March 24, 2003

Mr. Peter J. Walier
President and CEO
NAC International, Incorporated
3930 East Jones Bridge Road
Norcross, GA 30092

SUBJECT: NUCLEAR REGULATORY COMMISSION (NRC) INSPECTION REPORT NO. 72-1015/2003-201 AND NOTICE OF VIOLATION

Dear Mr. Walier:

This refers to the inspection conducted February 3-7, 2003, at the facilities of Hitachi Zosen Diesel and Engineering Company, Ltd. (HZ D&E), in Ariake, Japan. HZ D&E is a fabrication contractor for NAC International, Incorporated (NAC), fabricating dry storage cask components for the NAC-UMS spent nuclear fuel cask storage system. The components being fabricated were for the Duke Power McGuire station. The inspection was conducted to determine if fabrication activities were performed in accordance with the requirements of 10 CFR Parts 21, 71, and 72, the applicable Certificate of Compliance and Safety Analysis Report, and NAC's NRC-approved quality assurance program. The enclosed report presents the results of this inspection.

Based on the results of this inspection, the NRC has determined that three Severity Level IV violations of NRC requirements occurred. The three violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail in the subject inspection report. The violations are being cited in the Notice because they were identified by the NRC.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/NRC/ADAMS/index.html (the Public Electronic Reading Room).

Sincerely,
/RA/ original signed by /s/

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

Docket No. 72-1015

Enclosures:
1. NRC Inspection Report No. 72-1015/2003-201
2. Notice of Violation

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/NRC/ADAMS/index.html (the Public Electronic Reading Room).

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Distribution:
Docket 72-1015

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U.S. NUCLEAR REGULATORY COMMISSION
Office of Nuclear Material Safety and Safeguards
Spent Fuel Project Office

Inspection Report

Docket No:	72-1015
Report:	72-1015/2003-201
Certificate Holder:	NAC International, Incorporated 3930 East Jones Bridge Road Norcross, GA 30092
Fabricator:	Hitachi Zosen Diesel and Engineering Ariake Facility Nagasu-Machi, Tamana-Gun Kumamoto, 869-0193 Japan
Dates:	February 3-7, 2003
Inspection Team:	Charles Miller, Deputy Director Licensing and Inspection Directorate, Spent Fuel Project Office (SFPO) Paul Narbut, Team Leader, SFPO Frank Jacobs, Inspector, SFPO James Pearson, Inspector, SFPO
Approved by:	Robert J. Lewis, Chief Transportation and Storage Safety and Inspection Section Spent Fuel Project Office, NMSS

ENCLOSURE 1

EXECUTIVE SUMMARY

NRC Inspection Report 72-1015/2003-201

On February 3-7, 2003, an inspection team from the Office of Nuclear Material Safety and Safeguards (NMSS) Spent Fuel Project Office (SFPO) performed an inspection of selected fabrication activities for spent fuel dry storage and transportation casks being manufactured in at the Hitachi Zosen Diesel and Engineering Company, Ltd. (HZ D&E) facility, in Ariake, Japan. The casks were to be used in the United States (US).

The team inspected fabrication activities to determine if they were performed in accordance with the requirements of the Code of Federal Regulations (CFR) 10 CFR Parts 21, 71, and 72, the applicable Certificate of Compliance (CoC) and Safety Analysis Report (SAR), and NAC International's (NAC's) NRC-approved quality assurance (QA) program. The team examined welding, nondestructive examinations, leak testing, material controls and QA controls. Additionally, the team examined the adequacy of fabrication oversight activities by the reactor licensees and the CoC holder.

Work at HZ D&E was being performed concurrently for both NAC and Transnuclear Incorporated (TN). The NAC work at HZ D&E was being done for Duke Power's McGuire station. The TN work at HZ D&E was being done for Exelon's Oyster Creek and Susquehanna stations. To gain efficiencies while at HZ D&E, the team examined both NAC and TN hardware fabrication, and drew conclusions from those observations that were applicable to NAC and TN in common, where such common conclusions were considered valid. Generally, common conclusions could be drawn about the common fabrication processes, material receipt and handling, inspections, nondestructive examinations, personnel qualifications, quality assurance, quality control, and testing. This report applies to NAC only. A separate report was written to TN, NRC Inspection Report 72-1004, 72-1027/2003-201.

