

April 8, 2008

E. Kurt Hackmann, Director
Hematite Decommissioning Project
Westinghouse Electric Company
Nuclear Fuels
3300 State Road P
Festus, MO 63028

SUBJECT: NRC INSPECTION REPORT 070-00036/07-02(DNMS) - WESTINGHOUSE
ELECTRIC COMPANY (HEMATITE)

Dear Mr. Hackmann:

On March 10, 2008, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at the Westinghouse Hematite decommissioning facility. The purpose of the inspection was to determine whether decommissioning activities were conducted safely and in accordance with NRC requirements. Specifically, the inspection focused on the evaluation of your management organization and controls, actions to evaluate waste transportation shipment issues identified during 2007, actions to address and follow-up on 30 day reports submitted to the NRC pursuant to 10 CFR 20.2203, and status of corrective actions described in a December 18, 2007, letter "Reply to Notice of Violation." At the conclusion of the on-site inspections on March 10, 2008, the NRC inspectors discussed the preliminary findings with you and members of your staff.

This inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC determined that two Severity Level IV violations of NRC requirements occurred. These violations are being treated as Non-Cited Violations (NCVs), consistent with Section VI.A of the Enforcement Policy. The NCVs are also described in the subject inspection report. If you contest the violations or significance of the NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this inspection or enclosed report, please contact Mike McCann of my staff at (630) 829-9856.

Sincerely,

/RA/

Patrick Loudon, Chief
Decommissioning Branch
Division of Nuclear Materials Safety

Docket No. 070-00036
License No. SNM-00033

Enclosure:
Inspection Report 070-00036/07-02(DNMS)

cc w/encl: D. Childers, Director, Missouri Department of Natural Resources
R. A. Kucera, Director, Intergovernmental Cooperation
Missouri Department of Natural Resources
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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No.: 070-00036

License No.: SNM-00033

Report No.: 070-00036/07-02(DNMS)

Licensee:
Facility: Westinghouse Electric Company
former Hematite Fuel Manufacturing Facility

Location: 3300 State Road P
Festus, Missouri

Dates: November 1, 2007
November 5-6, 2007
January 28-30, 2008
March 10, 2008

Inspectors: George M. McCann, Senior Health Physicist,
Decommissioning Branch (DB)

Andrew Branmik, Health Physicist, DB

Eugenio Bonano, Health Physicist, DB

Approved by: Patrick Loudon, Chief
Decommissioning Branch, DNMS, RIII

Enclosure

EXECUTIVE SUMMARY

Westinghouse Electric Company, LLC Hematite Fuel Manufacturing Facility NRC Inspection Report 070-00036/07-02(DNMS)

This inspection evaluated the Westinghouse Electric Company's performance related to management organization and controls, actions to evaluate waste transportation shipment issues identified during 2007, the licensee's actions to address and follow-up on 30 day reports submitted to the NRC pursuant to 10 CFR 20.2203, and the licensee's status of corrective actions described in a December 18, 2007, letter "Reply to Notice of Violation."

The inspection included a review of licensee staff and contractor personnel qualifications and compliance with assigned responsibilities; an evaluation of the licensee's process for the review and documentation of procedures; an evaluation and review of safety reports and audits; a review of Project Oversight Committee (POC) activities; and quality assurance audits and procedures. The inspectors also observed licensee personnel involved in the evaluation of shipping containers contents, which had been returned from a waste recycling broker. The waste broker had informed the licensee that the containers had not been opened. However, significant differences were noted between the licensee's original documented shipment weights and quantities of licensed materials, against the measured weights and quantities of licensed materials in the containers received from the waste broker. The inspectors also reviewed the licensee's dose assessment and performed independent radiation measurements on contaminated documents, which had been found in unauthorized areas.

