



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

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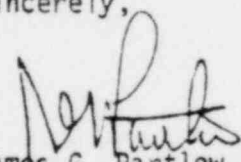
United Nuclear Corporation
Naval Products Division
ATTN: Mr. D. E. Ganley
President
67 Sandy Desert Road
Uncasville, Connecticut 06382

Babcock and Wilcox Company
Naval Nuclear Fuel Division
ATTN: Mr. J. P. Eckert
Vice President
P. O. Box 785
Lynchburg, Virginia 24505

Gentlemen:

In recent weeks we have been in contact with you or members of your staff to discuss the status of a possible scrap recovery contract between your respective facilities. However, since contractual agreement has not yet been reached, discussions to-date have been of a general nature and really have not addressed the safeguards implications of such an arrangement. With this in mind, we have proposed to your staffs that a joint meeting be held in Silver Spring sometime in August or September to discuss in detail those parameters affecting safeguards. This proposal received a favorable response. The exact timing of such a meeting would of course be contingent upon the progress of contract negotiations and time for preparation by responsible personnel. For the aforementioned reasons, we request that you advise us of an appropriate meeting date within the time frame proposed above.

Sincerely,


James G. Partlow, Chief
Material Control and Accountability
Licensing Branch

cc: W. Martin, NRC, Reg. I
W. Kenna, NRC, Reg. II

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