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December 17, 1997

General Electric Company

ATTN: Mr. Gary R. Stimmel, Manager, Valicitos and Morris Operations

Valicitos Road (Hwy 84)

Pleasanton, CA

SUBJECT: NRC INSPECTION NO. 70-754/97-201

Dear Mr. Stimmel:

This refers to a material control and accounting safeguards inspection conducted at your facility during November 17-18, 1997. The purpose of the inspection was to determine whether activities authorized by the license were conducted in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with you and members of your staff.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews, with personnel, and observations of the site's status and inventory holdings. Based on the results of this inspection, no violations of NRC requirements were identified.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR Part 73.21, and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

Should you have any questions concerning this letter, please contact this office.

Case File

Sincerely, Original signed by William Troskoski for: Philip Ting

Philip Ting, Chief Operations Branch Division of Fuel Cycle Safety and Safeguards, NMSS

Docket No. 70-754 License No. SNM-960

cc w/enclosure:

C. Bassett, Manager, Regulatory Compliance

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Sincerely.

Philip Ting, Chief Operations Branch

Division of Fuel Cycle Safety and Safeguards, NMSS

Docket No. 70-754 License No. SNM-960

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