official

OCT 2 0 1989

Docket No. 70-824 License No. SNM-778

Babcock and Wilcox Company ATTN: L. K. Trent Safety Manager Naval Nuclear Fuel Division P. O. Box 785 Lynchburg, VA 24505-0785

Gentlemen:

SUBJECT: NRC INSPECTION REPORT NO. 70-824/89-07

This refers to the Nuclear Regulatory Commission (NRC) inspection conducted by J. L. Kreh on September 18-22, 1989. The inspection included a review of activities authorized for your Naval Nuclear Fuel Division Research Laboratory. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed inspection report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress.

The enclosed inspection report identifies activities that appeared to violate NRC requirements but are not cited; therefore, no response is required.

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 its enclosure will be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, please contact us.

Sincerely,

ORIGINAL SIGNED BY

Douglas M. Collins, Chief Emergency Preparedness and Radiological Protection Branch Division of Radiation Safety and Safeguards

Enclosure: (See page 2)

8911060028 891020 PDR ADOCK 07000824 C PDC

1 1 IEO7

Babcock and Wilcox Company

2

Enclosure: NRC Inspection Report

cc w/encl: C. C. Boyd, Jr. Babcock & Wilcox NNFD Research Laboratory P. O. Box 11165 Lynchburg, VA 24506-1165

Commonwealth of Virginia

bcc w/encl: Document Control Desk S. Soong, NMSS

U.S. Nuclear Regulatory Commission ATTN: NRC Resident Inspector Mail Code 42 P. O. Box 785 Lynchburg, VA 24505-0785

bcc w/o encl: License Fee Management Branch





RII:DRSS EMcAlpine 10/19/89