

**SAFETY AND COMPLIANCE INSPECTION**

<b>1. LICENSEE/CERTIFICATE HOLDER</b> Holtec International Inc. 555 Lincoln Drive West Marlton NJ 08053	<b>2. REGIONAL OFFICE</b>  US Nuclear Regulatory Commission Spent Fuel Project Office 11555 Rockville Pike Rockville MD 20852-2738	
<b>REPORT NUMBER(S)</b> 72-1014/02-201		
<b>3. DOCKET NUMBER(S)</b> 72-1014	<b>4. LICENSE /CERTIFICATE NUMBER(S)</b> 72-101	<b>5. DATE(S) OF INSPECTION</b> February 4-8 and 12, 2002

**LICENSEE/CERTIFICATE HOLDER:**  
 The inspection was an examination of the fabrication activities at US Tool and Die in Pittsburgh PA conducted under your license/certificate as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license/certificate. The inspection consisted of selective examinations of fabrication and quality assurance activities.

- 1. Based on the inspection findings, no violations were identified.
- 2. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

\_\_\_\_\_ non-cited violation(s) were discussed involving the following requirement(s):  
 \_\_\_\_\_  
 \_\_\_\_\_

- 3. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

A. 10 CFR 72.170, "Nonconforming materials, parts, or components," requires, in part, that measures be established to control materials that do not conform to their requirements in order to prevent their inadvertent use.

Holtec International Quality Assurance Manual, Revision 13, Section 15.0, states in part that "Measures shall be established to control material, parts, or components, which do not conform to specified requirements in order to prevent their inadvertent use.

Contrary to the above, sufficient measures had not been established to control and prevent the use of Holtec spent fuel storage casks that did not conform to the requirements of Certificate of Compliance (CoC) No. 1014. On October 22, 2001, the NRC had identified in Inspection Report 72-1014/01-201 that the Holtec casks were not in conformance with their CoC in that exceptions to the required ASME Code had not been identified by Holtec nor approved by the NRC. On December 5, 2001 a nonconforming Holtec cask was loaded with spent fuel at the Dresden site.

This is a Severity Level IV violation (Supplement VI)

**STATEMENT OF CORRECTIVE ACTIONS**

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE/ CERTIFICATE HOLDER	K. P. SINGH	<i>K. P. Singh</i>	2/24/02
NRC INSPECTOR	Paul P. Narbut	<i>Paul P. Narbut</i>	2/27/02

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**ATTACHMENT**

1. LICENSEE/CERTIFICATE HOLDER <b>Holtec International</b>		2. REGIONAL OFFICE <b>NMSS Spent Fuel Project Office</b>	
3. DOCKET NUMBER(S) <b>72-1014</b>	4. LICENSE/CERTIFICATE NUMBER(S) <b>72-1014</b>	5. DATE(S) OF INSPECTION <b>February 4-8, and 12, 2002</b>	

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(Continued)

B. 10 CFR 72.170, "Nonconforming materials, parts, or components," requires 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 and Die (the certificate holder's fabricator) 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, during the inspection conducted at U.S. Tool and Die from February 4 through 8, 2002, the NRC 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

This is a Severity Level IV violation (Supplement VI).

**Corrective Action Tracking:**

Regarding Violation A, the certificate holder issued CAR 78 on February 13, 2002 to determine the scope of the problem and the action required to prevent recurrence. As immediate action the certificate holder was issuing a letter to its customers to notify them of the nonconforming condition of the casks. The Certificate holder expected to issue letter by February 20, 2002.

Regarding Violation B, for immediate action, US Tool and Die, the fabricator, properly tagged the items and, for action to prevent recurrence, issued CAR 165 Rev 0 on February 4, 2002. To determine the scope of the problem and the action required to prevent recurrence, the certificate holder issued NCR 51 to US Tool and Die on February 13, 2002.