

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/CERTIFICATE HOLDER NAC International, Inc. 3930 East Jones Bridge Road Norcross, GA 30092	2. NRC/REGIONAL OFFICE Spent Fuel Project Office M/S O-13-D-13 Washington, DC 20555-0001
REPORT NUMBER(S) 71-0018/2005201	

3. LICENSEE/CERTIFICATE NUMBER(S) 71-0018	4. INSPECTION LOCATION Norcross, GA	5. DATE(S) OF INSPECTION July 11-14, 2005
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The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license or Certificate of Compliance (CoC). The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations or nonconformances were identified.
- 2. Previous violation(s) or nonconformance(s) closed.
- 3. 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) was/were discussed involving the following requirement(s) and Corrective Action(s):

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

(Violations, Nonconformances, and Corrective Actions)


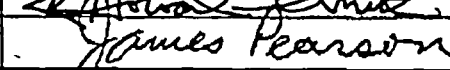
During the period of time that the shipments were made, NAC performed Part 71 transportation activities under Certificate of Compliance (CoC) 9225, (Docket No. 71-9225) and NAC application dated January 14, 2000, as supplemented, which commits NAC to developing a quality assurance (QA) program. The NAC QA program requires development and implementation of procedures. NAC's Quality Procedure, QP 2-4, "Order Entry and Project Planning (Revision 6) Item 3.2.7, Design Verification, states in part, "... Identify the type(s) of design verification activities to be performed on the project and schedule."

Contrary to the above, on August 14, 2003, NAC personnel approved a project plan 14668-PM-01; Revision 0, "Exelon Corporation - LaSalle shipment to Studsvik," but failed to conduct design verification of the sealed PWR/BWR Transport canister, as part of the NAC-LWT cask to be used for transporting radioactive materials.

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; OR

Written Response requested in 30 days YES NO

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE	R. Howard Smith		08/18/05
NRC INSPECTOR	James Pearson		08/17/05

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/CERTIFICATE HOLDER Framatome ANP, Inc. REPORT NUMBER(S) 71-00018/2005201		2. NRC/REGIONAL OFFICE Spent Fuel Project Office, M/S O-13-D-13 Washington, DC 20555-0001	
3. LICENSE/CERTIFICATE NUMBER 71-0018	4. INSPECTION LOCATION Norcross, Georgia	5. DATE(S) OF INSPECTION July 11-14, 2005	

(Continued)

After review of the various documents and interviews of personnel associated with the project, the NRC inspection team (team) determined the NAC departmental communications allowed the specific QA program components to be overlooked. NAC personnel had an opportunity to identify this omission at various stages of the project, but were not successful in applying their QA program requirements and performing the required design verification. The interviews of NAC personnel by the team established that the oversights were not intentional.

Prior to the inspection, NAC had performed various corrective actions based on the findings of a NAC root cause investigation. NAC has agreed to take further corrective action to revise Chapter 8 of the NAC-LWT application via amendment to include testing of sealed canisters intended for underwater use to confirm full compliance with CoC requirements. NAC has agreed to amend Chapter 8 of the NAC-LWT Safety Analysis Report (SAR) to require appropriate specific tests. These tests will be described in a subsection under Section 8.1.4 Component Testing. These tests are intended to ensure that the sealed canisters meet specified design requirements for correct operation of the LWT cask system. Acceptance criteria for the testing will be based on the "no free water" requirement of the CoC.

The above corrective action to revise the NAC-LWT SAR will also be included as an additional action item in NAC Corrective Action Request (CAR) 04-01 for internal tracking by NAC International.