



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JAN 31 1979

OFFICE OF THE  
CHAIRMAN

The Honorable Walter Mondale  
The President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

Public Law 95-601 directs the U.S. Nuclear Regulatory Commission to forward to the Congress a report on the Commission's domestic safeguards program. We are pleased to forward the enclosed report entitled "NRC Annual Report on Domestic Safeguards (Fiscal Year 1978)".

The Congress specifically asked that the annual report include an assessment of the effectiveness and adequacy of safeguards at facilities and activities licensed by the Commission. To this end, the report details NRC's criteria for judging the adequacy of safeguards at fuel cycle facilities; the report also summarizes actions required by NRC at any fuel facility whose safeguards systems are judged to provide less than high assurance protection against our design threat. In addition, the report contains a discussion of NRC's criteria for safeguards adequacy at nuclear reactors and for transportation activities.

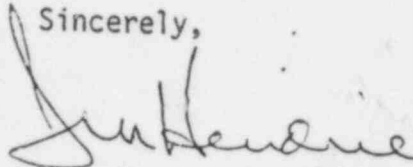
The process of preparing this report has been useful in focusing our attention on issues associated with the adequacy of domestic safeguards. As a result, we have identified areas where our evolving safeguards regulatory policy needs improvement, and we have begun a systematic evaluation of these areas. We intend to implement any needed changes as soon as possible.

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The Commission will continue to inform the Congress on all matters of safeguards significance.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Hendrie", written in a cursive style.

Joseph M. Hendrie  
Chairman

Attachment:  
NRC Annual Report to Congress  
on Domestic Safeguards (Fiscal Year 1978)

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