Category I Fixed Site Facility for GA Technologies, extensive experience has been acquired in the design and implementation of security programs, conduct of all types of investigations and the functioning of industrial security programs. He completed his military service as a Colonel.

From 1983 to date he has been Manager of a security force of 50-60 people responsible for the security of a Category I Fixed Facility and several Category II and III activities. He has performed a broad spectrum of security control functions that implemented the requirements for safeguarding special nuclear material, protection of classified material and contingency plans.

For the past year, in addition to managing the security force, there has been a total involvement in all aspects of 10 CFR 73, including training and testing, writing of procedures and participation in the development of the Category I Shutdown Physical Protection Plan, development of physical protection plans, participation in NRC inspections and contact with outside agencies.

For the period 1975-1982 he was Security and Safety Manager, Distribution Division of a large west coast retail corporation. He developed and directed effective loss prevention programs to reduce pilferage and damage at four warehouse locations having a combined throughput of over 3.5 million dollars weekly.

For the period 1974-1975 he was the principal administrator and security manager for the U.S. Army Intelligence School and Center, directed all aspects of security, intelligence and training relating to personnel, physical facilities and classified material.

For the period 1972-1974 he was Deputy Director of Intelligence, U.S. Army, Korea. He developed and directed policies designed to provide protection of U.S. interests, materials and personnel. He coordinated intelligence collection activities.

For the period 1969-1971 he was Director of Counterintelligence and Security operations, U.S. Army Europe. Supervised conduct of investigations of people and incidents; security inspections and surveys of personnel, installations, materials and communications throughout the command, including overseas industrial security program. Approved and monitored agent operations and conducted multi-national liaison.

Mr. Meldon H. Merrill, Manager, Nuclear Safety and SNM Material
Measurement Control

B.S., Mechanical Engineering, University of California, Berkeley,
1958.

M.S., Nuclear Engineering, University of Washington, 1960.

Registered Professional Engineer (Nuclear), California.

Mr. Merrill joined GA Technologies in 1960 and has worked for 25 years in the field of reactor physics. From 1960 through 1967, he was assigned to the Nuclear Analysis Group on the Peach Bottom HTGR Project. His work on Peach Bottom physics design and analysis included preliminary design, safety analysis for preliminary and final hazards reports, analysis of critical experiments, design of test elements for the second core, planning of startup and rise-to-power physics experiment programs, and performing and analyzing experiments at the site. The safety analysis included out-of-core criticality calculation for stored fuel elements.

From 1967 to 1969, he worked on HTGR fuel cycle analysis in the company's European office. From 1970 to 1973, he was in charge of reactor physics for the Thermionic Reactor Project. In 1972, he directed nuclear safety analysis for criticality of spent LWR fuel at the Barnwell reprocessing plant built by GA and Allied Chemical. From May 1973 to December 1973, he was assigned as Liaison Representative at the CEA Laboratories in Saclay, France, as part of a joint GA-CEA research program on HTGR fuel. This principally involved fuel irradiation, testing and core design verification tests carried out by the French CEA. He subsequently returned to San Diego and directed GA's portion of this program as Manager, Foreign Fuel Programs.

From 1977 on, he has worked on proliferation-resistant fuel cycles for the HTGR and the HTGR version of the New Production Reactor, including out-of-core criticality analysis for the latter, which has unusually heavy fuel loadings. Other assignments in this period included on-site startup physics experiments at the Fort St. Vrain HTGR and FSAR preparation for an LWR plant at Bechtel Corporation. Most recently, he has been responsible for reactor physics and shielding for a thermionic space

reactor under the SP-100 program including out-of-core criticality analysis for re-entry and launch abort situations involving water flooding, compaction and dispersal.

Mr. Merrill also has had extensive experience with reactor kinetics, including development of a coupled point kinetics-heat transfer computer code used for HTGR, GCFR, and TRIGA analysis, participation in development and testing of a space-dependent kinetics code and co-authorship (with H.B. Stewart) of a chapter "Kinetics of Solid-Moderated Reactors" for the AEC-sponsored book, "The Technology of Nuclear Reactor Safety" (MIT Press, 1964). In 1973, he wrote a Licensing Topical report on nuclear analysis methods in use at GA Technologies.