The team found the quality of construction to be excellent and the oversight to be adequate. However, the team identified some areas requiring corrective action as described in this inspection report and the attached Notice of Violation. Three violations were identified involving the lack of a procedure for quality control surveillances, the lack of a procedure detailing the receipt inspection requirements for neutron absorption plate material, and the lack of an up-to-date certification for a liquid penetrant examiner. The team also identified one poor practice regarding the examination used for the qualification of lead auditors. The examination had 30 questions which were the same from examination to examination, and were available for new examinees to review. HZ D&E took immediate corrective action during the inspection.

The team found that their ability to inspect was not significantly hampered by the language differences. The CoC holders had, for their own purposes, required that procedures and fabrication records in the Japanese language also be translated into the English language. The Japanese engineers and QA inspectors were generally functional in English as it applied to the fabrication processes. Also, the fabricator was very familiar with the applicable US Codes and standards. The team found the fabricator's QA organization's problem identification and resolution practices to be comparable to those in the US.

The violations are summarized in Table 1 below.

Table 1
Summary of Inspection Findings

Regulatory Requirement 10 CFR Section	Subject	Number of Findings	Type of Finding	Report Section
72.174	Records	1	Violation 72-1015/03-201-01	2.3.2
72.150	Procedures	2	Violation 72-1015/03-201-02	2.5.2
			Violation 72-1015/03-201-03	2.8.2

INSPECTION PROCEDURES USED

60852, “ISFSI Component Fabrication by Outside Fabricators”
NUREG/CR 6314, “Quality Assurance Inspections for Shipping and Storage Containers”

PERSONS CONTACTED

On February 3, 2003, the team held an entrance meeting with NAC, TN, and HZ D&E to present the scope and objectives of the NRC inspection. Utility representatives from Duke Power (McGuire) and Exelon (Oyster Creek and Susquehanna) also attended the entrance meeting. On February 7, 2003, the team held an exit meeting with NAC, TN, HZ D&E, and the utility representatives to present the preliminary results of the inspection.

The individuals present at the entrance and exit meetings, and some other key personnel contacted, are listed below in Table 2.

Table 2
Entrance and Exit Meetings Attendance

Hitachi Zosen Diesel and Engineering Ltd.

NAME	TITLE	AFFILIATION	ENTRANCE	EXIT
Charles Miller	Deputy Director, Licensing and Inspection, Spent Fuel Project Office	NRC	X	X
Paul Narbut	Team Leader, SFPO	NRC	X	X
Frank Jacobs	Inspector, SFPO	NRC	X	X
James Pearson	Inspector, SFPO	NRC	X	X
Roy Bass	QA Manager	NAC	X	X
John McCarthy	Fabrication Manager	NAC		X
Larry Reaves	Fabrication Representative	NAC	X	X
Howard Smith	VP Quality	NAC	X	X
James White	QA Representative	NAC	X	X
Richard Boyle	Project Manager	Framatome		
Daniel Hayes	Oversight Representative	TN	X	X
Earl Love	Supervisor, Vendor Surveillance	TN	X	X
William Bracey	Project Engineer	TN	X	X
Takeshi Aboshi	Manager, Cask Engineering Section	HZ D&E	X	X
Ryoji Asano	Machinery Business Development Manager	HZ Corp.	X	
Toshitsugu Iwamoto	QA Section	HZ D&E	X	X
Takashi Kawahara	Cask Engineering Section	HZ D&E	X	X
Takeo Koike	President	HZ D&E	X	
Yoshikazu Miyaji	Manager of Energy and Nuclear Business Department	HZ Corp		
Masaki Mikata	Manager, Nuclear Dept.	HZ D&E	X	X
Yoshinobu Morimoto	Cask Engineering Section	HZ D&E	X	X
Kenji Oguchi	Manager, QA Section	HZ D&E	X	X
Toshitaka Yamaguchi	QA Section	HZ D&E	X	X

