

March 28, 2006

Mr. John M. Raymont, Jr.
President and CEO
RWE NUKEM Corporation
3800 Fernandina Road
Columbia, SC 29210-3854

SUBJECT: NRC INSPECTION REPORT NO. 71-0884/06-201 AND NOTICE OF VIOLATION

Dear Mr. Raymont:

This refers to the inspection conducted on March 13-16, 2006, at the RWE NUKEM Corporation (RNC) facilities in Columbia, SC. The purpose of the inspection was to determine if RNC's activities associated with the transportation of radioactive material were being performed in accordance with the requirements of 10 CFR Parts 21 and 71, applicable certificates of compliance, and the U.S. Nuclear Regulatory Commission (NRC) - approved quality assurance (QA) program. The team inspected RNC's management, design, fabrication, and maintenance activities. Overall, the team assessed that RNC is implementing activities subject to its NRC-approved QA program adequately. The enclosed report presents the results of this inspection.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation is being cited in the Notice because it was 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 NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your

J. Raymond

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response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Sincerely,

/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 No. 71-0884

Enclosures:

1. NRC Inspection Report No. 71-0884/06-201
2. Notice of Violation

J. Raymont

-2-

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Docket No. 71-0884

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1. NRC Inspection Report No. 71-0884/06-201
2. Notice of Violation

Distribution: Docket 71-0884
 SFPO r/f GMorell, NMSS
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**U.S. NUCLEAR REGULATORY COMMISSION
Office of Nuclear Material Safety and Safeguards
Spent Fuel Project Office**

Inspection Report

Docket: 71-0884

Report: 71-0884/06-201

Certificate Holder: RWE NUKEM Corporation
3800 Fernandina Road
Columbia, SC 29210-3854

Date: March 13 -16, 2006

Inspection Team: Rob Temps, Team Leader, SFPO
Jim Pearson, Safety Inspection Engineer, SFPO
Allison Black, Nuclear Safety Intern, SFPO

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

EXECUTIVE SUMMARY

RWE NUKEM Corporation NRC Inspection Report 71-0884/06-201

From March 13-16, 2006, the NRC conducted an announced inspection at the RWE NUKEM Corporation (RNC) facilities in Columbia, SC. The purpose of the inspection was to determine if RNC's activities associated with the transportation of radioactive material were being performed in accordance with the requirements of 10 CFR Parts 21 and 71, applicable certificates of compliance, and the U.S. Nuclear Regulatory Commission (NRC) - approved quality assurance (QA) program. The team inspected RNC's management, design, fabrication, and maintenance activities. The results of the inspection are as follows:

Management Controls

RNC's implementation of their QA program in this area was assessed to be adequate. However, as cited in the enclosed Notice of Violation, the team identified several instances where quality procedures were not followed or where procedural guidance was inadequate for controlling quality-related activities.

Design Controls

RNC is not currently performing package design activities. The team reviewed the quality related procedures RNC has in place that govern design activities and concluded that they were adequate and conformed to the applicable Part 71 regulations.

Fabrication and Maintenance Controls

RNC is not currently performing package fabrication activities. Many of the activities reviewed under maintenance controls are also applicable to fabrication controls. RNC maintenance controls were assessed by observing activities at the RNC Columbia Maintenance Facility and associated Part 71 packagings available for inspection at that location. Overall, RNC's implementation of their QA program in this area was adequate. However, as cited in the enclosed Notice of Violation, the team identified several instances where quality procedures were not followed.

