



A Finmeccanica Company

U.S Nuclear Regulatory Commission, Region III
801 Warrenville Road
Lisle, IL 60532-4351
(801) 522-3025

License: 24-23912-01

January 23, 2008

Dear Sir,

Purpose

DRS Sustainment Systems (DRS-SSI) holds the referenced license to store tritium. Due to a shipping error by our international vendor, DRS-SSI is currently storing tritium in excess of the limit contained in our permit. Specifically, on January 19, 2009, we exceeded the amount of tritium allowed per our license (24-23912-01) by 6.48 curies. DRS -SSI immediately implemented a plan to address this issue, and expect to be back within permit limits by January 30, 2009. .

Background

DRS-SSI is currently producing and repairing MSTARS ground surveillance radars. This equipment uses a tritium level, p/n 6510-01, supplied by SRB Technologies, located in Canada. Over a period of time, DRS-SSI has accumulated 116 levels (20.88 curies) that were determined to be unusable in our products for various quality reasons. These levels were all stored properly in the secured storage area. Our current contract deliverables require us to ship approximately 50 systems per month and we have subsequently received 50 levels per month.

In late November /early December 08 timeframe, we recognized that our inventory of non-useable levels (116 pieces) was at a point where it was prudent to dispose of the levels. We requested a quotation from our hazardous waste disposal vendor, so the 116 levels could be removed from our facility. While this activity was taking place, a quantity of 50 levels was received from our supplier on December 10th 2008. On 12/ 23/08, this shipment was determined to be non- conforming to product specifications due to a 'part marking' issue, which rendered the parts unusable for production. The parts were then placed into secure storage. This brought the inventory up to 166 levels, which made the disposal of non-conforming inventory more critical. On January 8th, our commodities manager informed our supplier, SRB, that inventory was approaching the license limit and provided written instructions not to ship any more products to our facility without our

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approval. Unfortunately on Jan. 19th, 70 pieces were received from SRB at our facility, which put us 6.48 curies over the license limit.

Corrective Action:

- 1) Supplier was verbally notified of their failure to follow instructions on January 19th. We received an email back from the supplier on 1/20 acknowledging the error. A copy of this acknowledgement is attached.
- 2) The 166 discrepant pieces are being planned for return to SRB for proper disposal by 1-31-09. This date is dependent upon SRB obtaining the necessary import information.
- 3) Notification to NRC – Via this letter, DRS-SSI seeks to provide the earliest possible notice, in conjunction with our Corrective Action plan.

Preventative actions:

- 1) The supplier has implemented changes in their procedures to properly notify us prior to shipment on future deliveries, so we are informed of a planned shipment and must grant approval prior to the shipment leaving the supplier's facility.
- 2) Disposal actions will be started when 50 pieces are accumulated in the secure storage area.
- 3) An Engineering Change Proposal (ECP) has been approved to allow use of non-tritium levels. Future systems will incorporate the non-tritium levels, unless customer requirements dictate tritium only levels.

Sincerely,

A handwritten signature in black ink that reads "William T. Schardan". The signature is written in a cursive, flowing style.

William Schardan
RSO

Attachments: 1. Copy of DRS-SSI email to SRB
2. Copy of SRB Response

From: Parker, Laura
Sent: Thursday, January 08, 2009 2:51 PM
To: 'mary-ann@betalight.com'
Cc: Nutting, Donald; Frahm, Curtis; Leeper, Gary
Subject: jVue PrintJob (18).pdf
Importance: High

Mary-Ann,

The attached is a copy of drawing ES6510-01, revision "D". Please have the balance of the unmarked tritium levels engraved in accordance with the attached document. For clarification please provide the quantity and schedule in which these will be marked. Per your previous email there are 70 levels scheduled to be marked on Monday, January 12, 2009 at a unit cost of \$19.35.

Note: Since DRS-SSI license only permits an on hand quantity of 200 tritium levels do not ship any levels without written authorization from buyer.

In addition, this email authorizes you to scrap the levels currently in stock that are marked but not in accordance to the attached drawing. Please provide the exact quantity and cost to scrap so I can modify our purchase order.

If you have any questions please do not hesitate to contact me.

Kind Regards,

Laura Parker
Commodity Supervisor
lparker@drs-ssi.com
ph: 314-553-4276
fax: 314-553-4836

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means, without prior written approval from the U.S. Department of Commerce, Bureau of Industry and Security (BIS) and DRS Technologies,

From: Mary-Ann Foster [mailto:mary-ann@betalight.com]
Sent: Tuesday, January 20, 2009 1:31 PM
To: Parker, Laura
Subject: RE: tritium levels

Dear Laura,

I apologize for shipping the levels without your written consent. I had read the email but assumed you were referring to anything above the 70 that I had given you the ship date for. I have now passed your email on to our shipping manager and she has added this information to your file. In the future we will not ship any tritium levels without your written consent.

Unfortunately our office in North Carolina is not permitted to possess the tritium levels. Their license is based on part numbers, and the part number for the level is not on their current license. We have applied for an import permit today and have informed the CNSC that it is urgently require. We hope that it will only take a week to receive. Once we receive the permit we will be able to take the full 166 pieces that you would like to disposes of.

I again apologize for the inconvenience this has caused you and DRS-SSI.

If you have any questions please do not hesitate to contact me.

Kind regards,

Mary-Ann Foster
Production Control Manager
SRB Technologies (Can) Inc.
Tel: (613) 732-0055
Fax:(613) 732-0056
mary-ann@betalight.com



DRS Sustainment Systems, Inc.
201 Evans Lane
St. Louis, MO 63121

A Finmeccanica Company



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Return Recy



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U.S. Nuclear Regulatory Commission, Region III
2443 Warrenville Road *Suite 210*
Lisle, IL 60532-4351

**RETURN RECEIPT
REQUESTED**