



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931

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[REDACTED]

June 2, 2004

BWX Technologies, Inc.
ATTN: Mr. W. D. Nash, Vice President
and General Manager
Nuclear Products Division
P. O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: LICENSEE PERFORMANCE REVIEW OF BWX TECHNOLOGIES, INC. (BWXT)

Dear Mr. Nash:

Managers and staff in our Region II office, the Office of Nuclear Material Safety and Safeguards, and the Office of Nuclear Safety and Incident Response, completed a review of the Nuclear Products Division facility's performance in conducting NRC licensed activities. The review evaluated the facility's performance during the period beginning March 16, 2003, and ending March 20, 2004. This letter and the enclosures provide to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities during the next 12 months.

BWX Technologies, Inc. (BWXT) continued to conduct its activities safely as determined during the review period. Our review found that management oversight of selected processes and safety controls needed improvement. Several violations of procedure requirements were identified that indicated certain safety controls were not fully understood and implemented by operators or supervisors. These violations suggest that additional attention to management oversight of procedure compliance in process and safety controls is warranted.

The results of our review will be discussed with you at your facility during a meeting closed to the public on June 30, 2004. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated. We ask you to specifically address the actions you have taken or are planning to take to improve management oversight over processes to ensure that supervisors and employees conduct process activities in accordance with requirements.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

W. Nash

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Questions and comments about NRC's review of BWXT's performance should be referred to Mr. David Ayres, who can be reached by telephone at 404-562-4711.

Sincerely,

/RA/

Douglas Collins, Director
Division of Fuel Facility Inspection

Docket No. 70-27
License No. SNM-42

Enclosures:

1. Licensee Performance Review [REDACTED]
- Summary Outline
2. Licensee Performance Review [REDACTED]
- Summary Outline

cc w/encls:

Leah R. Morrell
Manager, Licensing and Safety Analysis
BWX Technologies
P. O. Box 785
Lynchburg, VA 24505-0785

cc w/encl 1 only:

Leslie P. Foldesi, Director
Bureau of Radiological Health
Division of Health Hazards Control
Department of Health
1500 East Main Street, Room 240
Richmond, VA 23219

Distribution w/encls: (See Page 3)

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W. Nash

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LICENSEE PERFORMANCE REVIEW FOR BWX Technologies, INC.

ASSESSMENT PERIOD: March 16, 2003 to March 20, 2004

The following is a summary of the performance of BWX Technologies, Inc., in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of chemical safety, nuclear criticality safety (NCS), plant operations, and fire safety.

Program Areas Needing Improvement

- Management oversight of procedure compliance, by both operators and supervisory personnel. Procedure compliance weaknesses were identified in the areas of Nuclear Criticality Safety, Plant Operations, Radiation Protection and Transportation.
 - A significant violation was identified for failing to perform a system functional test in accordance with procedure requirements that resulted in an impaired criticality monitoring system (CMS) (Inspection Report (IR) 2003-04).
 - The licensee-identified and corrected a violation of NCS posting requirements involving special nuclear material (SNM) that was placed on an unauthorized cart (IR 2003-08).
 - Storage of SNM was not compliant with NCS posting requirements and resulted in a violation (IR 2004-02).
 - A procedure violation was identified when operators handled and transported radioactive solutions without wearing face shields or securing the solutions with a lid or cap (IR 2003-03).
 - A procedure violation was identified when radiation detector source checks were not performed on laundry monitoring table detectors at the appropriate interval (IR 2003-03).
 - A procedure violation was identified when NRC notification was not performed immediately following receipt of a radioactive material package in excess of external radiation limits (IR 2004-02).
 - A violation was identified when a modification of the Lynchburg Technology Center CMS logic was implemented without the required review and approval (IR 2003-06).

Enclosure 1

[REDACTED]

- A licensee-identified and corrected violation occurred when the semi-annual effluent monitoring report was not submitted to the NRC within the required 60 day reporting period (IR 2004-02).
- A violation of NCS requirements was identified when an unauthorized container was brought into the [REDACTED] area (IR 2004-201).

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Radiological Controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance/surveillance, training, emergency preparedness, and management organization and controls.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Facility Support.

PERFORMANCE AREA: SPECIAL TOPICS (LICENSING ACTIVITIES)

This area is comprised of safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for safety licensing.