Management Organization and Controls

- The inspectors concluded that the licensee has made notable progress in re-establishing management expectations related to strict compliance with Hematite license requirements and the programs and procedures required by the license, and has frequently communicated these expectations to site staff. Additionally, progress has been made in increasing the number of WEC management and field staff who have appropriate experience and technical expertise. The licensee's improvement in this area is evident through the self-identification of a number of pre-existing issues that involved license, program, and/or procedural noncompliances. Compliance issues are promptly entered in the Westinghouse Corrective Actions Process (CAPs) for evaluation and identification of corrective actions. (Section 1.0)

The inspectors identified one NCV for failure to comply with license requirements regarding emergency electric generators. (Section 1.0)

Radioactive Waste Management and Transportation Activities

- The inspectors concluded that the licensee established a satisfactory corrective action plan to address identified waste shipping discrepancies. The inspectors noted that many of the actions had been adequately completed and several others were near completion. Additionally, as indicated in Section 1.0, the licensee has made some progress in re-establishing management expectations related to strict compliance with Hematite license

requirements; particularly, the programs and procedures required by the license. The licensee's preliminary root cause analysis regarding the failure to take prompt actions to address the shipping issues was due to inadequate management oversight and follow-up, with two contributing causes, inadequate supplier audit and evaluation procedures, and inadequate, compliance with contractual requirements. (Section 2.0)

Reports Issued Pursuant to 10 CFR Part 20.2203

- The inspectors concluded that the licensee was actively identifying and evaluating the causes, which led to the need to submit 30 day reports to the NRC. The inspectors also concluded that the licensee's corrective actions were adequate to prevent recurrence. (Section 3.0)

The inspectors also identified one NCV for failure to post an area and containers with appropriate radiation caution signs and labels. (Section 3.0)

Report Details

1.0 Management Organization and Controls

a. Inspection Scope

The inspectors interviewed Westinghouse Electric Company's (Hematite Decommissioning Project) (WEC) management personnel to ascertain current staffing levels, and actions taken to implement management commitments contained in the WEC license and NRC regulatory requirements. The inspectors reviewed selected WEC management program policies, procedures, Plant Oversight Committee (POC) meeting minutes, Quality Assurance program, and Radiation Safety Officer reviews, audits, and selected corrective action reports as listed below:

- 1) Policy Document, PO-D0-001, "Project Management Plan," Revision 2;
- 2) Procedure "Commitment Control" Revision 0, PR-GM-011;
- 3) Procedure "Site Work Control" Revision 0, PR-DO-023;
- 4) Hematite Organizational Chart, documenting new staff hired since Fall 2007;
- 5) Project Oversight Committee (POC) Meeting Minutes, Third Quarter 2006, Fourth Quarter 2006, First Quarter 2007, Second Quarter 2007, Third Quarter 2007, Fourth Quarter 2007;
- 6) Root Cause Analysis (RCA) Report "License Activities not Conducted in Accordance with Hematite Special Nuclear Material License," CAPs RCA No. 07-138-W002 and 07-256-M006, Revision Draft 3;
- 7) Quality Assurance Audit Plan, Date: 10/11/07, Hematite Former Fuel Cycle Facility (FFCF) Internal QA Program Audit No. A-1007-001; and
- 8) Issue Report No. 07-305-M019, dated December 13, 2007.

b. Observations and Findings

Actions Taken to Address a Previous Violation

The licensee was actively evaluating what was believed to be the causative factors that led to a previously identified violation regarding failure to implement management and oversight requirements of the licensee's decommissioning license conditions (NRC Inspection Report No. 070-00036/07-01(DNMS)). The licensee's root cause analysis methods included: an events and causal factors chart, a why tree chart, a barrier analysis, and a fault tree analysis.

The preliminary results of the root cause analysis (RCA) identified seven causal factors:

- 1) Inadequate assessment of challenges (Root Cause);
- 2) Inadequate program monitoring and management (Root Cause);
- 3) Inadequate staffing;
- 4) Inadequate change analysis;
- 5) Lack of program interface requirements;
- 6) Inadequate department interface requirements; and
- 7) Lack of information validation or verification.

The RCA described corrective actions taken to date, and planned actions to be completed. The licensee's report indicated that the following actions have been completed:

- 1) an internal QA Audit was completed;
- 2) a license amendment was drafted to specifically correct items identified in the RCA and to more accurately reflect current site condition and activities;
- 3) the Project Management Plan was revised to include required information, and will be further revised to accurately reflect decommissioning activities and interfaces;
- 4) licensee's staffing has significantly been improved since 2006; and all but two management positions have been filled,
- 5) a commitment tracking procedure has been issued;
- 6) a work control procedure has been issued and implemented, and
- 7) the document control organization has been significantly strengthened, including the hiring of additional personnel and the construction of a new document control center.

