

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA 19406

~~PART 2.790(d) INFORMATION~~

James G. Whiteaker, Chief
Safeguards Program Branch, IE:HQ

NOV 22 1976

SCRAP RECOVERY REQUIREMENTS FOR BABCOCK & WILCOX, NUCLEAR
MATERIALS DIVISION, PENNSYLVANIA OPERATIONS

Condition 2.8 of the B&W license for highly enriched uranium requires that, "Scrap and intermediate product material generated in the high enriched uranium operations shall be processed through scrap recovery in the period in which it is produced, except for scrap recovery cleanout material resulting from physical inventory."

The latest HEU material balance period ended on October 18 (Physical Inventory date). During the 30 day reconciliation period following the physical inventory, B&W processed scrap through the wet and dry recovery processes in order to determine a final MUF by November 18. During this period, B&W was not able to process all scrap. As of November 18, approximately 18 Kg of scrap material remained on inventory. About one-half of this material (incinerator ash) is being shipped to United Nuclear Corporation, Rhode Island, for recovery and the remainder is now being processed locally.

Attached are copies of correspondence between B&W and NMSS concerning the status of License Condition 2.8. The NMSS letter of September 20 defers the requirements for current scrap recovery until November 20, 1976 and allows until April 1, 1977 for the recovery of back-log intermediate product.

Region I is convinced that scrap recovery on a fully current basis is the key to improved material control and accounting at B&W. In response to an NMSS letter of September 23, the B&W letter of October 25 gives a general plan for upgrading the scrap recovery capability but B&W does not commit themselves to a date for full implementation.

Region I recommends that no further exemptions be allowed on this issue. If current scrap recovery is not demonstrated during the current



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~~PART 2.790(d) INFORMATION~~

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~~PART 2.790(d) INFORMATION~~

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October-December material balance period, B&W will be cited for noncompliance and will be required to commit to a date for corrective action. Concerning the requirement for processing of back-log material by April 1, 1977, B&W has informed Region I informally that they will probably not be able to meet this date and still be able to stay current in the dry scrap recovery process. As stated in our letter of November 8 (James P. O'Reilly to Dudley Thompson), Region I recommends that the back-log be received by ERDA on a one-time basis in order to hasten B&W's compliance with safeguards requirements.



Walter G. Martin, Chief
Safeguards Branch

Enclosures:

1. NMSS Ltr dtd 9/20/76
2. NMSS Ltr dtd 9/23/76
3. B&W Ltr dtd 10/25/76

cc: F. A. Dreher
N. M. Haller

~~PART 2.790(d) INFORMATION~~