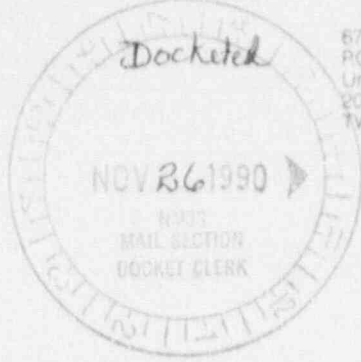


RETURN TO P1-37

UNC Naval Products

67 Sandy Desert Road
PO Box 981
Uncasville, Connecticut 06382-0981
203/848-1511 Telecopy 203/848-0022
TWX 710/432-1243



November 15, 1990

Mr. Raymond Jackson, Safeguards Physical Scientist
Domestic Safeguards and Regional Oversight Branch
Division of Safeguards and Transportation, NMSS
U.S. Nuclear Regulatory Commission
Washington, DC 20555 MS4E4-1WPN

- Reference:
1. License SNM 368 Docket #70-371
 2. S' Inventory Report (RIS:KDS) dated September 14, 1990
 3. 1. R 74.59(e) (5)

Dear Mr. Jackson:

For the inventory of September 1990, an attachment to Form 327 has been revised to correct the removals from process quantity on line 12. The revision more adequately reflects the expected similarity of magnitude between additions to process and removals from process quantities.

Evaluation of the corrected quantities reveals that the requirements of 10 CFR 74.59(e) (5) (i.e.; SEID estimator must be less than 0.1% of active inventory where active inventory is the sum of the additions to process and removals from process quantities) has not been met. For both U and U235, the SEID estimate of 15.7 g U and 15.3 g U235 exceed 0.1% of active inventory (3.4 g U and 3.3 g U235). This is an unavoidable consequence of the nondestructive assay (NDA) measurements of some removals from process quantities, combined with UNC's significant reduction of manufacturing operations.

Please contact me should you have questions or comments.

Sincerely yours,

T. J. Collopy

T. J. Collopy, Manager
Nuclear Material

TJC:mag

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A UNC Company

26494

DOCKET NO. 70-371

CONTROL NO. R6494

DATE OF DOD. Nov. 15, 1990

DATE RCVD. Nov. 26, 1990

FCUF _____ PDR

FCAF _____ LPDR

I & E REF. _____

SAFEGUARDS

FCTC _____ OTHER _____

INIT 11/26/90 JAC