Commitment Control Program

One of the licensee's actions to address the previous management issue was the development of the "Commitment Control" PR-GM-011, Revision 0, procedure, and a database for use by the WEC licensing, safety, and quality assurance (QA) personnel to track external and internal regulatory and license commitments made to the NRC and other regulatory bodies. The procedure discusses the background, purpose, and instructions for using the WEC licensing Commitment Tracking Database. Only the WEC licensing staff members can access and modify the database. The licensing staff prints one-month "look-aheads" weekly, and provide copies to decommissioning program managers with specific commitment responsibilities. The Commitment Control procedure describes a paperwork form system that is used when commitments are created, modified, or closed. Each commitment (internal or external) is designated a Subject Matter Expert, a Responsible Party, and a Tracking Party. The licensee's managers were fully aware of the tracking system and were noted to be implementing the provisions of the new guidance document.

Site Work Control Procedure

The licensee also developed and implemented its Site Work Control Procedure, Revision 0, on October 5, 2007, which established the methods to be used to control work on radioactive systems and material, and work in the Process Buildings. The Work Control Procedure discusses specific obligations and duties for each manager and supervisor with decommissioning over-sight responsibilities. The Site Work Control Procedure provides WEC decommissioning personnel guidelines for preparing, issuing, distributing, revising, and controlling documents generated for the conduct of remediation and decommissioning activities. Work Instruction packages and associated attachments prepared for evaluation of waste shipping containers, Section 2, were consistent with the Site Control Procedure. The QA Manager, Production Manager, Licensing Manager, and Radiation Safety Officer complied with the provisions of the procedure for the production, review and implementation of the above Work Instructions and attachments.

Internal QA Audit

The licensee completed an internal QA Program audit in October 2007. The audit "Hematite Former Fuel Cycle Facility – Internal QA Program Audit." was conducted to assess compliance with the requirements of the licensee's Quality Assurance Program Plan, Transportation Quality Assurance Plan, QA Oversight/Surveillances and Audits, and Organization and Management commitments contained in WEC's Special Nuclear Materials License. The audit identified 17 findings and 6 observations. The audit findings and observations were reviewed and discussed with project personnel at a post audit conference, and that the findings will be documented and processed as issue reports under the WEC Corrective action Program.

Plant Oversight Committee

The licensee's Plant Oversight Committee (POC) meeting minutes were in compliance with the licensee's quarterly meeting frequency requirement specified in the WEC's License Chapter 2. Each record of the POC meeting minutes contained a meeting agenda, POC members present, items discussed, and action items opened and or closed. The second Quarter 2007 POC meeting minutes included the 2006 Annual Program Review, which is required pursuant to 10 CFR Part 20.1101 that requires an annual program review of licensees' radiation protection program content and implementation.

Radiation Safety Program Enhancements

The WEC Radiation Safety Officer indicated program improvements and accomplishments as follows:

- 1) Developed a departmental surveillance schedule to address periodic radiological surveys, sampling and regulatory reporting requirements;
- 2) Evaluated existing instrumentation and facilities, and expended approximately \$80,000 for radiological survey instrumentation, air samplers and global positioning equipment to ensure adequate instrumentation will be available to support licensee decommissioning activities;
- 3) Validated computer spreadsheet routines, and corrected identified errors,
- 4) implemented a process to control future revisions; and Completed Training on the Use of ISOCS.

Quality Assurance Program Improvements

The Quality Assurance Manager indicated program improvements and accomplishments as follows:

- 1) Revision of the program and implementing procedures to include requirements specifying the scheduling of the annual audit and other routine, periodic audits;
- 2) Conducted Internal Audit of QA Program;
- 3) Increased level of QA surveillances of site work activities;
- 4) Implemented Annual Internal Audit Schedule;
- 5) Implemented initial class room QA training for all employees; and

- 6) Completed audits of Radiation Protection program and Procurement program activities.

Licensing Improvements

The Licensing Manager indicated program improvements and accomplishments as follows:

- 1) The Licensing Department now includes seven licensing engineers, a licensing specialist, and a senior nuclear licensing manager, all with many years of decommissioning licensing experience;
- 2) Comprehensive License Amendment Request Submitted in February 2008 to "clean up" Administrative Issues in the License; and
- 3) Created a formal commitment control program, which is being used to document commitments made to the NRC in the license or in regulatory correspondence/submittals, and to track these commitments to ensure they are adequately and appropriately implemented.

