UNITED STATES

NUCLEAR REGULATORY COMMISSION

REGION V

SUITE 202, WALNUT CREEK PLAZA 1990 N. CALIFORNIA BOULEVARD WALNUT CREEK, CALIFORNIA 94596 IE-71-147

DEC 1 2 1976

Docket No. 70-25

CONTRACTOR AND THE SECOND

Atomics International Division Rockwell International 8900 DeSoto Avenue Canoga Park, California 91304

Attention: Mr. R. G. Jones

Vice President & Controller

Gentlemen:

This refers to the inspection conducted by Messrs. G. Hamada and Y. Kobori of this office on November 1-5, 1976 of activities authorized under NRC License No. SNM-21 It also refers to the discussion of our inspection findings with Messrs. R. Jones, M. Remley and V. Schaubert at the conclusion of the inspection.

The areas examined during the inspection included your program for controlling and accounting for special nuclear material pursuant to applicable provisions of Part 70, Title 10, Code of Federal Regulations, and specific requirements of NRC License No. SNM-21. Within these areas, the inspection consisted of selective examinations of procedures and records, interviews with plant personnel and observations by the inspector.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation enclosed herewith as Appendix A. The items of noncompliance have been categorized at the level 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 of 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 a further violation; and (3) the date when full compliance will be achieved.



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Docket No. 70-License No. SI

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- 2. Supply r Forms NR product exempt f

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The findings from the most recent inspection indicate instant compliance which are repetitive or similar to those which has identified during previous NRC inspections. We wish to reit necessity for taking prompt management action to assure full with NRC requirements in the future and to correct items of identified during the recent inspection.

In accordance with Section 2.790(d) of the NRC's "Rules of F Part 2, Title 10, Code of Federal Regulations, documentation of your control and accounting procedures for safeguarding s nuclear materials are exempt from disclosure; therefore, the to this letter and your response to the items listed in Appenot be placed in the Public Document Room and will receive 1 distribution.

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

Sincerely,

V. N. Rizzolo, Chief Safeguards Branch

Enclosures:

1. Appendix A - Notice of Violation

2. IE Inspection Report No. 70-25/76-10 (IE-V-147)