



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

PDR ✓

JAN 26 1978

SGPS:DBM
70-824

Babcock & Wilcox
Research and Development Division
ATTN: Mr. A. F. Olsen
License Administrator
P. O. Box 1260
Lynchburg, Virginia 24505

Gentlemen:

This is in reply to your letters of September 26, and October 5, 1978 regarding the submission of safeguards contingency plans applicable to the Lynchburg Research Center (LRC).

In view of the fact that LRC does not presently possess SNM in a quantity sufficient to trigger the implementation of the requirements contained in Sections 73.50 and/or 73.60 of 10 CFR Part 73, the safeguards contingency plan submittal requirements delineated in Section 73.40(b) do not apply. The basis for this determination is the wording of Section 73.40(b) that limits its applicability to those licensees subject to the requirements of Sections 73.50, 73.55, and/or 73.60. Although Sections 73.50 and 73.60 are potentially applicable to the LRC, they apply only during times when the quantities of SNM specified therein are actually possessed or used by the licensee.

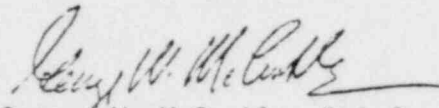
At such future time as the LRC may possess a quantity of SNM sufficient to require implementation of Section 73.50, you must assure compliance with the specific contingency planning provisions of Section 73.50(g)(1). In order to meet this particular provision there must be the timely submission and subsequent approval of a contingency plan prepared in accordance with the criteria in Appendix C of 10 CFR Part 73 prior to possession of SNM in quantities equal to or in excess of those defined in the preamble to §73.50

7903060185

- 2 -

Your contingency plan submittal of December 21, 1978 in anticipation of receiving irradiated fuel assemblies during May 1979 was accomplished in a manner consistent with the procedures outlined above. The proposed plan will be reviewed in connection with your approved security plan dated May 23, 1975 entitled "Physical Protection Plan B, Lynchburg Research Center."

Sincerely,

A handwritten signature in dark ink, appearing to read "George W. McCorkle", with a stylized flourish at the end.

George W. McCorkle, Chief
Physical Security Licensing Branch