Masakatsu Yamashita	Manager, QA Department	HZ D&E	X	X
Russ Bastyr	Supplier Quality Manager	Exelon	X	X
Loren Ernst	Sr. Technical Specialist	Duke Power	X	X
David Jones	Spent Fuel Prog. Mgr.	Duke Power	X	X

LIST OF ACRONYMS USED

ASTM	American Society for Testing and Materials
CFR	Code of Federal Regulations
CMTR	Certified Material Test Report
CoC	Certificate of Compliance
HZ Corp.	Hitachi Zosen Corporation
HZ D&E	Hitachi Zosen Diesel and Engineering Ltd.
M&TE	Measuring and test equipment
NAC	NAC International, Incorporated
NDE	Nondestructive examination
NMSS	Office of Nuclear Material Safety and Safeguards
NRC	U.S. Nuclear Regulatory Commission
NTI	Nichizo Technical Incorporated
PT	Liquid penetrant examination
QA	Quality Assurance
SAR	Safety Analysis Report
SFPO	Spent Fuel Project Office
TN	Transnuclear, Inc.
US	United States

REPORT DETAILS

1. Inspection Scope

The inspection team inspected selected fabrication activities for spent fuel dry storage and transportation casks being manufactured in Japan for use in the United States. The inspection verified, through sampling, that spent fuel storage and transportation cask fabrication was being performed in accordance with the CoC, the NRC-approved CoC holder's QA program, and NRC regulations, and that the casks should be capable of performing their intended safety functions.

The work at HZ D&E was being performed for both NAC and for TN. To gain efficiencies, the team examined both NAC and TN hardware fabrication, and drew conclusions from those observations that were applicable to NAC and TN in common, where such common conclusions were considered valid. Generally, common conclusions could be drawn about the common fabrication processes, material receipt and handling, inspections, nondestructive examinations, personnel qualifications, quality assurance, quality control, and testing. The results of the TN inspection are reported separately in NRC Inspection Report 72-1004, 72-1027/2003-201.

The NAC work was being done for McGuire, while the TN work was being done for Oyster Creek and Susquehanna. The team examined welding, nondestructive examinations, leak testing, material controls and QA controls. Additionally, the team examined the adequacy of fabrication oversight activities by the reactor licensees and the CoC holders. The inspection was performed using NRC inspection procedures.

2. Fabrication Controls

2.1 Fabrication Specifications

2.1.1 Scope

The team examined a sample of fabrication specifications to determine if the specifications were consistent with the design commitments and requirements documented in the SAR and the CoC.

2.1.2 Observations and Findings

The team did not identify any problem areas or discrepancies between the fabrication specifications and the SAR and CoC.

2.1.3 Conclusions

Based on the documents reviewed, the team concluded that fabrication specifications were consistent with the SAR and CoC.

2.2 Corrective actions

2.2.1 Scope

The team examined the procedures for identifying problems and nonconformances, and for implementing corrective actions. Additionally, the team sampled nonconformance and corrective action documents which had been identified during the fabrication process and verified that the actions taken were appropriate.

2.2.2 Observations and Findings

The team considered the sampled procedures, nonconformances, and corrective actions to be adequate. Corrective actions were appropriate in scope and timeliness and commensurate with the problems identified.

2.2.3 Conclusions

The team concluded that problems, deficiencies and nonconformances were being identified, documented, and effectively resolved.

2.3 Training and Certification

2.3.1 Scope

The team reviewed applicable procedures and records to determine if individuals performing quality-related activities were trained and certified where required. The team sampled training and qualification records for quality assurance, quality control, welding, nondestructive examination (NDE), and leak and pressure testing personnel.

2.3.2 Observations and Findings

The team found that, overall, the procedures, training, and qualification records met the required codes and standards and that personnel were properly trained and qualified.