Table 1
Summary of Inspection Findings

Regulatory Requirement 10 CFR Section	Subject of Violation or Noncompliance	Number of Findings	Type of Finding	Report Section
71.111	Instructions, procedures and drawings	7	Violation	2.1.2.1; 2.1.2.2; 2.1.2.3; 2.4.2.1; 2.4.2.2

REPORT DETAILS

1. Inspection Scope and Background

Prior to 2003, RNC possessed a user only 10 CFR Part 71 QA Program Approval certificate. However, upon acquisition of the assets of another company, RNC took ownership of three Certificates of Compliance (CoCs) for Type B packagings. As an NRC certificate holder, RNC was required to modify their QA program description and they subsequently requested, and were granted, a full-scope QA Program Approval in 2004. The CoCs currently held by RNC include:

- CoC 6574; Model 3-82B
- CoC 9208; Model 10-142

RNC owns and maintains, for rental purposes, several packagings fabricated to the above CoCs. RNC does not act as shipper of record for Part 71 transportation purposes. A third CoC that RNC obtained, CoC 9210, was canceled at RNC's request. RNC was not performing new packaging design or fabrication activities at the time of the inspection.

The purpose of the inspection was to determine if RNC's activities associated with the transportation of radioactive material were being performed in accordance with the requirements of 10 CFR Parts 21 and 71, applicable certificates of compliance, and the NRC - approved QA program. The team inspected RNC's management, design, fabrication, and maintenance activities. The team observed selected activities; reviewed procedures and instructions; inspected selected documents, records, and drawings; verified personnel training and qualifications; and interviewed personnel responsible for various activities.

1.1 Inspection Procedures Used

IP 86001, "Design, Fabrication, Testing, and Maintenance of Transportation Packagings"
NUREG/CR 6314, "Quality Assurance Inspections for Shipping and Storage Containers."

1.2 List of Acronyms Used

AVL	Approved Vendors Listing
CFR	Code of Federal Regulations
CMF	Columbia Maintenance Facility
CoC	Certificate of Compliance
M&TE	Measuring and Test Equipment
NRC	U.S. Nuclear Regulatory Commission
NSOP	NUKEM Standard Operating Procedure
QA	Quality Assurance
QTC	Quality Training Checklist
RCA	Request for Corrective Action
RNC	RWE NUKEM Corporation
SFPO	Spent Fuel Project Office

1.3 Persons Contacted

The team held an entrance meeting with RNC personnel on March 13, 2006, to present the scope and objectives of the NRC inspection. On March 16, 2006, the team held an exit meeting with RNC personnel to present the preliminary results of the inspection. The individuals present at the entrance and exit meetings are listed below in Table 2.

Table 2
Entrance and Exit Meetings Attendance

NAME	AFFILIATION	ENTRANCE	EXIT
Rob Temps	NRC	X	X
Jim Pearson	NRC	X	X
Allison Black	NRC	X	X
John Raymont	RNC	X	X*
Richard Byars	RNC	X	X
Michael Vaught	RNC	X	X
Robert Williams	RNC	X	X
H. Michael Anderson	RNC		X
Dan Parker	RNC		X

* By telephone

2. **Inspection Details**

2.1 Management Controls

2.1.1 Scope

The inspection of management controls focused on the areas of QA policy, audit program, documentation controls, nonconformance controls, and 10 CFR Part 21 implementation.

2.1.2 Observations and Findings

2.1.2.1 QA Policy

The team reviewed the RNC organizational chart and interviewed the quality assurance director in regard to the functions and independence of the quality organization within the RNC organization. The team also reviewed the following associated NUKEM Standard Operating Procedures (NSOPs):

- NSOP-106, "Employee Quality Assurance Indoctrination"
- NSOP-107, "Training and Indoctrination of RNC/Contract Personnel"
- NSOP-116, "Quality Assurance Training"

- NSOP-160, "Document Control"
- NSOP-360, "Engineering Department Procedure Training"
- NSOP-501, "Quality Assurance Records"

The team also verified through an interview with the RNC Information Technology Systems Administrator that the requirements for control of electronic quality training checklists (QTCs) and the written test master answer lists were met and maintained according to NSOP-107. The Information Technology Systems Administrator provided a clear description of the control aspects of the system and the access provisions.

