

May 9, 2007

EA-07-034

Mr. David M. O'Loughlin
Counsel – Corporate
Eaton Corporation
1111 Superior Avenue
Cleveland, Ohio 44114

SUBJECT: SELF-DISCLOSURE OF UNREPORTED SHIPMENTS OF NUCLEAR
REACTOR COMPONENTS – NON-CITED VIOLATION OF 10 CFR 110.26(d)

Dear Mr. O'Loughlin:

This refers to a Stanley Harrison Corporation (SHC) letter dated April 26, 2005, notifying the NRC of SHC's failure to report exports of nuclear reactor components covered under U.S. Nuclear Regulatory Commission (NRC) general license during calendar year 2004 by the required due date of February 1, 2005. Specifically, contrary to 10 CFR 110.26(d),¹ between March 31, 2004, and October 27, 2004, SHC shipped 550 components (hydraulic seals utilized in nuclear power reactor control rod drives, i.e., components described in 10 CFR Part 110, Appendix A, paragraph (9)) under the NRC general license established by 10 CFR 110.26(a) to Sweden but failed to submit by February 1, 2005, one copy of a report documenting all shipments of applicable nuclear reactor components exported during the previous calendar year. SHC reported that the end use of these exported components was in control rod drives systems of nuclear reactors in Sweden and Finland. (*NOTE: SHC was acquired by Eaton Corporation on November 1, 2005.*)

Based on the information you provided, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. This violation is being treated as a non-cited violation consistent with Section VI.A of the Enforcement Policy (included on the NRC's Web site at <http://www.nrc.gov>; select **Public Meetings & Involvement, Enforcement**, then **Enforcement Policy**) because (a) you identified the violation, (b) you initiated prompt and comprehensive

¹ 10 CFR 110.26(a) allows the export of any nuclear reactor component described in paragraphs (5) through (9) of Appendix A to this part to specific countries (including Sweden and Finland) if the component (1) is of U.S. origin, (2) will be used in a light or heavy water-moderated power or research reactor in those specific countries, or (3) is in semi-fabricated form and will be undergoing final fabrication or repair in those countries for subsequent return to the U.S. for use in a nuclear power or research reactor in the U.S. 10 CFR Part 110, Appendix A, states that a nuclear reactor basically included items within or attached directly to the reactor vessel, the equipment which controls the level of power in the core, and components which normally contain or come in direct contact with or control the primary coolant of the reactor core. 10 CFR Part 110, Appendix A, paragraphs (5) through (9), respectively list reactor pressure tubes, zirconium tubes, reactor internals, reactor control rod drive mechanisms, and any other components especially designed or prepared for use in a nuclear reactor or in any of the components described in this Appendix. 10 CFR 110.26(d) requires that persons making exports under the NRC general license established by 10 CFR 110.26(a) shall submit by February 1st of each year one copy of a report of all components shipped during the previous calendar year including (1) a description of the components keyed to the categories listed in Appendix A of this part, (2) approximate shipment dates, and (3) a list of recipient countries and end-users keyed to the items shipped.

corrective actions to prevent recurrence, (c) the violation was not repetitive as a result of inadequate corrective actions, and (d) the violation was not willful. If you contest the violation or its significance, you should provide a response within 30 days of the date of this letter with the basis for your denial to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to (1) the Director, Office of International Programs; and (2) the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in your letter dated April 26, 2005. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, 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 Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your 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/

Cynthia A. Carpenter, Director
Office of Enforcement

cc: (See page 3)

D. M. O'Loughlin

-3-

cc:

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Office of Non-Proliferation Policy
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Washington, DC 20585

Defense Threat Reduction Agency (OP-CSNSP)
ATTN: Mr. David McDarby
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Fort Belvoir, VA 22060-6201

Customs & Border Protection
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LSS Technical Data Assessment & Teleforensics Center
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Reston, Virginia 20191

U.S. Department of Energy, NA-243
Office of International Regimes and Agreements
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Bureau of Industry and Security
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P.O. Box 922088
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Sincerely,

/RA/

Cynthia A. Carpenter, Director
Office of Enforcement

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