



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 21, 1999

Transnuclear West, Inc.
ATTN: Mr. Robert Grenier, President
39300 Civic Center Drive, Suite 280
Fremont, California 94538

SUBJECT: NRC INSPECTION REPORT 72-1004/98-210

Dear Mr. Grenier:

On November 2-6, 1998, the U.S. Nuclear Regulatory Commission (NRC) performed announced inspections of Yakima Precast, Inc. (YPI), Yakima, Washington, and American Boiler Works (ABW), Everett, Washington. YPI is a vendor to Transnuclear West, Inc. (TN West), for the fabrication of concrete TMI-2 Precast Horizontal Storage Modules (HSMs). ABW is also a vendor to TN West for the fabrication of Model NUHOMS-12T System Dry Shielded Canisters (DSCs). The HSMs and DSCs are being fabricated for the U.S. Department of Energy (DOE) Independent Spent Fuel Storage Installation (ISFSI) located at the Idaho National Engineering and Environmental Laboratory (INEEL) in Idaho Falls, Idaho. The DSCs will provide dry storage for damaged fuel from the Three Mile Island Unit 2 reactor.

The purpose of the inspections was to determine whether the HSMs and DSCs are being fabricated in compliance with the requirements of 10 CFR Parts 21 and 72. The teams also inspected TN West's oversight of YPI's and ABW's fabrication activities to determine the effectiveness of TN West's surveillances. The DOE submitted its Safety Analysis Report for the INEEL TMI-2 ISFSI (Docket No. 72-20) in October, 1996, and it is currently being reviewed by the NRC. The DOE directed TN West to begin fabrication of the HSMs and DSCs before the NRC issued a Safety Evaluation Report and Certificate of Compliance.

Although YPI does not have an NRC-approved quality assurance (QA) program for its fabrication activities, YPI prepared a QA Plan which was reviewed and accepted by TN West for the fabrication of HSMs. A TN West audit of YPI's QA program in June, 1998, did not identify any significant findings. The team focused on the fabrication controls described in YPI's QA plan and implemented at YPI.

ABW has a QA program which addresses all of the requirements of 10 CFR Part 72, Subpart G. TN West audited the adequacy and implementation of ABW's QA program in January 1998. TN West identified shortcomings in ABW's QA program and issued six audit findings to ABW. At the time of the inspection, ABW had corrected four of the findings and anticipated correction of the remaining two by the end of 1998. The team inspected management controls and fabrication controls at ABW. On November 25, 1998, TN West provided additional information to the team regarding ABW welder qualifications. On December 23 and 29, 1998, TN West provided details of corrective actions taken by both TN West and ABW to address a number of audit findings and to inform the NRC that all of the scheduled 1998 ABW internal audits had been completed. This information is reflected in the enclosed inspection report.

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R. Grenier

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The team found that: (1) the implementation of both the YPI and ABW QA programs acceptable; (2) fabrication activities at both facilities were conducted using approved procedures and qualified personnel; and (3) TN West provided effective oversight of activities performed by both ABW and YPI. The effective communications developed at both sites between TN West's on-site personnel and its contractors was a strength which contributed to the successful fabrication of DSCs and HSMs. The team identified minor issues at each site. However, both ABW and YPI promptly addressed each issue and implemented appropriate corrective actions in a timely manner. A discussion of the issues identified and the corrective actions taken is presented in the enclosed inspection report.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room (PDR).

No reply to this letter is required. We appreciate your cooperation.

Sincerely,

Original Signed by
William F. Kane for:

Susan F. Shankman, Deputy Director
Licensing and Inspection Directorate
Spent Fuel Project Office, NMSS

Enclosure: NRC Inspection Report 72-1004/98-210

Docket No.: 72-1004

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The team found that: (1) the implementation of both the YPI and ABW QA programs was acceptable; (2) fabrication activities at both facilities were conducted using approved procedures and qualified personnel; and (3) TN West provided effective oversight of activities performed by both ABW and YPI. The effective communications developed at both sites between TN West's on-site personnel and its contractors was a strength which contributed to the successful fabrication of DSCs and HSMs. The team identified minor issues at each site. However, both ABW and YPI promptly addressed each issue and implemented appropriate corrective actions in a timely manner. A discussion of the issues identified and the corrective actions taken is presented in the enclosed inspection report.

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Susan F. Shankman, Deputy Director
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