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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA ST., N.W.  
ATLANTA, GEORGIA 30323

FEB 21 1985

Report No. 70-1113/85-01

Docket No. 70-1113

License No. SNM-1097

Safeguards Group No. III

Licensee: General Electric Company  
Wilmington, NC

Date of Inspection: January 14 - 17, 1985

Inspectors: D. W. Jones  
D. W. Jones, Statistician

2/13/85  
Date Signed

G. A. Todd  
G. A. Todd, Auditor

2/13/85  
Date Signed

Approved by: E. J. McAlpine  
E. J. McAlpine, Chief, Material Control and  
Accountability Section, Nuclear Materials  
Safety and Safeguards Branch, Division of  
Radiation Safety and Safeguards

2/14/85  
Date Signed

SUMMARY

Scope: This routine, unannounced inspection entailed 49 inspector-hours during normal duty hours inspecting: facility operations and internal controls; and facility organization and management controls.

Results: One violation was identified - Failure to establish and follow a management system which provides for review and approval of nuclear material control and accounting procedures by the individual assigned the responsibility for the nuclear material control and accounting functions.

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EXEMPT FROM DISCLOSURE  
10 CFR 2.790 INFORMATION

## REPORT DETAILS

Report No. 70-1113/85-01

1. Key Persons Contacted

- \*R. C. Hawk, Manager, Operational Planning
- \*G. R. Mallett, Senior Engineer, Measurements and Statistics
- \*W. W. McMahon, Manager, Quality Assurance
- \*R. G. Patterson, Manager, Fuel Fabrication Operation
- \*H. Stern, Consulting Engineer, Manufacturing Technology
- \*C. M. Vaughn, Manager, Regulatory Compliance

The inspectors also interviewed several other licensee employees.

\*Denotes those present at the exit interview

2. Exit Interview

The inspection scope and findings were summarized on January 16, 1985, with those persons indicated in Paragraph 1 above. The following issue was discussed in detail with the Regulatory Compliance Manager on January 17, 1985: failure to establish and follow a management system which provides for the review and approval of nuclear material control and accounting procedures by the individual assigned the responsibility for the nuclear material control and accounting functions (para. 5). The licensee acknowledged the inspection findings and took no exceptions.

3. Licensee Action On Previous Enforcement Matters

This subject was not addressed during this inspection.

4. Facility Operations and Storage and Internal Controls (85205)

A review of the licensee's internal accountability and control system was performed to determine operational compliance with applicable 10 CFR Part 70 Regulations, the licensee's approved Fundamental Nuclear material Control Plan and related procedures.

The inspector evaluated the licensee's program for maintaining current knowledge of discrete items or containers of special nuclear material (SNM) and their associated records.

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The inspector reviewed the MICS audit report summaries for calendar year 1984.           

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The corrective actions were deemed timely and appropriate and demonstrated the licensee's commitment to an effective program of material control and accountability.

The inspector verified that the licensee had established and maintained a system for scrap control such that no item of scrap with a measurement uncertainty of greater than  $\pm 10$  percent remains on inventory longer than 12 months as specified in 10 CFR Part 70.58(i)(2).

The licensee implements his scrap control program through procedure number NMM 140-2 entitled, "Special Nuclear Material Scrap Control." This procedure incorporates the assignment of responsibilities and methodology for the categorization of scrap materials, the monitoring of scrap inventories by item generation dates and the eventual scheduling for processing or shipment of SNM scrap and waste containers.

The licensee maintains a perpetual scrap inventory by pre-assigned category code on a computerized tabulation referenced as R018 entitled "Material Aging Report." This report is routinely examined by Fuel Manufacturing personnel to identify respective ages of scrap items and to schedule their necessary disposition within the specified time constraint.

The inspector obtained a copy of Report No. R018 dated January 15, 1985, and examined the assigned scrap codes and ages of the total 598 listed containers. It was determined through this examination that all containers coded as having been measured with an uncertainty of greater than  $\pm 10$  percent were listed on the report and that no item of this type had exceeded the prescribed 12 month regulatory constraint.

It should be noted that two items on the list were identified by the inspector as having an inventory "life" of 1061 days. However, an investigation by the licensee and subsequently verified by the inspector, disclosed a data input error related to the fill date on the source documentation. The 1061 was an error flag in the software program.

It should be further noted that the materials categorized as incinerator ash were not a part of this review. The licensee had received an exemption from the further processing of these materials until December 31, 1986. This exemption was dated December 31, 1984 from the Office of Nuclear Materials Safety and Safeguards and involved 333 cans of incinerator ash that could not be processed by the licensee's offsite scrap recovery contractor. This exemption will allow the licensee to process these materials themselves through their soon to be on-line scrap recovery system (Uranium Process Management Project).

No violations or deviations were identified.

#### 5. Facility Organization and Management Controls (85203)

The licensee's organization structure for nuclear material control and accounting was inspected. The licensee's corporate and plant management structure, as it relates to nuclear material control and accounting, is described in the licensee's Fundamental Nuclear Material Control Plan (FNMCP). The FNMCP includes an organization chart depicting the functional relationships between the various management groups. Narrative descriptions of the material control and accounting functions and their relationship to other organizational units are also included in the FNMCP. Functional responsibilities and position qualification requirements are documented in Position Guides and Position Data Sheets which are maintained in personnel files. The facility organization is structured to provide a separation of functions such that the activities of one individual or organizational unit serve as controls over and checks of the activities of other individuals or organizational units. The overall responsibility for the planning, coordinating, and administering the nuclear material control and accounting functions and the measurement control program is vested in the Licensing and Nuclear Materials Management Manager. The position appears to be at an organizational level commensurate with the position responsibilities and authorities. The delegations of this and other material control and accounting functional responsibilities and authorities are documented through a system of management policy guides, manuals and procedures.

The licensee's management system for nuclear material control was also inspected. The licensee has established a management system to provide for the development, revision, implementation, and enforcement of nuclear material control and accounting procedures. The management system, as described in Chapter 8 of the licensee's FNMCP Plan,

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The management system also provides for a review of the nuclear material control system at intervals not to exceed 24 months as specified by License Condition 8.1. The licensee indicated that the most recent audit had been performed on November 26 - 30, 1984, but as of the date of this inspection the results of the audit had not been reported to facility management. The documented results of the audit will be reviewed during a subsequent inspection (85-01-02).



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Region II file ✓

JUN 12 1985

General Electric Company  
ATTN: Mr. Eugene A. Lees, General Manager  
Nuclear Fuel Manufacturing Department  
P. O. Box 780  
Wilmington, NC 28402

Gentlemen:

SUBJECT: REPORT NO. 70-1113/85-06

On April 22-25, 1985, NRC inspected activities authorized by NRC License No. SNM-1097 for your Wilmington facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

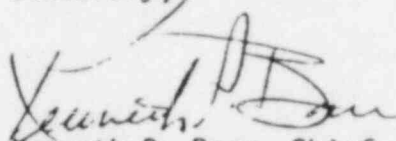
Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

Within the scope of the inspection, no violations or deviations were identified.

In accordance with 10 CFR 2.790(d) and 10 CFR 73.21, safeguards activities and security measures are exempt from public disclosure; therefore, the enclosures to this letter, with the exception of the report cover page which presents a nonexempt summary, will not be placed in NRC's Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

  
Kenneth P. Barr, Chief  
Nuclear Materials Safety and  
Safeguards Branch  
Division of Radiation Safety  
and Safeguards

Enclosure:  
Inspection Report No. 70-1113/85-06

cc w/encl:  
C. M. Vaughan, Manager  
Regulatory Compliance

2547-12-1393 (1P)

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