

# Babcock & Wilcox

Research and Development Division

P.O. Box 1260, Lynchburg, Va. 24505

Telephone: (804) 384-5111

December 8, 1978

Mr. William B. Kenna, Chief  
Safeguards Branch  
U.S. Nuclear Regulatory Commission  
Region II  
101 Marietta Street, N.W.  
Atlanta, Georgia 30303

Reference: RII:DWJ, 70-824/78-11

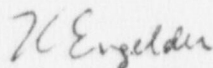
Dear Mr. Kenna:

This is to forward my response to the referenced inspection report. The attachment to this contains information of the type described in 10 CFR 2.790(d) and I therefore request that it be withheld from public disclosure.

If there are questions regarding this request or information in the attachment, please contact Mr. A.F. Olsen of my staff.

Yours very truly,

BABCOCK & WILCOX COMPANY  
Lynchburg Research Center



T. C. Engelder, Director

jwr  
Attachment

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MATERIAL TRANSMITTED HERewith  
CONTAINS 2.790 INFORMATION  
UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA STREET, N.W.  
ATLANTA, GEORGIA 30303

In Reply, Refer To:  
RII:DWJ  
70-824/78-11

NOV 28 1978

Babcock and Wilcox Company  
ATTN: Dr. Theodore C. Engelder, Director  
Lynchburg Research Center  
Research and Development Division  
Post Office Box 1260  
Lynchburg, Virginia 24505

Gentlemen:

This refers to the in-  
office on November 6  
SNM-778 at Babco  
the discussion o  
sion of the las

r. D. W. Jones of this  
authorized by NRC License No.  
chburg Research Center and to  
Dr. E. D. Lynch at the conclu-

The inspection was your program for safe-  
gu material under the applicable provisions of  
Ti federal regulations, Part 70, "Special Nuclear Material,"  
and spe requirements of the above license. Within this area, the  
inspection consisted of selective examinations of procedures and represen-  
tative records, interviews with personnel, and observations by the  
inspector.

We have examined actions you have taken with regard to previously  
identified enforcement matters. These are discussed in the enclosed  
inspection report.

During the inspection, it was found that certain activities under your  
license appear to be in noncompliance with NRC requirements. This item  
and references to pertinent requirements are listed in the Notice of  
Violation enclosed herewith as Appendix A. This notice is sent to you  
pursuant to the provisions of Section 2.201 of the NRC's "Rules of  
Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201  
requires you to submit to this office, within 20 days of your receipt of  
this notice, a written statement or explanation in reply including: (1)  
corrective steps which have been taken by you and the results achieved;  
(2) corrective steps which will be taken to avoid further noncompliance;  
and (3) the date when full compliance will be achieved. Details of  
activities involving safeguards and security measures are exempt from

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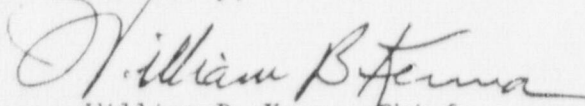
NOV 28 1978

disclosure in accordance with 10 CFR 2.790(d). Therefore, your response should be incorporated in a separate paper and referenced in your reply.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosures to this letter with the exception of the report cover page, which is an inspection summary, will not be placed in the Public Document Room.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,

  
William B. Kenna, Chief  
Safeguards Branch

Enclosures:

1. Appendix A, Notice of Violation  
(Exempt from Disclosure)
2. Inspection Report No. 70-824/78-11  
(Exempt from Disclosure)
3. Inspection Summary  
(Not Exempt)

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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA STREET, N.W.  
ATLANTA, GEORGIA 30303

Report No.: 70-824/78-11

Docket No.: 70-824

License No.: SNM-778

Safeguards Group: I

Licensee: Babcock and Wilcox  
Lynchburg Research Center  
Post Office Box 1260  
Lynchburg, Virginia 24505

Inspection conducted: November 6-9, 1978

Inspector: D. W. Jones

Reviewed by: G. H. Williams  
G. H. Williams, Chief  
Material Control and Accountability Section  
Safeguards Branch

11/27/78  
Date

Inspection Summary

Inspection on November 6-9, 1978 (Report No. 70-824/78-11)

Areas Inspected: Routine, unannounced inspection of material control and accounting program for SNM shipped and received, statistical controls, and inventory difference and its associated limit of error. The inspection involved 21 inspector-hours on-site by one NRC inspector.

Results: Of the three areas inspected, no apparent items of noncompliance or deviations were identified in two areas; one apparent item of noncompliance was identified in one area (deficiency: failure to report limits of error on NRC-741 form (78-01-01)).

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