



April 4, 1997
696-2705

VIA OVERNIGHT EXPRESS SERVICE

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Subject: **Response to NRC Notice of Violation**

Reference: NRC Inspection Report 70-734/97-01 and Notice of Violation dated March 6, 1997.

Dear Sir or Madam:

Enclosed is General Atomics' (GA's) response to the Notice of Violation issued on March 6, 1997 (Reference). This response was prepared pursuant to the provisions of 10 CFR 2.201.

GA trusts you will find its response and corrective action measures to be appropriate and satisfactory. If you should have any questions concerning this response, please contact me at (619) 455-2823, or Mr. Brian Laney at (619) 455-4369.

Very truly yours,

Dr. Keith E. Asmussen, Director
Licensing, Safety, and Nuclear Compliance

Enclosure - as above

cc: Regional Administrator, NRC Region IV
NRC Region VI Walnut Creek Field Office

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**General Atomics' Response to the
Notice of Violation / Inspection No. 70-734/97-01**

During the Nuclear Regulatory Commission (NRC) inspection conducted on February 25-27, 1997, two violations of NRC requirements were identified. The violations are restated below, each followed by the General Atomics' (GA's) corresponding response.

VIOLATION A : Change of Locks: (70-734/9701-01):

"Section 3.3 of the licensee's physical protection plan requires, in part, that key locks (cores) controlling access to Controlled Access Areas be changed at least annually.

Contrary to the above, on February 26, 1997, the inspector determined that the licensee had not changed lock cores to all Controlled Access areas at least annually. Specifically, the lock cores for its Sorrento Valley facility, and for its Station 1, had not been changed since May 1995 and Fall 1995, respectively."

GA's Response to Violation A:

(1) The reason for the violation, or, if contested, the basis for disputing the violation:

General Atomics has had considerable changes to its business scope over the past few years that has resulted in some organizational and personnel changes. As a result of these changes, the requirements for the annual changes of locks in two areas were inadvertently overlooked.

(2) The corrective steps that have been taken and the results achieved:

The Station 1 simplex lock was changed out on February 26, 1997 and the locks for the Sorrento Valley Facility were changed out on March 14, 1997.

(3) The corrective steps that will be taken to avoid further violations:

Although the annual lock change out requirement is the responsibility of each facility manager, GA Security has instituted a suspense system to ensure that this requirement will continue to be met annually as required.

(4) The date when full compliance will be achieved:

General Atomics is in full compliance.

VIOLATION B : Physical Protection Plan: (90-734/9701-02)

"Page xi (Plan Change Procedure) of the licensee's physical protection plan states, in part, 'Changes made (to the physical protection plan) without prior NRC approval will be furnished to the NRC in the form of a report containing a description of each change within two months after the change.'"

10 CFR 70.32(e) requires, in part, that changes to the security plan made without prior NRC approval will be furnished to the NRC in the form of a report containing a description of each change within two months after the change is made.

Contrary to the above, on February 26, 1997, the inspector determined that the licensee had made changes to its physical protection plan (Plan) without prior NRC approval and did not furnish to the NRC a report containing a description of each change within two months after the change. Specifically, the NRC was not notified of security plan changes in which permanent storage of fuel samples inside a separate building was initiated in January 1996, and also a manufacturing operation inside a portion of a building described in the security plan was discontinued in September 1995."

GA's Response to Violation B:

(1) The reason for the violation, or, if contested, the basis for disputing the violation:

General Atomics has made no changes to its Physical Protection Plan since April of 1995 at which time the NRC was informed as required. In the meantime, GA has undergone significant changes in the scope of its activities related to the use of SNM, leading to GA's obtaining its current possession only license amendment. As a result of these changes, the plan was recently extensively reviewed and draft changes proposed. This included asking selected individuals within GA's Security and Licensing, Safety and Nuclear Compliance organizations to "markup/write" proposed revisions on copies of the plan for consolidation into a final revised version. But the plan was not revised, no revisions were issued, and none of the proposed changes were implemented. And, importantly, during this continuing transition period, GA has adhered to the requirements as stated in the NRC-reviewed and approved April 1995 revision of the plan.

GA acknowledges that a new CAA was established for the storage of fuel samples. However, the CAA was established in compliance with the requirements of the approved physical protection plan, which remain unchanged. That being the case, GA failed to recognize the need to revise the plan. GA agrees that the subject plan should be revised to include a specific description of the subject storage area, and, indeed, the plan is being so revised. When completed, GA will issue this revision internally and a copy will be submitted to NRC.

The manufacturing operation referred to in the statement of violation is the TRIGA fuel fabrication facility that was located in building 22. Although the fabrication operations were discontinued, SNM associated with those operations remains in the building 22 storage vault and is therefore still covered under the plan. With regard to physical protection of the SNM, there was no significant change in status in that regard other than there is now an area within the building where processing of SNM has permanently ceased (and is no longer a NRC license authorized activity). Again, GA continued to implement the requirements of the plan, but did not recognize the need to revise the plan to describe the elimination of an operation. This change was one of those identified and proposed for inclusion in the next revision to the plan, which is, as mentioned above, nearly complete and will be submitted to NRC.

(2) The corrective steps that have been taken and the results achieved:

The subject plan has been reviewed in its entirety and is being revised/updated accordingly, including, but not limited to, adding a description of the above mentioned SNM storage area and updating the description of the status of Building 22. This revised version of the plan will be issued internally and submitted to the NRC on or before April 25, 1997.

(3) The corrective steps that will be taken to avoid further violations:

GA will, in the future, keep its physical protection plan up-to-date and provide timely notifications of changes to NRC as required. Toward that end, GA's Director of Licensing, Safety and Nuclear Compliance (LSNC) has tasked a specific member of the LSNC staff with that responsibility. Further, GA's Director of LSNC has re-emphasized to key cognizant individuals the importance of keeping the subject plan up to date and consistent with actual facility configurations and activities.

(4) The date when full compliance will be achieved:

On or before April 25, 1997.