However, the team identified a problem regarding the retention and currency of personnel qualification records for an NDE examiner. HZ D&E procedure, M-50-1, "Examination, Inspection and Test," Revision 3, Step 3.2(2) requires that HZ D&E retain copies of examiner certification and qualification records. The team noted that neither HZ D&E nor Nichizo Technical Incorporated (NTI), a supplier of NDE personnel to HZ D&E, had up-to-date records for the certification of an NTI employee performing liquid penetrant examinations. Additionally, HZ D&E and NTI had differing versions of outdated records for the individual. 10 CFR 72.174, "Quality assurance records," requires that records of qualification of personnel be maintained. The failure to maintain up-to-date records of personnel qualifications is considered a violation of 10 CFR 72.174.
(Violation 72-1015/03-201-01)

HZ D&E personnel wrote a deficiency report, took immediate corrective action and updated the personnel qualification records during the inspection.

Additionally, the team examined Quality Assurance Lead Auditor and Auditor qualifications at HZ D&E, and reviewed Document Q-01-3, "Audit Personnel Qualification Standard," Revision 1. No discrepancies were noted with the records and qualifications of the auditors. However, the team noted that Document Q-01-3, paragraph 4.2(5), required that, in order to qualify, a prospective lead auditor answer 30 questions and obtain a passing grade of 80% or greater. The team observed that two examinations taken September 7, 2002, had essentially the same questions as one taken April 24, 2000. Also, two examinations taken April 6, 1999, and September 30, 1998, were identical. However, the team noted that, due to the stability of the workforce, only a small and infrequent number of lead auditor examinations had been given. Therefore, the team considered the reuse of examination questions to be acceptable if access to the questions and answers was controlled. However, the team noted that the lead auditor qualification records were filed in an accessible area such that a prospective lead auditor could have access to the questions and answers prior to taking the qualification examination. The team considered the availability of the examinations to be a poor practice and a weakness in the quality assurance program. The HZ D&E QA manager agreed and on February 5, 2003, removed all examinations from the qualification files for lead auditors, inspectors, and test personnel, and established a separate file controlled by the QA Manager. A statement of examination grade, date, and control of the actual examination was placed in each individual's qualification file. The team considered the corrective action to be adequate.

2.3.3 Conclusions

The team concluded that overall, the qualification and certification of personnel was adequate and well controlled. One violation was identified for the lack of an up-to-date certification record and one weakness was identified regarding the lack of confidentiality of lead auditor examination questions.

2.4 Fabricator Personnel Knowledge

2.4.1 Scope

The team observed fabrication, NDE, and quality control work in progress, reviewed records, and interviewed personnel to assess the fabricator's personnel's familiarity with the specified design, designated fabrication techniques, testing requirements, and quality controls associated with the construction of the spent fuel dry storage casks.

2.4.2 Observations and Findings

The team found the overall quality of fabrication and the knowledge and skill levels of the inspection, craft and NDE personnel to be excellent.

2.4.3 Conclusions

The team concluded that the fabricator's personnel were adequately familiar with the specified design, designated fabrication techniques, testing requirements, and quality controls associated with the construction of the spent fuel dry storage casks.

2.5 Material and Procurement Specifications

2.5.1 Scope

The team sampled materials to determine if they met the design requirements and procurement specifications. Additionally, the team sampled procurement specifications to verify the specifications conformed to the requirements contained in the SAR and the CoC.

2.5.2 Observations and Findings

The team examined two procurements for cask materials at HZ D&E. The material specification, purchase order, approved vendor list, Certified Material Test Report (CMTR), and the receiving inspection record sheet for a procurement of American Society for Testing and Materials (ASTM) A240 Type 304 stainless steel plate were all consistent and indicated the material met design requirements.

