GENERAL ELECTRIC

Mr. J. Philip Stohr
June 7, 1984

ATTACHMENT

The following violation was issued in the May 11, 1984 letter from J. P. O'Reilly as a new Notice of Violation and identified as Enclosure 1. Violation A from inspection report 70-1113/83-28 was withdrawn.

> 10 CFR 70.51(c) requires the licensee to establish written material control and accounting procedures. In addition, 70.57(b)(12) requires the licensee to provide a recod system which retains all data, information, reports, and documents generated by the measurement control program.
>
> Contrary to the above, the licensee did not establish a written procedure to describe the methods and criteria to be used for evaluating the applicability of current control chart limits. In addition, the licensee's lack of a written procedure for this measurement control function resulted in the licensee failing to retain the data used in the control chart limit evaluation performed on July 12-15, 1983, associated with the NBL 97 standard (used to monitor uranium concentration measurements of uranium dioxide powder.)
>
> This is a Severity Level V violation (Supplement III).

General Electric admits the violation as stated in the revised NRC report and letter of 5/11/84. This position is consistent with our response of 11/29/83.

The violation occurred because the procedures that WMD was operating to during the inspection did not require changing control limits calculated during the current period when there were no significant differences from those used during the prior period. Therefore, test records for these calculations were not required to be retained under the procedures that existed.

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Procedure COI 002 has been revised to stipulate that all control limits will be recalculated and used whether or not significant differences exist with prior period limits. This action requires the generation of a record which will be retained. Records are retained in accordance with procedure P/P 140-13.

The control limits in question have been recalculated and updated. General Electric is currently in compliance and no further action is planned.

The following was received in the May 11, 1984 letter from J. P. O'Reilly as Enclosure 2 and addressed General Electric's 2/2/84 response to inspection report 70-1113/83-28, Violation B:

> We have reviewed your response to Violation B and still consider it to be a violation. We have consulted with the Fuel Facilities Safeguards Licensing Branch (Office of Nuclear Material Safety and Safeguards) and have determined that the statistical methods described in Introduction to Statistical Analysis, Dixon and Massey, McGraw-Hill, 1957, (pages 332-338) are not applicable in determining control limits associated with measurement control.

General Electric continues to deny the violation. 10 CFR 70.57(b)(10) requires evaluation of all program data and information with "appropriate statistical methods" and we firmly believe that the analytical techniques used by General Electric are appropriate to the application.

The analytical techniques used at GE-WMD were selected in 1981 by expert statistical technicians who judged them to be fully compliant with the requirements of the GE measurement control program and 10 CFR 70.57(b)(11). They have proven to be fully satisfactory from an operational standpoint and have been audited by internal and external functions several times without adverse criticism.

The techniques are well-founded in standard technical publications. In the interim since the issue surfaced, we also requested and received an evaluation of our methods by authorities in the GE Corporate Research and Development Information Technology Branch, who determined that the WMD analytical methods were a correct application of simultaneous statistical inference to satisfy the regulatory requirements.

It is apparent that there continues to be a lack of understanding between GE-WMD and the NRC which has led to contrary conclusions as to whether the GE-WMD measurement control techniques are correctly applied. We believe that a meeting of the technical people is warranted to resolve the misunderstanding and discuss the issues. We suggest that this meeting be held in Washington and attended by members of our Corporate Research and Development Center, members of the Fuel Facility Safeguards Licensing Branch, as well as representatives of Region II and GE-WMD.

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