The licensee's revised Organizational Chart reflected current management personnel, paths of communication and responsibility. In addition, the licensee had expanded its staff significantly, with personnel who possessed many years of health physics and decommissioning experience. It was also noted that a number of key management positions were staff with Westinghouse personnel, rather than contract personnel.

Review of Issue Report 07-305-M019

The inspectors reviewed the licensee's Issue Report No. 07-305-M019 dated December 13, 2007, regarding the removal of emergency electric generators from the site. Section 6.3 of the Hematite license states, in part, that "emergency electric generators provide electric power to essential loads such as instrumentation and alarms. These loads transfer automatically to the generators upon a power outage." Interviews with the Licensing Manager indicated that a 300 KW portable generator was used to fulfill this requirement in the past. However, the unit was removed in 2005 and the language in Section 6.3 of the License had not been reviewed or revised. The licensee conducted a preliminary evaluation of this noncompliance and determined that they have sufficient emergency electric power through a battery back-up system that covers all currently considered "essential loads." The licensee committed to conducting a formal review to ascertain if additional electrical generating sources are needed to support future major decommissioning activities. Because the licensee identified the violation and is taking timely and adequate corrective actions, and the violation is non-repetitive, it is being treated as a Non-Cited Violation (NCV), consistent with Section VI.A.8 of the NRC Enforcement Policy (NCV 070-00036/07-02-01).

c. Conclusion

The inspectors concluded that the licensee has made notable progress in re-establishing management expectations related to strict compliance with Hematite license requirements and the programs and procedures required by the license, and has frequently communicated these expectations to site staff. Additionally, significant progress in increasing WEC management and field staff has been made, and personnel have appropriate experience and technical expertise. The licensee's improvement is

evident in the continuing self-identification of a number of pre-existing issues that involve license, program, and/or procedural noncompliances. Also, compliance issues are promptly entered in the Westinghouse Corrective Actions Process (CAPs) for evaluation and identification of corrective actions. The inspectors also identified one NCV for failure to comply with license requirements regarding emergency electric generators.

2.0 Radioactive Waste Management and Transportation Activities

a. Inspection Scope

The inspectors reviewed the licensee's actions to address discrepancies identified with 25 shipping containers of radioactive waste returned to the site from Mississauga Metals and Alloys (MMA), a waste recycling broker, in Ontario, Canada. The inspectors interviewed licensee management and personnel regarding actions taken to evaluate the causes that led to the identified discrepancies. The inspectors interviewed site personnel involved with the survey, weighing, and packaging of the initial shipment containers. The inspectors evaluated the licensee's work instructions and procedures developed for opening and assessing the waste materials in the shipments as follows:

- 1) WEC Site Control Procedures, Appendix A "Work Instruction – Investigation of Discrepancies Noted on Containers from MMA," No. WP-2007-004, Revision 0, dated October 30, 2007;
- 2) WEC Procedure "Radiation Work Permit," Appendix B, RP No. 07-001, dated October 30, 2007, Job description: "Investigate contents of shipping container received from MMA;
- 3) WEC Procedure "Training Attendance Sheet," Appendix C;
- 4) ALARA Review Record for Radiation Work Permit, RP-07-001;
- 5) WEC Site Control Procedures, Appendix A "Work Instruction –Investigation of Sea Land Containers Loaded with Gaylord Boxes and Boxes from MMA," No. WP-2008-001, Revision 0, dated January 24, 2008;
- 6) WEC Procedure "Radiation Work Permit," Appendix B, RP No. 08-004, dated January 18, 2008, Job description: "Unload and Reload Sea-van containers received from MMA, including initial setup,"
- 7) WEC RCA Interim Action Steps; and
- 8) WEC Root Cause Analysis Report, CAPs-RCA-07-305-W012, Rev. Draft 6 Date: January 24, 2008, Issue Title: "Mississauga Metals & Alloys Returned Waste"

The inspectors toured and observed the licensee site and buildings to ascertain current site and building conditions. The inspectors also observed the opening of the returned shipping containers, and performed independent measurements and side-by-side measurements with WEC personnel who were performing measurements on the shipping containers, and associated waste materials.

