



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

JUN 15 1981



Babcock and Wilcox Company
ATTN: Dr. T. C. Engelder, Director
Lynchburg Research Center
P. O. Box 1260
Lynchburg, VA 24505

Gentlemen:

Subject: Report No. 70-824/d1-02

This refers to the routine safeguards inspection conducted by Mr. B. L. Hall of this office on May 6-7, 1981, of activities authorized by NRC License No. SNM-778 at Lynchburg Research Center facility and to the discussions of our findings held with Dr. T. C. Engelder, Director, Lynchburg Research Center, and Mr. Arne F. Olsen, License Administrator, at the conclusion of the inspection.

Areas examined during this inspection included your physical security program as implemented under the provisions of Title 10, Code of Federal Regulations, Part 73, "Physical Protection of Plants and Materials", and the specific requirements of license conditions and your approved Security Plan. 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 violations or deviations were disclosed.

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 report with the exception of the 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,

R. C. Lewis, Acting Director
Division of Resident and
Reactor Project Inspection

Enclosures:
See Page 2

8106230079
2

NUCLEAR REGULATORY COMMISSION
ATLANTA, GEORGIA

IE03
5/11