

February 14, 2003

Alan S. Hanson
President and Chief Executive Officer
Transnuclear, Inc.
Four Skyline Drive
Hawthorne, NY 10532-2176

SUBJECT: REVIEW OF TRANSNUCLEAR, INC. VIOLATION RESPONSE LETTER

Dear Mr. Hanson:

On November 18 through 21, 2002, the U.S. Nuclear Regulatory Commission (NRC) performed an announced team inspection at the facilities of Kie-Con in Antioch, California. Kie-Con is a fabrication contractor for Transnuclear, Inc. (TN) involved in the fabrication of concrete components of the Advanced Standardized NUHOMS cask storage system to be used at the San Onofre Nuclear Generating Station. The inspection results were documented in Inspection Report (IR) 72-1029/2002-201, dated December 26, 2002. Two violations of NRC requirements were noted in the report, one of which was cited in the Notice of Violation (Notice) attached to the report. As required by the Notice, you responded to the violation by letter dated January 24, 2003.

We acknowledge receipt of your January 24, 2003, letter and its reply to the Notice. The corrective actions described in your letter appear to be adequate. The corrective actions you described will be reviewed in future inspections.

Sincerely,

/S/ /RA/

Robert J. Lewis, Section Chief
Transportation and Storage Safety and
Inspection Section
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Docket 72-1029

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