



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
631 PARK AVENUE
KIN. OF PRUSSIA, PENNSYLVANIA 19406

Docket No. 70-371

05 MAR 1981

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 Number 70-371/80-12

This refers to the routine inspection conducted by Mr. W. W. Kinney of this office on August 20-22, 1980 of activities authorized by NRC License No. SNM-368 and to the discussions of our findings held by Mr. W. W. Kinney with Mr. G. H. Waugh and others 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 items of noncompliance brought to your attention in the enclosure to our letters dated October 17, and December 12, 1979. We have no further questions regarding the steps you took to correct the item given in Appendix B to the October 17 letter and items 2 and 3 of Appendix A to our December 12 letter. With regard to item 1 of Appendix A to our December 12 letter, this item was not fully corrected. You stated that your Container Specification and Inspection Report (CSIR) form for the UNC 2600 shipping containers would be revised upon the acceptance of the revised container drawings by the NRC. The certificate of compliance for the container was revised on May 20, 1980. As of August 22, 1980, the CSIR form had not been revised. This is a deviation from a commitment to the NRC.

Based on the results of this inspection, it appears that one of your activities was not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This item of noncompliance has been categorized into the levels as described in our correspondence to you dated December 31, 1974. This notice is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including: (1) corrective steps which have been taken by you and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. With respect to the deviation, in your reply please inform us of the date you revised the CSIR form for the UNC 2600 shipping containers.

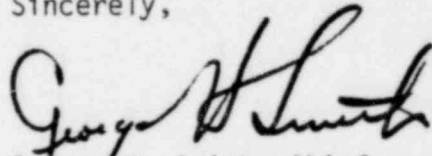
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In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the enclosures will be placed in the NRC's Public Document Room. If this report contains any information that you (or your contractor) believe to be proprietary, it is necessary that you make a written application within 20 days to this office to withhold such information from public disclosure. Any such application must be accompanied by an affidavit executed by the owner of the information, which identifies the document or part sought to be withheld, and which contains a statement of reasons which addresses with specificity the items which will be considered by the Commission as listed in subparagraph (b) (4) of Section 2.790. The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

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

Sincerely,



George H. Smith, Chief
Fuel Facility and Materials
Safety Branch

Enclosures:

1. Appendix A, Notice of Violation
2. Office of Inspection and Enforcement Inspection
Report Number 70-371/80-12