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Docket File 70-1257

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MAY 29 1985

SGFF:DRJ  
70-1257

Exxon Nuclear Company, Inc.  
ATTN: Mr. R. A. Schneider  
Senior Staff Specialist, Safeguards  
2101 Horn Rapids Road  
P. O. Box 130  
Richland, Washington 99352

Gentlemen:

The purpose of this letter is to clarify that certain licensees, subject to the provisions of new 10 CFR Part 74, must continue to follow their existing Part 70 Fundamental Nuclear Material Control (FNMC) Plan, as required by Condition 2.1 of the Safeguards Amendment to their SNM license until a new Part 74 FNMC Plan is approved and implemented.

Your current FNMC Plan was approved in the context of 10 CFR Part 70 and approval relied upon certain provisions of Part 70 that were not recapitulated in the license for the full effectiveness of the Plan. Because of this, it is now necessary to issue a license condition to incorporate the omitted Part 70 requirements to be in effect until a new FNMC Plan is approved and implemented pursuant to 10 CFR 74.31(b). At that time your Safeguards Amendment will be revised in its entirety and reissued, and the following condition will be deleted. Thus, the condition added by this letter will serve to maintain the status quo until the new Plan is implemented.

Accordingly, we are hereby issuing new License Condition 2.1.2 to Amendment SG-1 of License No. SNM-1227, effective immediately, to read as follows:

- 2.1.2 Notwithstanding 10 CFR 74.31(c), the material control and accounting procedures for all low enriched uranium subject to the existing FNMC Plan, as identified in Condition 2.1, shall continue to include all requirements in 10 CFR 70.51, 70.57, and 70.58 that were applicable prior to March 27, 1985, except as noted in other conditions in this Amendment.

This matter was discussed between your Mr. R. A. Schneider and our Mr. D. R. Joy during a phone conversation on May 16, 1985, and was mutually agreed upon.

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Mr. R. A. Schneider

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We would also like to point out that your new Part 74 FNMC Plan must contain specific commitments that are fully and clearly described, and which are consistent with the acceptance criteria presented in NUREG-1065 (Rev. 1). We urge you to study and use NUREG-1065 (Rev. 1) when compiling your new Plan so as to minimize requests for additional information or clarification and to minimize the time for the review and approval process.

It has been determined that the review of your new Plan, required by 10 CFR 74.31(b)(1), will be conducted on a fee chargeable basis; therefore, your submittal should be accompanied with a check in the amount of \$150.

Should you have any further questions in this matter, please call Ray Jackson on (301) 427-4757 or Don Joy on 427-4756.

Sincerely,

Original signed by Willard B. Brown

Willard B. Brown, Chief  
Fuel Facility Safeguards  
Licensing Branch  
Division of Safeguards, NMSS

C : SGFF	: SGFF	: LFMB	: SGFF	: SGFF	: ELD	: SGFF
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