

UNITED STATES NUCLEAR REGULATORY COMMISSION REGION I 631 PARK AVENUE

KING OF PRUSSIA, PENNSYLVANIA 19406

2 3 SEP 1980

UNC Naval Products Division of United Nuclear Corporation A UNC RESOURCES Company ATTN: Mr. D. E. Ganley President and General Manager 67 Sandy Desert Road Uncasville, Connecticut 06382

Gentlemen:

Subject: Inspection 70-371/80-14

This refers to the routine inspection conducted by Mr. D. Holody of this office on August 25-28, 1980, of activities authorized by NRC License No. SNM-368 and to the discussions of our findings held by Mr. Holody 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.

Our inspector also verified the steps you have taken to correct the item of noncompliance brought to your attention in the enclosure to our letter dated November 6, 1979. We have no further questions regarding your action at this time.

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

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 measures for physical protection are deemed to be commercial or financial information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12; therefore, the enclosed inspection report will not be placed in the Public Document Room and will receive limited distribution.

No reply to this letter is required; however, 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 70-371/80-14 (Contains 2.790 Information)