The team noted that QTCs were being used to record training. The team reviewed samples of these forms in RNC employee's files during the review of personnel qualifications. RNC procedure NSOP-107 requires that the Department Manager's determination and certification for the grandfathering of personnel, as allowed by the procedure, be documented in a memorandum. The memorandum is required to be attached to the associated QTC. The team noted one instance in which a memorandum was issued for a grandfathered employee but that no associated QTC had been developed. This failure to follow procedure NSOP-107 is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality.

The team reviewed a sample of qualification and certification records for RNC personnel and found them to include the appropriate documentation with the exception of acceptable current visual testing results. The team noted from the review that annual eye exams for three inspection personnel, as required by NSOP-116, step 5.5.4.2, exceeded the allowed one year time frame. This failure to follow procedure NSOP-116 is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality.

Overall the team determined that RNC's control of the quality program and associated training was adequate.

2.1.2.2 Audit Program

The team reviewed the following additional associated procedures:

- NSOP-503, "Audit Procedure"
- NSOP-504, "Vendor Evaluation"
- NSOP-540, "Q-List"

The team reviewed RNC internal and external audit schedules for multiple years, as required by NSOP-5-3. The team noted from the audit schedules that the performance of audits occurred in a timely manner or acceptable explanations were provided for extenuating circumstances. The team reviewed the results of two audits performed by outside entities. The team noted that both audit checklists were detailed and comprehensive. The team also reviewed 3 vendor audits, 3 internal audits and associated checklists and findings.

The team noted that RNC procedure NSOP-503, "Audit Procedure," step 5.4.1.1.1 requires that an internal audit schedule cross-reference matrix be prepared each year. The team discussed

this issue with the QA director and it was determined that an audit cross-reference matrix was not prepared for the 2005 and 2006 audit years. This failure to follow procedure NSOP-503 is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality.

Overall the team determined that RNC's control of the audit process was adequate.

2.1.2.3 Documentation Controls

The team reviewed the RNC QA procedures related to documentation controls, and interviewed personnel responsible for carrying out the related NSOPs. The team reviewed the following applicable procedures:

- NSOP-105, "Development/Revision of NUKEM Standard Operating Procedures"
- NSOP-160, "Document Control"
- NSOP Form 2000, "Procedure/Form Change Notice"
- NSOP Form 3011, "Memo for Issuing NUKEM Operating Procedure Manual"
- NSOP Form 3012, "Document Transmittal for Issuance of RNC Procedures"
- NSOP Form 3017, "Engineering Change Order"
- RNC database listing of controlled documents

The team discussed these procedures with the Document Control Administrator who described and demonstrated how the above forms and procedures are used to control origination, storage, issuance, revision, and review of controlled documents, data, and drawings.

The team identified an example of inadequate procedure controls related to the process for controlling the removal of obsolete procedures. Specifically, the team reviewed the database listing of controlled documents and identified RNC procedure NSOP-270, "Information Notice," as being obsolete effective April 2005. However, in three out of the four controlled document manuals the team reviewed, at both the Columbia office and the Columbia Maintenance Facility, the procedure had not been appropriately marked nor removed from the manuals. This failure to prescribe proper controls for obsoleted procedures is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality. As an interim measure, RNC took action to ensure that NSOP-270 was removed from all controlled copy holders. The team assessed this initial corrective action to be appropriate.

The team noted that there are several RNC NSOPs that control the development and distribution of various types of procedures and that the guidance in these procedures for processing of obsoleted procedures was inconsistent. The team discussed this observation with RNC management who stated that they would review and revise the associated procedures to more closely align the process for obsolete procedures with the process used to revise existing procedures.

The team identified a weakness in the procedure controls related to the coordination between the RNC Columbia and Oak Ridge offices when issuing revisions to common procedures used at both locations. While reviewing the database listing of controlled documents, the team identified a discrepancy between the listed revision number and the revision number of NSOP-360 in several controlled copy manuals. The team determined that RNC's Oak Ridge

office had initiated the process for issuing a revision to the procedure on February 9, 2006. For various reasons, as of the time of the inspection, the Columbia office document control group had not yet sent out the required change notification to the controlled copy manual holders under its control. This issue was discussed with RNC management who initiated Non-Conformance Report number 06-012-C to address the issue.