The team examined NAC documents for a procurement of neutron absorber plate and identified a violation for inadequate procedure. The receiving inspection record sheet, record number RI-P-01-1, documented an inspection of four boxes of the neutron absorber plates containing a total of 1172 sheets on one date and an inspection of four boxes containing a total of 1152 sheets on another date. The record contained only one set of dimensions for each inspection. The record did not reference an inspection procedure and it was not clear what the one set of dimensions represented. The HZ D&E QA inspector stated that procedure 004-T-02, Revision 1, "Receiving Inspection Procedure" was applicable, but the team noted that the procedure did not specify the dimensions required to be inspected, nor did it specify a sampling plan or a specific number of items to be inspected. The failure to provide a procedure specifying the receipt inspections required for neutron absorber plates is a violation of 10 CFR 72.150, "Instructions, procedures, and drawings."
(Violation 72-1015/03-201-02)

On February 6, 2003, HZ D&E revised procedure 004-T-02, Revision 1, to provide specific dimensional inspection requirements and sampling size. The team considered the corrective action to be adequate.

2.5.3 Conclusions

Overall, the team concluded that the sampled material and procurement specifications conformed to the requirements contained in the SAR and CoC. However, the team identified one violation concerning an inadequate receipt inspection procedure for neutron absorber plates.

2.6 Fabrication

2.6.1 Scope

The team observed fabrication, inspection, testing and nondestructive examination in progress, and examined selected specifications, procedures, and records to determine if components were being fabricated in accordance with procedures, specifications, drawings, and NRC requirements.

2.6.2 Observations and Findings

The team verified that the fabricator's personnel used current procedures, and performed appropriate nondestructive testing and dimensional checks. The team observed that the welding was performed by qualified welders, in accordance with qualified procedures, using proper certified material, and that subsequent nondestructive examinations were acceptable. The team verified that the observed confinement boundary base metal met purchase specification and code requirements. The team also independently reviewed and verified the adequacy of a sample of radiographic film for confinement boundary welds. Additionally, the team verified that measuring and test equipment (M&TE) was calibrated according to recognized standards.

2.6.3 Conclusions

The team concluded that fabrication, inspection, testing and nondestructive examination were performed adequately and were in accordance with procedures, specifications, drawings, and NRC requirements. Overall, the team considered the quality of the fabrication to be excellent.

2.7 Part 21 Implementation

2.7.1 Scope

The team examined the fabricator's implementing procedures, observed postings of 10 CFR Part 21 requirements at the fabrication facilities, and interviewed fabrication personnel.

2.7.2 Observations and Findings

The team found the fabricator's procedures and postings of 10 CFR Part 21 requirements met requirements. The team noted that the postings were in English and Japanese.

2.7.3 Conclusion

The team concluded that the fabricator had adequately implemented 10 CFR Part 21 requirements.

2.8 Audits and Oversight

2.8.1 Scope

The team examined selected audits and surveillances to determine if HZ D&E had been audited by NAC and the licensees and to determine if corrective actions had been implemented in a time frame commensurate with their safety significance.

2.8.2 Observations and Findings

Audits

NAC audited HZ D&E in November, 2001 (NAC Audit Report 01-E-11 dated January 4, 2002). The report identified five findings, and the findings were addressed in a timely manner. NAC performed a surveillance of HZ D&E in January and February, 2003. The surveillance report was being finalized during the inspection, and identified six findings and six observations. One finding of particular concern to NAC related to weaknesses in the performance of internal audits by HZ D&E. However, NAC stated that more recent internal audits conducted by HZ D&E were much improved.

Surveillances

The team reviewed a sample of NAC surveillances of HZ D&E, and found them adequate. However, the team noted that HZ D&E did not have procedures in place describing its program for QC or QA surveillances or work monitoring. QA management stated that they performed regular surveillances and kept records for five years. Surveillances were not required by the fabricator's QA program but had been performed as a good practice but without the necessary procedural guidance to ensure proper planning, consistency and management review of the activities surveilled. The team noted that 10 CFR 72.150, requires that activities affecting quality be prescribed by documented procedures. The team considered the lack of procedures for the performance of QA surveillances to be a violation of 10 CFR 72.150.
(Violation 72-1015/03-201-03)

Oversight

The team examined the oversight of fabrication at HZ D&E provided by NAC, the CoC holder, and by the licensee. The team noted that NAC had several individuals in Japan working alternately to provide significant, near continual, activity coverage. The team interviewed two of the individuals and determined that all individuals were well qualified for fabrication oversight by knowledge and experience. The individuals worked to approved oversight procedures and were responsible to perform the verifications for the witness and hold points in the fabrication travelers. They were responsible for ensuring the fabricator initiated nonconformance reports when problems were encountered.

