



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1990 N. CALIFORNIA BOULEVARD
SUITE 202, WALNUT CREEK PLAZA
WALNUT CREEK, CALIFORNIA 94596

July 6, 1979

PDR

Docket No. 70-734

General Atomic Company
P. O. Box 81608
San Diego, California 92138

Attention: Mr. H. N. Wellhouser, Director
Nuclear Material Custody and Control Division

Gentlemen:

Subject: NRC Inspection

This refers to the inspection conducted by Messrs. B. Brock, G. Hamada, Y. Kobori and A. Wieder of this office on April 16-20 and May 21-22, 1979 of activities authorized under NRC License No. SNM-696. It also refers to the discussion of our inspection findings with you and other members of your staff at the conclusion of the inspection.

The areas examined during the inspection included your program for controlling and accounting for special nuclear material pursuant to applicable provisions of Part 70, Title 10, Code of Federal Regulations, and specific requirements of NRC License No. SNM-696. Within these areas, the inspection consisted of selective examinations of procedures and records, interviews with plant personnel and observations by the inspectors.

Based on the results of this inspection, it appears that some of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation enclosed herewith as Appendix A. The items of noncompliance are categorized in the level as described in our correspondence to all NRC licensees dated December 31, 1974.

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 twenty (20) days of your receipt of this notice, a written statement of 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 a further violation; and (3) the date when full compliance will be achieved.

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In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials are exempt from disclosure; therefore, Appendix A, the inspection report, and your response to the items listed in Appendix A will not be placed in the Public Document Room and will receive limited distribution.

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

Sincerely,


L. R. Norderhaug, Chief
Safeguards Branch

Enclosures:

1. Appendix A - Notice of Violation
2. Inspection Report
No. 7C-734/79-06 (IE-V-304)