Overall, the team assessed that RNC's documentation controls were adequate.

2.1.2.4 Nonconformance Controls

The team reviewed procedures used for the various problem reporting mechanisms, reviewed a sample of problem reports, and interviewed personnel responsible for the monitoring and trending of problem reports. The team reviewed the following applicable procedures:

- NSOP-502, "Nonconforming and Corrective Action Procedure"
- NSOP-503, "Audit Procedure"
- NSOP-510, "Reporting of Defects/Noncompliance per 10CFR21"
- NSOP-520, "In-process and Final Inspection of Quality Level A and B Items"
- NSOP-530, "Supplier Nonconformance Reports"

The team determined that RNC procedures provide for the documentation of various types of nonconformances through the use of various forms, including:

- Non-conformance Reports
- Audit Finding Reports
- 10CFR21 Reportable Items
- Inspection and Disposition Records
- Supplier Nonconformance Reports

The team reviewed a sample of various issues entered into the RNC corrective action program using the above methods and determined that corrective actions taken were appropriate and timely with respect to the identified issues. The team noted that with respect to NSOP-502, a Request for Corrective Action (RCA) is only issued for very high level issues, those that would be equivalent to a significant condition adverse to quality as described in 10CFR 71.133, "Corrective action." The team noted that while RNC has initiated RCAs in the past, NSOP-502 does not provide any guidance or criteria as to when an RCA should be initiated for a nonconformance. The team discussed this observation with RNC management who stated that they would look at enhancing NSOP-502 to provide guidance in this area.

Overall, the team assessed that RNC was implementing appropriate methods for documenting and resolving various types of nonconformances.

2.1.2.5 Part 21

The team reviewed NSOP-510, "Reporting of Defects/Noncompliance per 10CFR21" and also verified posting of Part 21 information at appropriate locations. The team also verified that reference to Part 21 reporting requirements was invoked in purchase orders where required by the procurement procedures. No concerns were identified.

2.1.3 Conclusions

The team assessed that overall, RNC's implementation of the QA program in these areas was adequate. However, as cited in the enclosed Notice of Violation, the team identified several instances where quality procedures were not followed or where procedural guidance was inadequate for controlling quality-related activities.

2.2 Design Controls

2.2.1 Scope

The team reviewed the RNC quality-related procedures that govern design control.

2.2.2 Observations and Findings

The team reviewed RNC's QA procedures related to design development and modifications. The team reviewed the following procedures:

- NSOP-300, "Design Control"
- NSOP Form 3017, "Engineering Change Order"

RNC is not currently performing design development or modification activities subject to 10CFR Part 71. The team reviewed the procedure controls in effect for these activities to assess their adequacy in the event RNC engages in such activities. The team had one observation concerning the RNC design control procedures in that they currently do not address when certain design or modification activities are subject to NRC review and approval under Part 71. This observation was discussed with RNC personnel who stated that they would review enhancing procedure guidance in this area.

2.2.3 Conclusions

Overall, the team assessed that RNC's procedures related to design development and modification were adequate in addressing related requirements of 10 CFR 71, Subpart H.

2.3 Fabrication Controls

RNC is not currently performing package fabrication activities. However, many of the activities reviewed under maintenance controls, as discussed in the following section, are also applicable to fabrication controls. Though no work was in progress at the time of inspection, the team verified that suppliers of fabricating, welding, and testing of steel, that could be used for fabrication activities, were audited and listed on the RNC Approved Vendors Listing.

2.4 Maintenance Controls

2.4.1 Scope

The inspection of maintenance controls focused on the implementation of the RNC QA program, (e.g. material control, documentation control, nonconformance control, and

implementation) in regard to control and performance of maintenance of activities performed on transportation packagings subject to 10 CFR Part 71.

RNC maintenance controls were assessed by observing activities at the RNC Columbia Maintenance Facility (CMF) and associated Part 71 packagings and spare parts that were available for inspection. The team performed an inspection of a disassembled 10-142 package.