Mr. Chester L. Wisham, Manager, Nuclear Material Accountability

A.A. (Accounting), Mesa College, 1983

Mr. Wisham joined GA in 1960 as a Nuclear Material Processor where he was involved in some of the company's early activities involving radioactive waste disposal.

In 1961 he was promoted to the Nuclear Materials Assistant position where he maintained the company's accountability records and coordinated Special Nuclear Material control activities within the material balance areas.

In 1963 he advanced to the Nuclear Materials Accountant's position, responsible for the maintenance and management of the SNM accountability system. The responsibilities also included training Nuclear Material Custodians, scheduling inventories, collecting and reviewing data for entry into the GA SNM Material Accounting system and accomplished or supervised nuclear material control and safeguards reporting activities to assure compliance with the various regulatory agencies.

During 1973 and 1974 Mr. Wisham was instrumental in the development of a computerized accountability system used by GA to implement the Commission's 10 CFR 70.57 and 70.58 and the related requirements of 10 CFR 70.51. Through the years since 1974 he has continued to meet the challenge of maintaining a highly reliable and accurate system for the accountability of SNM.

Mr. Rodney N. Rademacher, Director, Human Resources

B.A. Industrial Psychology, San Diego State University, 1962.

Graduate Studies, San Diego State University.

Graduate Studies, University of Colorado, Colorado Springs.

Mr. Rademacher has been employed by the company since early 1974 in various management capacities prior to assignment to his present position in August 1985. Before this assignment he was Director of Employee Relations where he was responsible for designing, developing and directing company employee relations programs, policies and procedures so as to effectively support the company's overall business objective. He functioned as chief advisor on the personnel implications of company problems, business procedures and other management actions. As such, he has a very broad understanding of the company's people, programs and business needs and requirements. Because of many past human relations problems in the Security force and Emergency Services organization, including a union organizing attempt, he has become intimately familiar with their operations, requirements, organization and applicable NRC requirements. He has developed a strong, positive working relationship with most GA managers and supervisors.

Before coming to GA, Mr. Rademacher was Director of Employee Relations for Getz Brothers & Company, Inc., 1973-74; Manager of Corporate Employment and EEO for Colorado Interstate Corporation, 1968-1973; Personnel Generalist for SDG&E, 1957-1968; and the U.S. Marine Corps Reserves, 1955-1956.

Mr. Robert A. Wolf, Secretary

J.D., Law, Cleveland Marshall Law School, 1951

B.A., Business Administration, Fenn College, 1947

Mr. Wolf joined GA in 1959 and shortly thereafter became Manager of Contract Administration. He became Director, Contract Administration in 1970, Director of Contracts and Business Development in 1971, Director and subsequently Vice President, Asia-Pacific Division in 1973, Director of Contracts and Purchasing in 1976, Secretary of General Atomic Company in 1977, Assistant Secretary of GA Technologies Inc. in 1982, and Secretary of GA Technologies Inc. in 1985. He is also Secretary of the Board of Directors and has been Secretary of the Executive Committee of General Atomic Company and its successor GA Technologies Inc. since 1977. Company divisions reporting to Mr. Wolf include Contracts, Internal Audit, and Planning and Economics. He reports directly to the President of the company. He has extensive experience in dealing with DOE and its predecessors, DOD, and other government agencies. Among other activities, he is responsible for assuring the company's compliance with its contractual and other undertakings with those agencies, as well as, through his Internal Audit cognizance, compliance with the company's policies and procedures, and with decisions of the Board of Directors.

It is proposed that the Nuclear Safety, SNM Measurement Control, Licensing Administration and Nuclear Material Accountability functions will also report to Mr. Wolf. This will assure direct executive level attention to these functions and immediate corporate response of those and all related functions, including Security and Health Physics and Safety, wherever necessary.

Prior to joining GA, Mr. Wolf had 15 years experience with Thompson Products (now TRW, Inc.) in personnel relations, law, purchasing management and nuclear energy division management.