

DUNITED STATES UNITED STATES NUCLEAR REGULATORY COMMISSION REGION II 101 MARIETTA STREET, N.W. ATLANTA, GEORGIA 30303

## OCT 2 1978

In Reply Refer to: RII:RJH 50-297/78-3

> North Carolina State University Attn: Dr. T. S. Elleman, Head Department of Nuclear Engineering Raleigh, North Carolina 27607

Gentlemen:

This refers to the inspection conducted by Mr. R. J. Hennessey, Jr. of this office on August 17, 1978, of activities authorized by NRC License No. R-120 at the NCSU PULSTAR Reactor and to the discussions of our findings held with Mr. T. C. Bray at the conclusion of the inspection.

The area examined during this inspection was your physical protection program and its implementation. Within this area, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel and observations by the inspector.

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

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 inspection report with the exception of the report 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 B. Kenna, Chief

Safeguards Branch

Enclosure: Inspection Report No. 50-297/78-3 (Exempt from Disclosure)

121018

7810130238

MATERIAL TRANSMITTED VEREWITH DOUT AND 2.770 MERSIA CIEN