2.4.2 Observations and Findings

2.4.2.1 Procurement Controls

The team verified that RNC applies a graded approach to their activities affecting quality through an inspection of spare parts and components and their associated markings and categorizations. The team also verified, through review of a sample of purchase orders, that the RNC Approved Vendors Listing (AVL) listed vendors associated with Quality level A & B materials. The team noted that the RNC AVL indicated the quality level of items provided by each vendor as well as the acceptability of each audited organization in regard to the last associated audit activity. The team also reviewed the associated RNC procedure NSOP-504, "Vendor Evaluations", requirements listed in steps 5.2.1.2 and 5.2.1.4 in performing the review of sampled vendor audits. The team determined that vendors were being properly controlled per the RNC AVL and associated RNC procedural requirements.

The team reviewed a sample of parts listed on CoC drawings for the Model 10-142 Shipping Cask. The sampled items were then used as the basis for reviewing the following associated RNC purchase orders:

- 10588-Rev 0, Gasket Material
- 10775-Rev 0, Fastening Hardware
- 10888-Rev 0, O-Rings
- 10964-Rev 0, Gasket Materials

The team verified that material requirements for components identified on CoC drawings were transferred to the purchase order. However, there was one noted exception. RNC procedure NSOP-520, "In Process and Final Inspection of Quality Level A and B Items," step 5.4.1 requires that procured items shall be inspected in accordance with the requirements specified on the purchase order. RNC procedure NSOP-420, "Procurement Cycle," Attachment 7.1, requires technical requirements for procurement be included in the procurement scope. The team noted from its review that some purchase orders did not include relevant information from drawing STD-02-095, revision 3, for the Model 10-142 Shipping Cask. Specifically, temperature testing limitations specified on the drawing (65 - 75 degrees F) for gasketing materials were not specified in the purchase order. The team noted that the supply vendor's certification of gasket material properties did not provide the temperature at which the durometer testing was performed. The team also noted that the associated receipt testing performed by RNC did not provide the temperature at which the recorded measurements were taken. The failure to include relevant information on the purchase order and for material receipt instructions is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality.

2.4.2.2 Measuring and Test Equipment Controls

The team reviewed procedures, inspected M&TE documents, and discussed implementation of the process with the Calibration Coordinator at the RNC CMF. The following documents were reviewed:

- NSOP-508, "Control of Measuring and Test Equipment"
- Level 1 M&TE Master List
- Level 1 M&TE Usage Log

At the CMF, the team reviewed the Level 1 M&TE Master List and then sampled a variety of M&TE to verify that it was stored in the location indicated by the Master List. Usage logs were also reviewed to verify compliance with the NSOP-508 requirements. The team noted two concerns regarding implementation of requirements in NSOP-508.

The first concern involved the fact that RNC procedure NSOP-508, "Control of Measuring and Test Equipment," step 5.2.12.c states, in part, that the calibration due date shall be included on the label attached to Level 1 M&TE. Contrary to this requirement, an R134 variable leak source, a Level 1 M&TE with serial number 08750, did not have the required calibration due date included on its attached label. This failure to follow procedure requirements is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality. RNC initiated Non-Conformance Report 06-13-C to document this issue and also removed the instrument from service pending the addition of the required information.

The second concern involved the fact that RNC procedure NSOP-508, step 5.2.4, states that purchase orders for calibration of Level 1 M&TE state shall require certain information (specified in a subsequent step) be contained in the calibration certificate. Contrary to this requirement, purchase orders 11105, dated October 21, 2005, 11241 dated February 22, 2006, and 11242 dated February 22, 2006, for the calibration of Level 1 M&TE, did not contain a requirement for the specified information to be provided on the calibration certificate. This failure to follow procedure requirements is an example of the Violation cited in Enclosure 2 for failure to follow procedures or to have adequate procedures for activities affecting quality.

