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September 22, 1982

Babcock and Wilcox Company
ATTN: Dr. T. C. Engelder, Director
Lynchburg Research Center
P. O. Box 1260
Lynchburg, VA 24505

Gentlemen:

Subject: Report No. 70-824/82-06

This refers to the routine safeguards inspection conducted by Mr. E. L. Clay of this office on September 9 and 17, 1981, of activities authorized by NRC License No. SNM-778 at the Lynchburg Research Center and to the discussions of our findings held with Mr. J. P. Doran and members of your staff at the conclusion of the inspection.

Areas examined during this inspection included your program for nuclear material control and accountability under the applicable provisions of Title 10, Code of Federal Regulations, Part 70, "Special Nuclear Material," and specific license conditions. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, performance tests, and observations by the inspector.

Within the scope of this inspection, no violations or deviations were disclosed.

We have examined actions you have taken with regard to previously identified enforcement matters. These are discussed in the enclosed inspection report.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice", Part 2, Title 10, Code of Federal Regulations, activities involving safeguards and security measures are exempt from public disclosure; therefore, the enclosed report with the exception of the cover page, which is an inspection summary, will not be placed in the Public Document Room.

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

Sincerely,

(original signed by A. F. Gibson)

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

Enclosures (See page 2)

Babcock and Wilcox Company

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Enclosures:

1. Inspection Report No. 70-824/82-06
(Exempt from Disclosure)
2. Inspection Summary
(Not Exempt)

bcc w/o encl:
License Fee Management Branch

bcc w/Inspection Summary:
Commonwealth of Virginia

bcc w/encl:
Document Management Branch
Chief of Safeguards Branch, DSRSI
Chief, MC&A, Licensing Branch, NMSS

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