b. Observations and Findings

During the months of February and March, 2007, sea-land containers that contained recycled metals contaminated with uranium-235 were returned to WEC Hematite. These containers had been previously shipped from Hematite to MMA for recycling. The licensee was under the impression that the returned shipping containers contained only material which had originally come from Hematite. The licensee identified a weight discrepancy on one of the sealand containers, and the licensee began an investigation

into the discrepancy. This investigation identified that materials from another fuel processing facility may have been co-mingled with that from Hematite. The Hematite license does not permit acceptance and storage of materials from other sites. In addition, subsequent licensee investigation activities determined that radiological measurements on supposedly unopened containers after return to Hematite indicated higher uranium-235 content than measurements taken prior to shipping to MMA.

The licensee was actively evaluating the causative factors that led to the discrepancies in radioactive shipping container weights and total residual radiological shipping container quantities identified in the 25 U.S. Department of Transportation approved shipping containers returned from MMA. The licensee's preliminary root cause analysis (RCA) indicated that

“the extent of condition with regard to the returned waste is considered to be local to Hematite and to the shipment of this material. However, with regard to the shipments and the returned wastes there are two things to consider, 1) the estimates used to determine the shipping quantities did not show agreement with those estimates of the returned shipments, and 2) the investigation of the differences observed was not prompt, complete and fully documented, and actions to address the conditions were likewise not prompt, complete and fully documented.”

The preliminary results of the root cause analysis identified three causal factors, 1) Inadequate management oversight and follow-up (root cause); 2) Inadequate supplier audit and evaluation procedures; and 3) inadequate compliance with contractual requirements.

The initial RCA also described recommended corrective actions as follows:

1) Action to address the shipment of radioactive materials: A. ensure reproducible and defensible measurements of shipping quantities, B. ensure the integrity of shipped materials until received, and C. evaluate receivers of radioactive materials prior to shipment with regard to the procedures and practices for control of the material received; 2) Actions to address disposition and disposal of current waste shipments: A. determine the extent of the problem with regard to the amount of material from other than Hematite, and B. determine final disposition of existing shipments at Hematite and MMA; and 3) Actions to Address Extent of Condition & Cause: reinforce management expectations for procedural compliance; reinforce management expectations for prompt and complete documentation; and, investigation and action to address adverse conditions.

The inspectors' noted that the licensee's work area controls for work area posting, security, and radiological monitoring provisions were implemented according to approved management work instruction and radiation work permits. The licensee's personnel evaluated the waste materials in the shipping containers against photographic documentation taken of the waste materials prior to shipment to MMA. The inspectors also observed the licensee's personnel perform radiological measurements and re-weigh the boxes of waste materials as part of the RCA evaluation.

c. Conclusion

The inspectors concluded that the licensee established a satisfactory corrective action plan to address identified waste shipping discrepancies. The inspectors noted that many

of the actions had been adequately completed and several others were near completion. Additionally, as indicated in Section 1.0, the licensee has made significant progress in re-establishing management expectations related to strict compliance with Hematite license requirements and the programs and procedures required by the license. The licensee's preliminary root cause analysis regarding the failure to take prompt actions to address the shipping issues was due to inadequate management oversight and follow-up, with two contributing causes, inadequate supplier audit and evaluation procedures, and inadequate, compliance with contractual requirements.

3.0 Reports Issued Pursuant to 10 CFR Part 20.2203

a. Inspection Scope

The inspectors interviewed WEC Hematite management and decommissioning personnel to evaluate licensee's actions regarding the submission of "30 day Reports" submitted pursuant to 10 CFR Part 20.2203, "Reports of exposures, radiation levels, and concentrations of radioactive material exceeding the constraints or limits." Specifically, the inspectors evaluated the licensee's actions to determine if the content of each report describe the extent of exposure of individuals to radiation; the radioactive material, including the estimates of each individual's dose; the levels of radiation and concentrations of radioactive material involved; the cause of the elevated exposures, dose rates, or concentrations; and the corrective steps taken or planned to ensure against a recurrence. The inspectors referenced the following licensee documents as part of this review:

