

[REDACTED]

May 20, 2005

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 Region II, 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 21, 2004, and ending April 2, 2005. This letter and the enclosure 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 and securely during the review period. However, based on the performance data reviewed, the NRC concluded that management oversight to ensure procedural compliance needed improvement. Since this area for improvement was also identified in the 2004 Licensee Performance Review, and since there were even more examples of procedural non-compliance in the current period, the NRC concluded that your corrective actions were not effective. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The results of our review will be discussed with you at your facility during a meeting closed to the public on June 23, 2005. During the meeting, we expect you to discuss your view of your performance in the same major areas that the NRC evaluated. We ask you to specifically address the actions you have taken or are planning to take with respect to the two areas that the NRC identified as needing improvement. We would also like for you to describe how your corrective actions will be improved, as compared to last year's, with regard to the procedural compliance area.

[REDACTED]

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 M. Collins, Director  
Division of Fuel Facility Inspection

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

Enclosure: Licensee Performance Review Summary Outline

cc w/encl:  
Leah R. Morrell  
Manager, Licensing and Safety Analysis  
BWXT Technologies  
P. O. Box 785  
Lynchburg, VA 24505-0785

Distribution w/encl: (See page 3)

Distribution w/encl:

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- R. Nelson, NSIR
- B. Westreich, NSIR

\*see previous concurrence



ADAMS:  Yes    ACCESSION NUMBER: \_\_\_\_\_

OFFICE	RII:DFFI	RII:DFFI	NSIR:NSOPD	NMSS:FCFB	NMSS:FCSS
SIGNATURE	SRC 5/17/05	SRF for 5/17/05	BW 5/17/05	GJ 5/18/05	RP 5/19/05
NAME	SCaudill*	DAyres*	BWestreich*	GJanosko*	RPierson*
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**LICENSEE PERFORMANCE REVIEW  
BWXT, INC.**

ASSESSMENT PERIOD: March 21, 2004 to April 2, 2005

The following is a summary of the performance of BWXT, 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 to ensure procedural compliance needs improvement. Procedural compliance weaknesses were identified in the areas of Chemical Safety, Nuclear Criticality Safety, and Plant Operations. Improvement in this area from last year was not evident based on the increased number of such violations.
    - Licensee staff failed to handle SNM in accordance with applicable NCS posting requirements. **VIO 2004-003-01**
    - Licensee staff failed to follow the procedure to close certain valves for the shutdown of the [REDACTED] System, resulting in a spill of flammable solution. Also, NRC inspectors identified an inconsistency between the procedural guidance for emergency shutdown and timely evacuation of the area. **NCV 2004-005-02**
    - Licensee staff failed to follow procedures to remove [REDACTED] SNM, prior to adding the SNM to a [REDACTED] process, resulted in a fire in [REDACTED]. **NCV 2004-006-01**
    - Licensee staff failed to adhere to NCS posting requirements in that an SNM [REDACTED] was placed in a prohibited storage location. **NCV 2004-007-01**
    - Licensee staff failed to adhere to procedure requirements for the storage of SNM. **VIO 2005-001-01**
    - Licensee staff failed to control the introduction of unfavorable geometry containers into the [REDACTED] Facility. In addition, the corrective actions from a similar previous violation (VIO 2004-201-01) were inadequate to prevent recurrence. **VIO 2005-003-01**
    - Licensee staff failed to follow procedures for configuration control activities, resulting in an inadequate facility change review. The licensee failed to
- [REDACTED]

[REDACTED]

adequately modify the Safety Analysis Reports and the affected procedures to account for the removal of some condensate tanks. In addition, operators continued to use a procedure although it could not be completely performed due to the missing condensate tanks. **VIO 2005-003-02**

- Licensee staff failed to follow procedures in that an employee incorrectly manipulated a valve, causing uranium solution to spray from the system and contaminate the employee. **VIO 2005-003-03**

- [REDACTED]

**PERFORMANCE AREA: RADIOLOGICAL CONTROLS**

This area is comprised of Radiation protection, Environmental Protection, Waste Management, and Transportation.

**Program Areas Needing Improvement in Radiological Controls**

- The NRC identified no areas in Radiological Controls as needing improvement.

**PERFORMANCE AREA: FACILITY SUPPORT**

This area is comprised of Maintenance and Surveillance, Training, Emergency Preparedness, and Management Controls.

**Program Areas Needing Improvement in Facility Support**

- The NRC identified no areas in Facility Support as needing improvement.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
  - [REDACTED]

- [REDACTED]
  - [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**PERFORMANCE AREA: SPECIAL TOPICS (LICENSING ACTIVITIES)**

This area is comprised of safety licensing.

**Program Areas Needing Improvement**

- The NRC identified no specific areas needing improvement for safety licensing.

[REDACTED]