



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
101 MARIETTA STREET, N.W.
ATLANTA, GEORGIA 30303
DEC 18 1978

In Reply Refer To:
RII:JHD
70-824/78-14

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

Gentlemen:

This refers to the inspection conducted by J. H. Davis of this office on December 5-8, 1978, of activities authorized by NRC License No. SNM-778 for the Lynchburg Research Center facility, and to the discussion of our findings held with Dr. E. D. Lynch at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors.

Within the scope of this inspection, no items of noncompliance were disclosed.

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

In accordance with Section 2.790 of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractor) believe to be proprietary, it is necessary that you make a written application within 20 days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

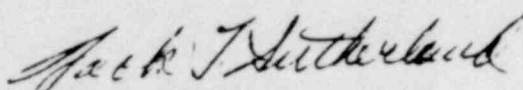
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Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,

A handwritten signature in cursive script, reading "Jack T. Sutherland".

Jack T. Sutherland, Chief
Fuel Facility and Materials
Safety Branch

Enclosure:

Inspection Report No. 70-824/78-14