- 1) Westinghouse letter dated February 4, 2008, "Report of Concentrations of Radioactive Material Exceeding Limits in an Unrestricted Area;"
- 2) February 11, 2008, "Report of Concentrations of Radioactive Material Exceeding Limits in an Unrestricted Area;"
- 3) February 21, 2008, "Report of Concentrations of Radioactive Material Exceeding Limits from a Forklift Stored in an Unrestricted Area;"
- 4) March 5, 2008, "Supplemental Report of Concentrations of Radioactive Material Exceeding Limits in an Unrestricted Area;"
- 5) Issue Report No. # 07-288-W011.01- Radiologically Contaminated Paperwork Potentially Stored Improperly 19-Nov-2007;" and other licensee reports generated as part of the licensee's investigation into the above issues.

The inspectors observed licensee personnel performing radiological surveys on suspect equipment and materials, and also performed confirmatory and side-by-side radiation measurements using calibrated NRC survey meters.

b. Observations and Findings

A licensee letter dated February 4, 2008, notified the NRC regarding the licensee's identification of a reportable occurrence which involved the discovery of 34 boxes of radiologically contaminated documents stored in an unrestricted area of the licensee's Hematite facilities. Two other reportable instances were discovered as a result of the corrective actions implemented in response to this occurrence. The first occurrence was reported in a licensee letter dated February 11, 2008, which described the discovery of a radiologically contaminated logbook that had been stored in various unrestricted off-site locations. The licensee also indicated that the logbook had been removed from the

facility's radiologically controlled area by a previous owner of the Hematite facility sometime prior to 1992. The second reportable occurrence was reported in a licensee letter dated February 21, 2008, which reported the storage of a forklift containing low levels of fixed radiological surface contamination in an unrestricted area of the Hematite site. The licensee indicated that both of these occurrences involved levels of contamination exceeding the applicable limits of 10 CFR 20, Appendix C, which therefore required posting and labeling pursuant to 10 CFR Part 20.1902 and 10 CFR Part 20.1904.

Each of the licensee's reports addressed the following: 1) Estimates of potential radiation doses; 2) Estimates of levels of radiation and radioactive material concentrations involved; 3) A discussion of the cause of the elevated exposures, dose rates, and concentrations; and 4) The corrective steps taken or planned to prevent recurrence.

The licensee's reports did not identify any potential external or internal radiation doses to any potentially exposed individual exceeding 1 mrem per year, which is well below the NRC's 100 mrem per year dose limit pursuant to 10 CFR Part 20.1301, "Radiation Dose Limits for Individual Members of the Public." The licensee used a worst case scenario for calculating potential dose to an individual. The licensee based the calculations using the most contaminated document (a logbook) as a source term. This logbook had been utilized in the Hematite production facility in a radiological controlled area during manufacturing. The reports document the licensee's actions taken to restrict access, and post with appropriate radiological caution signs, the discovered contaminated equipment and materials, and areas containing radiologically contaminated materials.

The inspectors accompanied licensee personnel and performed side-by-side radiological survey measurements on the logbook and fork-lift. The licensee's survey findings were consistent with the licensee's survey records and the inspectors' radiological measurements were also consistent with the licensee's.

As part of the licensee's corrective action response to the initial discovery of the contaminated items, additional radiological surveys have begun being performed of other unrestricted areas where historical, operational-related documents are stored. This includes the record storage vault area and the document control offices. The licensee also has expanded its surveys to include tools and equipment. These surveys were to be completed by March 31, 2008. The licensee's corrective actions to prevent recurrence included expanding the radiation safety staff, and emphasizing compliance with procedures.

The licensee's failure to post areas, containers, and equipment with appropriate radiation caution signs and labels are violations of 10 CFR Part 20.1902(e) and 20.1904(a). Because the licensee identified the violation and is taking timely and adequate corrective actions, and the violation is non-repetitive, it is being treated as a Non-Cited Violation (NCV), consistent with Section VI.A.8 of the NRC Enforcement Policy (NCV 070-00036/07-02-02).

c. Conclusion

The inspectors concluded that the licensee was aggressively investigating the causes, which led to the need to submit 30 day reports to the NRC. The inspectors also

concluded that the licensee's corrective actions were adequate to prevent recurrence. The inspectors identified one NCV for failure to post an area and containers with appropriate radiation caution signs and labels.

