



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V
SUITE 202, WALNUT CREEK PLAZA
1990 N. CALIFORNIA BOULEVARD
WALNUT CREEK, CALIFORNIA 94596

DEC 18 1978

Docket No. 50-142

The Regents of the University of California
School of Engineering
Los Angeles, California 90024

Attention: Russell O'Neil
Dean of Engineering

Gentlemen:

This letter refers to the inspection of your activities authorized under NRC License No. R-71 conducted by Mr. W. P. Mortensen of this office on October 30-31, 1978. It also refers to the discussion of our inspection findings held by the inspector with Mr. N. Ostrander and members of his staff on October 31, 1978.

The inspection included examination of activities related to physical protection against industrial sabotage and against theft of special nuclear material in accordance with applicable requirements of Title 10, Code of Federal Regulations, Part 73, "Physical Protection of Plants and Materials," your Security Plan, and license conditions pertaining to physical protection as described in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and records, interviews with facility personnel and observations by the inspector.

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

During this inspection it was found that certain of your activities appeared to deviate from your internal security procedures, and/or commitments you made to this office in your letter dated December 21, 1977, as set forth in the Notice of Deviation, enclosed herewith as Appendix A. Please reply within twenty (20) days of your receipt of

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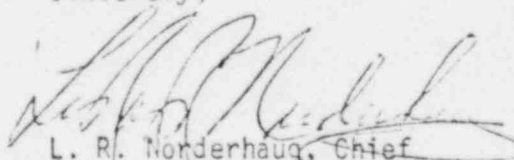
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this notice and comment concerning these items. Include a description of any steps that have been or will be taken to prevent recurrence, and the date all corrective actions or preventive measures were or will be completed.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials are exempt from disclosure; therefore, the enclosure to this letter, the inspection report, and your response to the items listed in the enclosure to this letter will not be placed in the Public Document Room and will receive limited distribution.

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

Sincerely,



L. R. Norderhaug, Chief
Safeguards Branch

Enclosures:

1. Appendix A - Notice of Deviation
2. IE Inspection Report No.
50-142/78-03 (IE-V-264)