



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KING OF PRUSSIA, PENNSYLVANIA 19406

20 MAY 1980

Docket No. 70-371

United Nuclear Corporation
UNC Naval Products
ATTN: Mr. D. E. Ganley
President
67 Sandy Desert Road
Uncasville, Connecticut 06382

Gentlemen:

Subject: Inspection 70-371/80-06

This refers to the inspection conducted by Mr. E. Woltner of this office on April 7-11 and 14-18, 1980 of activities authorized by NRC License No. SNM-368 and to the discussions of our findings held by Mr. Woltner with Mr. T. Collopy of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

In addition, our Safeguard's Measurements Van was also brought to your site and used by the inspector to make certain independent measurements. The basic purpose of these measurements is to determine that facility inventory values are accurately stated by item and in total. An evaluation of the inspector's measurements is included in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter.

Within the scope of this inspection, no items of noncompliance were observed. However, a commitment was made by you at the exit interview to establish a written procedure to insure that all sludge bottles generated during a material balance period are considered in the LEID calculation. Please provide us within twenty (20) days of your receipt of this letter the actions taken to meet this commitment.

The enclosed inspection report contains Confidential - Restricted Data pursuant to Executive Order 12065; therefore, the pertinent sections of the enclosed inspection report will not be placed in the Public Document Room and will receive limited distribution.

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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 your control and accounting procedures for safeguarding special nuclear materials and your facility security procedures are exempt from disclosure; therefore, the enclosed inspection report will not be placed in the Public Document Room and will receive limited distribution.

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

Sincerely,



Walter G. Martin, Chief
Safeguards Branch

Enclosure:

Office of Inspection and Enforcement Inspection Report
Number 70-371/80-06 (Contains Confidential - Restricted Data and
2.790 Information)