4.0 Closure of Violations (VIO)

(Closed) VIO 070-00036/07-01-01: Failure to provide adequate management attention to ensure that licensed activities were conducted in accordance with Chapter 2 of the site License.

As indicated in Section 1.0 above, the NRC inspectors concluded that the licensee has made notable progress in re-establishing management expectations related to strict compliance with Hematite license requirements and the programs and procedures required by the license, and has frequently communicated these expectations to site staff. The licensee's improvement is evident in the continuing self-identification of a number of pre-existing issues that involve license, program, and/or procedural noncompliances. Also, compliance issues are promptly entered in the Westinghouse CAP process for evaluation and identification of corrective actions. This item is closed.

(Closed) VIO 070-00036/07-01-02: Failure to provide adequate management attention to ensure that license requirements in Chapter 5 of the site License were being maintained to reflect site conditions and activities

The inspectors reviewed licensee documents and analyses to resume compliance with well sampling license requirements in Chapter 5. The licensee conducted an analysis to identify a new well to sample to replace the groundwater well that was discontinued in December 2005. The inspectors reviewed this report and an internal memo discussing the use of Hematite Well WS-10 to resume compliance with their license. The inspectors also determined that the licensee staff had taken actions to modify the license to reflect appropriate sampling requirements. This item is closed.

(Closed) VIO 07000036/2007-01-03: Failure to provide radioactive material labels on containers of recyclable metals contaminated with uranium-235.

The inspectors verified that the licensee had taken appropriate steps to ensure that the shipping containers were appropriately posted and labeled. This item is closed.

5.0 Exit Meeting Summary

The NRC inspectors presented inspection findings to members of the facility management team following the onsite inspection on March 10, 2008. The licensee acknowledged the findings presented. Some documents reviewed contained statements indicating they were proprietary, and the inspectors indicated that the identified proprietary information would be handled accordingly.

SUPPLEMENTAL INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Westinghouse Electric Company, LLC

E. Kurt Hackmann, Director, Hematite Decommissioning Project
Matt Featherston, Manager, Engineering/Technical Support
Gerry Rood, Radiation Safety Officer
Gary McGee, Licensing Engineer
Kevin Harris, Manager, Environmental Engineering
Russ Reynolds, Manager, Quality

State of Missouri

B. Moore, Missouri Department of Natural Resources
E. Gilstrap, Missouri Department of Natural Resources

INSPECTION PROCEDURES USED

IP 86740	Transportation Activities
IP 88005	Management Organization and Controls
IP 88035	Radioactive Waste Management
IP83890	Close-out Inspection and Survey
IP83822	Radiation Protection

ITEMS OPENED, CLOSED, AND DISCUSSED

<u>Opened</u>	Type	Summary
NCV 07000036/2007-02-01	NCV	Failure to comply with license requirements in Hematite License SNM-33, Section 6.3, "Emergency Utilities."
NCV 07000036/2007-02-02	NCV	Failure to post areas, containers, and equipment with appropriate radiation caution signs and labels in accordance with 10 CFR 20.1902(e) and 20.1904(a).

Closed.

VIO 07000036/2007-01-01	VIO	Failure to conduct burial pit sampling activities using Revision A of Work Plan EO-06-004, Work Plan for Buried Waste Investigation at the Hematite Site, a failure to perform an internal audit since 2005, a period greater than one year, and issuing PO-DO-001, Document Management Plan, without the required project management chart or diagram.
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VIO 07000036/2007-01-02	VIO	Failure to collect and analyze samples of air effluent from the exhaust stacks and conversion offgas stack, and collect and analyze samples of plant well ground water.
VIO 07000036/2007-01-03	VIO	Failure to provide radioactive material labels on containers of recyclable metals contaminated with uranium-235.

Discussed.

None

PARTIAL LIST OF DOCUMENTS REVIEWED

Licensee documents reviewed and utilized during the course of this inspection are specifically identified in the "Report Details" above.

LIST OF ACRONYMS USED

ADAMS	Agencywide Documents Access and Management System
CFR	Code of Federal Regulations
DNMS	Division of Nuclear Material Safety
MMA	Mississagua Metals and Alloys
NCV	Non-cited Violation
NRC	U.S. Nuclear Regulatory Commission
RCA	Root Cause Analysis
VIO	Violation