

OCT 28 1985

FCUP:NK  
70-734

GA Technologies, Inc.  
ATTN: Mr. Robert A. Wolf  
Secretary  
P. O. Box 85608  
San Diego, CA 92138

Gentlemen:

This is in further response to your letter dated August 7, 1985, (your reference #696-7088) and supplements dated August 30 and September 20, 1985, (your reference letters #696-8005 and #696-8017, respectively) in which you outlined a proposed new organizational structure relative to your operations conducted under Materials License No. SNM-696. Mr. Norman Ketzlach of my staff discussed some of our concerns regarding the proposed reorganization in an August 15, 1985, telephone conversation with your Mr. Robert A. Wolf.

As discussed with Mr. Wolf, it appears from your August 7 letter that the reorganization is not in compliance with the conditions of your license. Our concerns were not removed by your August 30 and September 27, 1985, letters. Although the latter letters provided clarification of your proposed reorganization and your basis for concluding it meets the conditions of your SNM-696 license, the following points of concern indicate your reorganization is not consistent with your license:

1. Section 3.2.2 in your License Specifications specifies "the Director, QACD, or designee reviews and approves QACD policies, guides, and manuals."

Contrary to the above, the position of QACD has been removed from your organization. Moreover, the Office of Secretary is not a part of this license.

2. Section 3.3.2 specifies "the Director, QACD, shall be an experienced manager in one or more areas of the nuclear fuels fabrication or research and development industry. He shall have an accredited college degree in a relevant field and a minimum of 10 years of applicable experience."

Contrary to the above, the Office of the Corporation's Secretary (whom you suggest as a replacement to assume the responsibilities of the Director, QACD specified in the license) does not meet the above minimum qualifications.

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3. Section 3.2.2.2 specifies the Nuclear Safety function "provides review and approval, for nuclear safety purposes, of proposed SNM activities, reviews proposed changes in process, equipment, and procedures, and performs frequent inspections and monitoring to assure adequate implementation of nuclear safety controls." Section 3.3.2 specifies "the Manager, Nuclear Safety shall have an accredited college degree in the physical sciences or engineering plus a minimum of 3 years relevant nuclear safety experience of which one year shall be in outside reactor nuclear criticality safety."

Contrary to the above, there appears to be no evidence in the resume of the new Manager, Nuclear Safety and SNM Material Measurement Control that he meets the minimum qualifications.

In view of the above, it will be necessary for you to request an amendment to your license reflecting the proposed reorganization. Any proposed changes in the responsibilities and/or minimum qualifications of the key personnel must be justified. Your amendment application shall also include the related page changes to your license for Commission approval.

We would be happy to meet with you to discuss this matter in more detail. If you have any further questions, please contact me or Mr. Norman Ketzlach of my staff at (301) 427-4510.

Sincerely,

Original Signed By:

W. T. Crow

W. T. Crow, Acting Chief  
Uranium Fuel Licensing Branch  
Division of Fuel Cycle and  
Material Safety, NMSS

DISTRIBUTION

Docket 70-734

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