



MATERIAL TRANSMITTED HERewith  
CONTAINS SENSITIVE INFORMATION

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
101 MARIETTA ST., N.W., SUITE 3100  
ATLANTA, GEORGIA 30303

TIC  
70-1201

In Reply Refer To  
RII:DWJ  
70-1201/80-07

MAY 14 1980

Babcock and Wilcox Company  
ATTN: Mr. W. F. Heer, Manager  
Virginia Operations Nuclear Materials  
and Manufacturing Division  
Commercial Nuclear Fuel Plant (CNFP)  
P. O. Box 800  
Lynchburg, VA 24505

Gentlemen:

This refers to the inspection conducted by D. W. Jones of this office on April 22-25, 1980, of activities authorized by NRC License No. SNM-1168 at Babcock and Wilcox Company's Commercial Nuclear Fuel Plant and to the discussions of our findings held with W. F. Heer at the conclusion of the inspection.

Areas examined during this inspection included your program for nuclear material control and accountability under the applicable provisions of Title 10, Code of Federal Regulations, Part 70, "Special Nuclear Material", and specific license conditions. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, performance tests, and observations by the inspector.

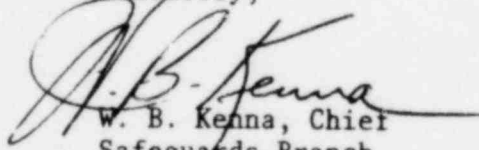
Within the scope of this inspection, no items of noncompliance were disclosed.

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(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosed inspection report with the exception of the report cover page, which is an inspection summary, will not be placed in the Public Document Room.

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

Sincerely,

  
W. B. Kenna, Chief  
Safeguards Branch

Enclosures: (See Page 2)

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Babcock and Wilcox Company

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Enclosures:

1. Inspection Report No. 70-1201/80-07  
(Exempt from Disclosure)
2. Inspection Summary  
(Not Exempt)