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U.S. Nuclear Regulatory Commission
11555 Rockville Pike
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Attn: Document Control Desk
Director, Division of Spent Fuel Storage and Transportation,
Office of Nuclear Material Safety and Safeguards

Subject: Follow-up to NAC 10 CFR 71.95 Report on Instances Where the Conditions of Approval in the Certificate of Compliance Were Not Followed During a Shipment

Docket No. 71-9225, NAC-LWT Package

Reference: 10 CFR 71.95 Report for Instances Where the Conditions of Approval in the Certificate of Compliance Were Not Followed During a Shipment, Docket No. 71-9225, NAC International (NAC), October 2, 2008

Dear Mr. Brach:

This communication is intended to provide the U.S. Nuclear Regulatory Commission (NRC) with an update on NAC activities, investigation and findings, and corrective actions (implemented and planned) following the above-referenced 10 CFR 71.95 Report.

Background:

The referenced 71.95 Report described instances where during fabrication of canister lid assemblies for sealed failed fuel cans for TRIGA fuel and some TRIGA baskets, NAC Quality Assurance surveillance discovered that some welding details were not performed in full compliance with the applicable license drawings. Further review of the drawings revealed that the welding requirements, as specified, could not be performed due to hardware configuration and accessibility of the affected areas. The affected license drawings were corrected and approved by the NRC via letter authorizations/amendment to the Certificate of Compliance (CoC).

Upon discovery, NAC immediately initiated efforts to determine the extent of these conditions. On August 6, 2008, Columbiana High Tech (CHT), the manufacturer, confirmed that all similar previously fabricated hardware has been manufactured as specified on the recently revised license drawings.

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This also confirmed that previously manufactured hardware (sealed failed fuel cans and TRIGA, MTR, ANSTO and DIDO baskets) was not in full compliance with the license drawings in effect at the time it was used in shipments made under previous revisions of the CoC. Therefore, the noted conditions were reportable to the NRC under 10 CFR 71.95(a)(3). No component or system failed due to the noted conditions. The conditions did not have any safety consequences or implications. No individuals were exposed to radiation or radioactive material due to the conditions. NAC and CHT have been addressing the conditions via Corrective Action Reports (CAR) under their respective Quality Assurance Programs.

The referenced 71.95 Report included a narrative description of the conditions discovered; the results of an assessment of safety consequences and implications; the description of the corrective actions taken to the date of the report by both NAC and CHT; the extent of the impact on past shipments; the cause of the noted conditions; and an assessment of radiological consequences.

Update:

NAC has initiated two CARs to address and track the resolution of the identified conditions.

1. CAR 08-01 was issued to document and resolve all cited deficiencies associated with the NAC documentation, as well as to determine the root cause and to define and implement corrective actions to prevent recurrence.
2. CAR 08-02 was issued to address and resolve all fabrication-related deficiencies pertaining to CHT fabrication efforts.

CAR 08-01

After initiation of the CAR, a Root Cause Analysis (RCA) Team was assembled and a CAR Action Plan was developed. Implementing the action plan, the team performed an investigation to assess the extent of condition, determine the root cause and make recommendations for the path forward.

The RCA Team reviewed representative samples from the drawings of four licensed cask systems to determine the extent of condition. The review resulted in the identification of several inconsistent practices employed during the development of NAC drawings. None of the noted practices have any safety significance. NAC has developed and implemented a plan to enhance common drawing development attributes, e.g., the desired level of detail to be included, use of consistent dimensional and format practices, and the clear identification of requirements from applicable NAC procurement and design specifications.

The noted inconsistencies have been/will be addressed as the affected drawings are revised via license amendments (license drawings) and design changes/updates (design drawings).

In addition, the RCA Team has also been reviewing the applicable NAC Quality Procedures and Standard Practice documents for adequate guidance for the development and configuration control of license and design drawings. This review is ongoing and will result in recommendations to NAC management to better define and describe the purpose, content and differentiation of license and design drawings, thereby ensuring that uniform standards are applied to all NAC projects and cask systems, sufficient guidance is provided as to the independence and completeness of the drawing checking process, and any conflicting/redundant guidance is eliminated. Development and implementation of these procedural changes, including training of appropriate NAC personnel, will be tracked by the CAR and NAC QA organization.

CAR 08-02

CAR 08-02 was initiated to address all fabrication-related issues with CHT. CHT, after initiating a CAR under its QA Program, performed an extent of condition investigation and a root cause analysis, and developed and implemented corrective actions and actions to prevent recurrence. NAC approved CHT's corrective measures and actions to prevent recurrence. CAR 08-02 has been closed after satisfactory confirmation of CHT's actions and response.

NAC performed a full-scope (all applicable QA criteria) audit of CHT in November 2008. In addition to the specific corrective and preventative actions taken by CHT in response to NAC CAR 08-02, all applicable QA programmatic controls were also audited. Other than the deficiencies that led to the development of CAR 08-02, no additional deficiencies were noted.

Extent of Condition:

The extent of condition investigation performed by both NAC and CHT did not identify any new instances where the conditions of approval in a CoC were not followed during a shipment.

Conclusion:

NAC is committed to address all instances of inconsistency in its documentation in a timely manner. Implementation of corrective measures will be tracked via NAC's Corrective Action Procedure within NAC's QA program.

Should the Commission require further details regarding the actions and findings described herein, please contact me.

Sincerely,

Anthony L. Patko
Director, Licensing
Engineering