



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

May 22, 1998

EA 96-492

Mr. David M. Dawson  
President and Chief Operating Officer  
Transnuclear West Inc.  
6203 San Ignacio Avenue, Suite 100  
San Jose, California 95119

SUBJECT: NRC SPECIAL INSPECTION REPORT NO.72-1004/98-208

Dear Mr. Dawson:

From April 20 through May 4, 1998, the U.S. Nuclear Regulatory Commission (NRC) performed a special inspection of your response to Inspection Report (IR) 72-1004/97-209. The enclosed report presents the results of this inspection.

The purpose of this inspection was to determine whether Transnuclear (TN) West was ready to resume limited fabrication of the Nutech Horizontal Modular Storage (NUHOMS) system. During the inspection conducted in the Fall of 1997 (72-1004/97-209), the NRC concluded that TN West was not ready to resume either limited or full fabrication activities.

Based on the results of the current inspection, the NRC has concluded that TN West has sufficiently developed plans and procedures in accordance with the previously identified corrective actions for its quality assurance and design control programs. These actions are sufficient for the resumption of fabrication of horizontal storage modules (HSMs) and dry shielded canisters (DSCs). As stated in my letters to TN West, dated May 7, 1998, and May 22, 1998, TN West may resume fabrication activities of HSMs and DSCs as described in my letters.

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.

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D. Dawson

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Should you have any questions about this inspection, we will be pleased to discuss them with you.

Sincerely,

Original /s/ by:

Susan F. Shankman, Acting Deputy Director  
Spent Fuel Project Office  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 72-1004

Enclosure: NRC Inspection Report  
72-1004/98-208

cc: NUHOMS Owner's Group  
Alan Nelson, NEI

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