The team also interviewed the licensee representatives present at the fabrication facility. In addition to periodic surveillance by US-based licensee representatives, the licensee used a Japanese company as its onsite representative on a regular basis. The licensee did not have full time representation, but demonstrated a regular presence through multiple visits per year.

2.8.3 Conclusions

The team concluded that TN and the licensees performed adequate audits and surveillances of HZ D&E, and that corrective actions were implemented in a timely manner. A violation was identified for a lack of procedures for the performance of QA surveillances. The team found that oversight of fabrication activities by NAC and the licensees was adequate.

3. Exit Meeting

On February 7, 2003, the team had a combined exit meeting with NAC, TN, and HZ D&E representatives. Utility representatives from Duke Power (McGuire) and Exelon (Oyster Creek and Susquehanna) also attended the exit. The CoC holders, NAC and TN, had previously agreed to a combined exit meeting and stated that they were not uncomfortable with the combined exit. Although exit meetings are usually held with a single CoC holder, the circumstances made a single meeting much more efficient. The results of the inspection were discussed.

NOTICE OF VIOLATION

NAC International
Norcross Georgia

Docket No. 72-1015

During an NRC inspection conducted at Hitachi Zosen Diesel and Engineering Company, Ltd. (HZ D&E), in Ariake, Japan, on February 3-7, 2003, violations of NRC requirements were identified. HZ D&E fabricates spent fuel storage casks for NAC International. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violations are listed below:

A. 10 CFR 72.174, “Quality assurance records,” requires, in part, that records be maintained to furnish evidence of activities affecting quality and that the records must include qualifications of personnel.

HZ D&E procedure, “Examination, Inspection, and Test,” Step 3.2, requires HZ D&E maintain personnel certification and qualification records.

Contrary to the above, on February 4, 2003, the current liquid penetrant examination (PT) certification for a PT examiner was not available in the HZ D&E personnel certification files.

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

B. 10 CFR 72.150, “Instructions, procedures, and drawings,” requires, in part, that the certificate holder prescribe activities affecting quality by documented procedures appropriate to the circumstances.

HZ D&E procedure 004-T-02, Revision 1, “Receiving Inspection Procedure,” is the procedure specified as applicable for receipt inspection of neutron absorber sheets.

Contrary to the above, procedure 004-T-02, Revision 1, RI-P-01-1 was not appropriate to the circumstances in that it did not specify the dimensions required to be checked, nor the sample size required for neutron absorber plates. HZ D&E receiving inspection record sheet number RI-P-01-1, was used to record the results of receipt inspection dimension checks for neutron absorber plates received on June 28, 2002, and November 28, 2002. The record contained only two dimensional inspection entries for the 1172 sheets of neutron absorber plate received on June 28, 2002, and the 1152 sheets received on November 28, 2002.

C. 10 CFR 72.150, “Instructions, procedures and drawings,” requires, in part, that the certificate holder shall prescribe activities affecting quality by documented instructions, and that these instructions be followed.

Contrary to the above, during the NRC inspection, HZ D&E did not have a procedure describing the conduct of quality assurance surveillances or work monitoring, an activity affecting quality. Surveillances were performed without a procedure.

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

Pursuant to the provisions of 10 CFR 2.201, Transnuclear, Incorporated is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to Robert J. Lewis, Chief, Transportation and Storage Safety and Inspection Section, Licensing and Inspection Directorate, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publically Available Records (PARS) component of NRC's document system (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html, (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 24th day of March, 2003.