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AUG 16 1982

Babcock and Wilcox Company  
ATTN: Mr. R. A. Alto, Manager  
Virginia Operations, Nuclear Materials  
and Manufacturing Division  
Commercial Nuclear Fuel Plant  
P. O. Box 800  
Lynchburg, VA 24505

Gentlemen:

Subject: 70-1201/81-06

This refers to your letter of September 30, 1981, submitted in response to the Notice of Violation transmitted to you with our letter of August 21, 1981, concerning activities authorized by NRC License No. SNM-1168. In our initial acknowledgement letter to this response, dated November 1, 1981, we indicated that our review of your response had not been completed. After considering the additional information provided in your letter of April 29, 1982, we have now completed our review and have reached the conclusion set forth below.

With regard to Violation B, we have reviewed your response and concluded that a violation did not occur. Therefore, we hereby rescind Violation B. As a result of our evaluation it appears that tamper-seal verification was not specifically addressed as an element of the initial NRC licensing review. In you letter of April 29, 1982, you specified several system improvements that appear to be adequate corrective action which should satisfy our concerns in the area of tamper-seal verification. As referenced in our report to you dated July 27, 1982 (70-1201/82-10) we have reviewed your procedures for the seal verification system upgrade for propriety and have an understanding of its planned implementation. We will independently test the adequacy of these procedures during subsequent inspection visits.

With regard to Violation C, we will examine your corrective actions and plans during subsequent inspections.

We appreciate your cooperation with us.

Sincerely,

(Original signed by K. Barr)

A. F. Gibson, Chief  
Technical Inspection Branch  
Division of Engineering and  
Technical Programs

bcc: (See Page 2)

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Babcock and Wilcox Company

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bcc: License Fee Management Branch  
Document Management Branch  
Commonwealth of Virginia

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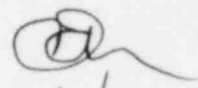
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