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NRC File Center

April 13, 1998

Framatome Cogema Fuels
ATTN: Mr. John E. Matheson, Vice President
Manufacturing and Field Services
P.O. Box 11646
Lynchburg, VA 24506-1646

SUBJECT: NRC INSPECTION NO. 70-1201/98-202

Dear Mr. Matheson:

The Nuclear Regulatory Commission conducted a routine announced inspection of your facility's material control and accounting (MC&A) safeguards program at the Lynchburg Manufacturing Facility on March 9 - 12, 1998. The inspection scope was focused on prior observed weaknesses in computing an inventory difference uncertainty, on the item control program, and on your assessment of the impact on safety related systems of the Year 2000 computer problem. The scope, observations, and conclusions are detailed in the enclosed report.

At the conclusion of the inspection, the findings were discussed with members of your staff. Within the scope of the inspection, one non-cited violation was identified.

Under the provisions of Section 2.790(d), reports containing information related to a licensee's MC&A program are exempt from public disclosure. Accordingly, the enclosure will not be placed in the Public Document Room.

Should you have any questions concerning this report, please contact me at (301) 415-7156.

Sincerely,

Original signed by Philip Ting

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

Docket No. 70-1201

Enclosure: As stated

cc w/enclosure: G. Elliott, Manager, Safety and Licensing
P. Burneson, Manager, Uranium Utilization and Accountability
cc w/o enclosure: Leslie P. Foldesi, Director, Bureau of Radiological Health,
Commonwealth of Virginia

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