2.4.3 Conclusions

Overall, RNC's implementation of their QA program in the areas of maintenance, procurement, and measuring and test equipment was adequate. However, as cited in the enclosed Notice of Violation, the team identified several instances where quality procedures were not followed or where procedural guidance was inadequate for controlling quality-related activities.

3. Exit Meeting

An exit meeting was conducted by the team with RNC personnel on March 16, 2006. The team's preliminary findings and assessments were presented at the meeting. RNC management personnel at the meeting acknowledged the team's findings and did not state any disagreement with the preliminary findings and their characterization. The team verified that no proprietary information was discussed at the exit nor provided to the team during the inspection.

NOTICE OF VIOLATION

RWE NUKEM Corporation (RNC)
Columbia, SC 29210

Docket No. 71-0884

During an NRC inspection conducted on March 13-16, 2006, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 71.111, "Instructions, procedures, and drawings," states, in part, that a certificate holder shall prescribe activities affecting quality by documented procedures and shall require that these procedures be followed.

Contrary to this requirement, the NRC identified the following instances where activities affecting quality were not performed in accordance with applicable procedures or where procedure guidance was inadequate in prescribing quality activities.

1. RNC procedure NSOP-503, "Audit Procedure," step 5.4.1.1.1 requires that an internal audit schedule cross-reference matrix be prepared each year. Contrary to this requirement, an audit cross-reference matrix was not prepared for the 2005 and 2006 audit years.
2. RNC procedure NSOP-105, "Development/Revision of NUKEM Standard Operating Procedures," section 5.6, "Obsoleting," did not prescribe adequate controls for the removal of obsolete procedures from controlled copy holders as copies of NSOP-270, "Information Notice," that was obsoleted in April 2005, were found in three of four controlled copy holder's binders audited by the team.
3. RNC procedure NSOP-116, "Quality Assurance Training," step 5.5.4.2 requires that visual capabilities be determined annually for inspectors. Contrary to this requirement, the NRC identified three RNC inspectors who had exceeded the one year time frame for their visual capability determination.
4. RNC Procedure NSOP-107, "Training and Indoctrination of RNC/Contract Personnel," step 5.2.6.2 requires that the Department Manager's determination and certification for the grandfathering of personnel, as allowed by step 5.2.6.1, be documented in a memorandum attached to the associated quality training checklist (QTC). Contrary to this requirement, records of one grandfathered employee included a memorandum but no associated QTC.
5. RNC procedure NSOP-508, "Control of Measuring and Test Equipment," step 5.2.12.c states, in part, that the calibration due date shall be included on the label attached to Level 1 M&TE (measuring and test equipment). Contrary to this requirement, an R134 variable leak source, a Level 1 M&TE with serial number 08750, did not have the required calibration due date included on its attached label.
6. RNC procedure NSOP-508, step 5.2.4, states that purchase orders for calibration of Level 1 M&TE state shall require certain information (specified in a

Enclosure 2

subsequent step) be contained in the calibration certificate. Contrary to this requirement, purchase orders 11105, dated October 21, 2005, 11241 dated February 22, 2006, and 11242 dated February 22, 2006, for the calibration of Level 1 M&TE, did not contain a requirement for the specified information to be provided on the calibration certificate.

7. RNC procedure NSOP-520, "In Process and Final Inspection of Quality Level A and B Items," step 5.4.1 requires that procured items shall be inspected in accordance with the requirements specified on the purchase order. RNC procedure NSOP-420, "Procurement Cycle," Attachment 7.1, requires technical requirements for procurement be included in the procurement scope. Contrary to the requirements of these procedures, multiple purchase orders were reviewed during the inspection that did not include relevant information from drawing STD-02-095, revision 3, for Model 10-142 Shipping Cask, regarding the temperature testing limitations (65 - 75 degrees F) for gasketing materials.

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

Pursuant to the provisions of 10 CFR 2.201, RNC 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, Spent Fuel Project Office. 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. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. 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 NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, 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. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed 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 2.390(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 the Notice within two working days.

Dated this 28 day of March 2006.