

Yellow

October 19, 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. 70-824/82-07

This refers to the routine inspection conducted by Mr. J. W. Bates of this office on September 28-30, 1982, of activities authorized by NRC License No. SNM-778 for the Lynchburg Research Center facility and to the discussion of our findings held with you 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 inspectors.

During the inspection, it was found that certain activities under your license appear to violate NRC requirements. This item and references to pertinent requirements are listed in the Notice of Violation enclosed herewith as Appendix A. Elements to be included in your response are delineated in Appendix A.

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 enclosures to this letter with the exception of the report cover page, which is an inspection summary, will not be placed in the Public Document Room.

The responses directed by this letter and the enclosures are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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. Appendix A, Notice of Violation  
(Exempt from Disclosure)
2. Inspection Report No. 70-824/82-07  
(Exempt from Disclosure)

bcc w/Inspection Summary:  
Commonwealth of Virginia

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

bcc w/o encl:  
License Fee Management Branch

RII

JW:es  
10/13/82

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GL:es  
10/13/82

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ES:es  
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AFGibson  
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