INSPECTOR NOTES COVER SHEET

Licensee/Certificate Holder (name and address)	Holtec International, 555 Lincoln Drive West, Marlton, NJ 08053
Licensee/Certificate Holder contact and phone number	Brian Gutherman, Licensing Manager . . 856 797 0900 x668 Mark SolarQA Manager 856 797 0900 x619
Docket No.	72-1014
Inspection Report No.	72-1014/02-201
Inspection Date(s)	February 4-8 and 12, 2002
Inspection Location(s)	US Tool and Die Inc., 200 Braddock Ave., Pittsburgh PA, 15145
Inspectors	Paul Narbut, SFPO, Team Leader, Rob Temps, James Pearson
Summary of Findings and Actions (i.e., overall assessment of licensee/certificate holder status and any enforcement actions; reference Form 591 AND narrative report if escalated enforcement action or significant programmatic issues also identified)	Two violations issued for failure to control non conforming material. Documented on Form 591 Issue and supporting information regarding Dresden loading nonconforming casks passed to Region III, Bruce Jorgensen Overall fabrication, fabrication QA and NDE activities were adequate.
Lead Inspector Signature/Date	Paul P. Narbut Paul P. Narbut 3/4/02
Inspector Notes Approval Branch Chief Signature/Date	Michael Tokar Michael Tokar 3/5/02

ISSUES FOR FOLLOWUP FROM PREVIOUS INSPECTIONS AND RESULTS

None

Inspection Requirement	Significance Level & Inspector Initials	Comments
02.01 Determine whether the fabrication specifications are consistent with the design commitments and requirements documented in the SAR, and, as applicable, the CoC or the site-specific license and technical specifications.	1 PPN	Reviewed Sample, results adequate
02.02 Determine whether corrective actions for ID fabrication deficiencies have been implemented in a time frame commensurate with their significance, and whether nonconformance reports documenting the deficiencies have been initiated and resolved.	1 RRT PPN	Reviewed administrative procedures for documentation of Corrective Action Requests (CARs) and for Non-Conformance Reports (NCRs) and assessed they were adequate. Review of the last year's CARs did not identify any significant trends. Issues are being identified through CARs and corrective actions identified and implemented. The QA Director(QAD) reviews the CARs for trends and determination of corrective action effectiveness. Discussed with the QAD that objective documentation of CAR completed actions could be better. Review of NCRs from three different projects did not reveal any significant trends. Issues are being resolved appropriate to their significance. In some cases, NCR closure is based on approval through Holtec generated Supplier Manufacturing Deviation Reports (SMDRs). Some SMDRs reference supporting 10 CFR 72.48 evaluations. Reviewed small sample of supporting 72.48s and assessed they were adequate. Sampled several NCRs that documented non-conforming materials and requested UST&D accompany in locating the referenced materials in the facility and verify that the appropriate non-conformance tags were attached. 10 CFR 72.170, "Nonconforming materials, parts, or

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		components," states in part that the certificate holder shall establish measures to control materials, parts, or components that do not conform to their requirements and that these measures must include, as appropriate, procedures for the identification, documentation, segregation, and disposition. U.S. Tool & Die Quality Control Procedure 15.1, "Control of Non-Conformance Reports," step 5.3 states in part that "All non-conforming items will be identified by attachment of a yellow 'NCR Hold' tag." Step 6.4.3 states in part that "All items designated "Conditionally Released" shall be tagged with a Conditional Release Tag." Contrary to the above requirements, during the inspection conducted at U.S. Tool & Die from February 4 through 8, 2002, it was identified that two pieces of non-conforming material associated with NCR 9925-92 did not have an NCR Hold tag attached to them, and that a piece of non-conforming material associated with NCR 9925-236 that was designated as Conditionally Released was located without a Conditional Release tag attached. Second Violation: Determined that Holtec had not put any holds on non conforming casks in manufacture or being delivered to prevent inadvertent use of the casks. NRC had previously determined the casks to be nonconforming due to the failure of Holtec to identify ASME Code exceptions and have them approved by the NRC. Issued NOV (see Form 591 Violation A). Informed Region III that Dresden had loaded 7 nonconforming casks and suggested that they would pursue enforcement with Dresden.

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02.03 Determine whether individuals performing quality-related activities are trained and certified where required.	6 JJP PPN	Reviewed qualification & certification documentation for all three UST&D Lead Auditors. Reviewed the qualification and certification of two contract Lead Auditors from TMP Worldwide(UST&D AVL Listed). Reviewed procedure: 2.6, Rev. 3, Qualification of Lead Audit Personnel. All was found to be acceptable. Sampled qualification and certification for sampled welders, inspectors, and NDE examiners.
02.04 Determine whether the offsite fabricator's personnel are familiar with the specified design, designated fabrication techniques, testing requirements, and quality controls associated with the construction of the DCSS.	5 JJP RRT PPN	Interviewed multiple welders, NDE, Quality, Procurement, Receipt Inspection personnel about quality requirements of UST&D. All personnel interviewed were familiar with the requirements at their specific working level. Personnel involved with CAR and NCR process were familiar with the administrative requirements.

