

No. 94-173
Tel. 301/415-8200

FOR IMMEDIATE RELEASE
(Tuesday, November 15, 1994)

NRC STAFF CITES ROSEMOUNT NUCLEAR INSTRUMENTS
FOR A VIOLATION OF REGULATORY REQUIREMENTS

The staff of the Nuclear Regulatory Commission has cited Rosemount Nuclear Instruments, Inc., for violating NRC regulatory requirements and its own procedures when, for a four-year period beginning in 1984, it failed to inform its nuclear power plant customers of an oil-loss problem which could lead to the failure of certain models of transmitters manufactured by the company.

In a letter to Rosemount, the staff said the company acted in "careless disregard" of the requirements of Part 21 of the NRC's regulations dealing with the reporting of defects and noncompliances, as well as its own procedures, by failing to adequately evaluate or to inform its customers of the potential for degraded transmitter operation as a result of oil-loss.

This has been characterized as a Severity Level II violation (on a scale where Severity Level I is the most serious and Level V the least serious). The staff also told the company that it did not propose a fine because it was not able to find that a director or responsible officer, subject to Part 21 requirements, who knowingly and consciously failed to provide the required notice. Knowingly and consciously is the statutory standard for issuance of a civil penalty under the Energy Reorganization Act.

Transmitters are widely used in many systems in nuclear power plants to measure pressure, level and flow and the failure of multiple transmitters due to loss of oil could, under worst-case conditions, lead to the degradation or failure of a plant safety system. As a result of the problem, the staff issued three generic communications, in 1989, 1990 and 1992, to assure that licensees were adequately informed about the problem and would take appropriate corrective action.

In early 1990, because the staff perceived possible wrongdoing on the part of Rosemount and in response to an outside allegation, the NRC's Office of Investigations was asked to:

-- determine if Rosemount had knowingly violated a provision of Part 50 of the Commission's regulations by supplying the staff with inaccurate and incomplete information;

-- investigate the circumstances surrounding possible violations of Part 21 requirements that defects and noncompliances be reported;

-- determine if Rosemount violated another provision of Part 50 by discriminating against at least one of its employees for raising a safety concern; and

-- investigate the circumstances surrounding the possible refurbishment and/or counterfeiting of Rosemount transmitters.

The Office of Investigations concluded that Rosemount did submit incomplete and inaccurate information to the NRC staff during an April 1989 public meeting but did not find that this was a deliberate act. It also concluded that Rosemount acted with careless disregard when it violated Part 21 requirements by failing to adequately identify the oil-loss problem that was well known to Rosemount employees and failing to inform its customers of the problem. The allegations involving discrimination and counterfeiting or refurbishing could not be substantiated.

An inspection last year by the NRC's Vendor Inspection Branch also identified an apparent violation of Part 21 requirements and several nonconformances associated with the quality assurance requirements of Part 50.

Rosemount since has taken corrective action to prevent recurrence of these problems including providing the staff with its plan for meeting Part 21 requirements. It is, however, being required to respond to the Notice of Violation, documenting the actions it already has taken or plans to take in the future to prevent a recurrence.

#