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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

SUITE 202, WALNUT CREEK PLAZA
1980 N. CALIFORNIA BOULEVARD
WALNUT CREEK, CALIFORNIA 94596

OCT 19 1977

Docket No. 50-142

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

Attention: Russel O'Neil, Dean of Engineering

Gentlemen:

Subject: NRC Inspection of Nuclear Energy Laboratory

This letter refers to the inspection of your activities authorized under NRC License No. R-71 conducted by Messrs. W. P. Mortensen and R. Blackman on September 21-22, 1977. It also refers to the discussion of our inspection findings held by the inspectors with Mr. I. Catton and members of his staff on September 22, 1977.

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 inspectors.

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 are categorized into the level 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,

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CLASSIFIED INFORMATION

OCT 19 1977

The Regents of the University of California -2-

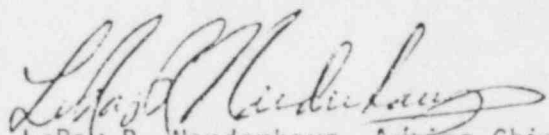
within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including (1) corrective steps which have been taken by you and the results achieved; (2) corrective steps which will be taken to avoid further violations; and (3) the date when full compliance will be achieved.

During this inspection it was also found that one of your activities appeared to deviate from the generally accepted practices in the industry as set forth in the Notice of Deviation, enclosed herewith as Appendix B. In your reply please include your comments concerning this item, 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 and your facility security procedures are exempt from disclosure; therefore, Appendices A and B to this letter, the inspection report, and your response to the items listed in the appendices 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,


LeRoy R. Norderhaug, Acting Chief
Safeguards Branch

Enclosures:

1. Appendix A - Notice of Violation
2. Appendix B - Notice of Deviation
3. Inspection Report No. 50-142/77-02