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02.05a Determine whether materials, components, and other equipment received by the fabricator meet DCSS design procurement specifications.	1 JJP	Performed a review of 19 items to determine if the suppliers were listed on either the UST&D or the Holtec AVL . Two of the 19 Material Purchase Orders were reviewed thoroughly with the UST&D procurement personnel against the appropriate procurement specification. Application of procurement specification requirements was found to be acceptable. Reviewed two vendor audits performed on two UST&D AVL approved suppliers. The audit was performed by a qualified USTD Lead Auditor. This sample audit review was acceptable.
02.05b Determine whether the procurement specifications conform to the design commitments and requirements contained in the SAR and, as applicable, the CoC or the site-specific license and technical specifications.	1 JJP	Performed a review of Procurement Specification PS 101, revision 25, Fabrication of Holtec Multi Purpose Canisters and comparison to a sampling of the requirements of the Holtec SAR and CoC. The sample review indicated that the procurement specification included requirements found in the SAR & CoC..

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02.06 Determine whether DCSS components are being fabricated per approved QA and 10 CFR Part 21 implementing procedures and fabrication specifications.	1 JJP RRT PPN	UST&D Personnel indicated that no material substitutions had occurred to date. 10 items from the UST&D calibration program were determined to have acceptable current calibration data sheets and identification and calibration data stickers located on each item according to the UST&D procedure 12.1, revision 7, Calibration of Measuring and Test Equipment. As noted in Section 02.02, 10 CFR 72.48 evaluations for Holtec SMDRs associated with NCRs were reviewed and assessed to be adequate. Observed welding, inspection, record keeping and NDE activities. Adequate Observed a liquid dye penetrant test performed on completed welds by UT&D Personnel and witnessed by UST&D Quality & Holtec oversight personnel. The test was performed acceptably to Holtec procedure HSP-201, revision 16, Liquid Penetrant Examination Procedure. Observed the partial receipt inspection of Borated Aluminum sheets and found the inspector and the inspection were satisfactory per the requirements of UST&D Procedure 7.5, revision 4, Neutron Absorbing Material Inspection, Certification and Traceability Procedure.

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02.07a With regard to fabrication activities, determine whether they are conducted under an NRC-approved QA program (10 CFR 72.140).	6 JJP	US T&D QA program reviewed and approved by Holtec. Holtec holds the NRC approved QA program.
02.07b With regard to fabrication activities, determine whether the provisions of 10 CFR Part 21, "Reporting of Defects and Noncompliance," for reporting defects that could cause a substantial safety hazard have been implemented.	6 JJP	Performed a review of 19 procurement packages to determine if the procurement documents had listed the specific requirements, as necessary, to satisfy 10 CFR 21. All packages were found acceptable.

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02.07c With regard to fabrication activities, determine whether the fabricator's personnel are familiar with the reporting requirements of 10 CFR Part 21.	5	Not performed.
02.07d With regard to fabrication activities, determine whether the fabricator has complied with 10 CFR 21.6, "Posting requirements."	6 RRT	Part 21 postings were present and in the locations as specified in the QA administrative procedure.

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02.08a With regard to quality assurance activities, determine whether the fabricator has been audited by either the licensee or CoC holder.	6 RRT	CoC holder and licensee representatives have all performed audits of the fabricators activities at various times. The Holtec Users Group and several licensees have full-time and part-time "resident" inspectors monitoring fabrication activities.
02.08b With regard. to QA activities, determine whether for selected audits and inspection findings from QA audit or surv. and/or inspection rpts. issued in the previous 2 years, the findings were appropriately handled with CAs implemented in a time frame commensurate with their safety significance.	1 RRT	Reviewed internal audit schedule for CY 2002 and verified that all 18 Criteria are audited and that an outside auditor conducts audits of the QA group's activities. Audits are conducted quarterly. Also reviewed the QAD's annual QA program reviews which are provided to the President of the company. The CY 2002 program review was comprehensive in its review and discussion of NCRs trends. Discussed surveillance activities with the QC Manager and verified that surveillance of activities is being conducted through recently developed surveillance checklists. The checklists have only been in use for two to three months so data to determine long term trends is not yet available.

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02.08c With regard to quality assurance activities, determine whether supervision and quality control/quality assurance personnel perform appro-priate oversight during fabrication activities.	5 JJP RRT PPN	Interviewed 3 Holtec personnel and reviewed completed surveillance documents and witnessed Holtec oversight personnel at work to determine the adequacy of oversight of UST&D fabrication activities. The interviews, reviews, and witnessing indicate that oversight by Holtec personnel is acceptable. Oversight of activities by QA/QC personnel appears adequate.