

NRC FORM 699
(9-2003)

U.S. NUCLEAR REGULATORY COMMISSION

DATE

11/24/2009

CONVERSATION RECORD

TIME

11:30am

NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU

Kelly Richardt

TELEPHONE NO.

504-467-7685

TYPE OF CONVERSATION

☐ VISIT☒ CONFERENCE☐ TELEPHONE☐ INCOMING☐ OUTGOING

ORGANIZATION

Source Production Equipment Co. Inc. (SPEC)

SUBJECT

Compliance to Certificates of Conformance No.s 9263 (SPEC-150) and 9282 (SPEC-300)

SUMMARY (Continue on Page 2)

The purpose of the telecom was to continue discussions regarding the staff's concerns and potential actions specific to a Notice of Violation identified during a routine inspection at SPEC (Reference 1). As stated in our Enforcement Action Letter (Reference 3) the NRC staff has concluded that a violation occurred. In summary, it is the NRC's position that qualification of a supplier for components classified as Important to Safety (ITS) Category 'A' through performance of an in office review of the supplier's quality assurance program is not acceptable as it does not provide objective evidence of quality either through direct inspection (audit) or through examination upon delivery.

The staff is concerned that packages with procured components continue to fail to meet the quality category 'A' requirements resulting in noncompliance to design requirements defined within the current Certificates of Compliance (CoCs). Further, since the time of the December 2008 inspection, the staff has noted ineffective actions taken by SPEC in response to the NOV such as the length of time it took SPEC to submit a CoC revision request, as well as, failure to comply with the 60 day (upon discovery) reporting requirement of 10 CFR 71.95.

Recently, the staff noted that SPEC has submitted both SPEC-150 and 300 Exposure Device renewals and drawing revision requests (References 5, 6, and 7). As part of the submittal, the staff noted drawing changes to eliminate the quality classification of depleted uranium shields currently noted on SAR drawings as QA Class 'A'. In response, the staff informed SPEC that a technical review has been scheduled, but will not conclude for several months and that a schedule for the review will be provided to SPEC as part of the licensing process. Staff noted that failure to comply with the regulation and file a 10 CFR 71.95 report, after being notified verbally and in writing of the requirement, could be a willful violation and may be subject to enforcement action.

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ACTION REQUIRED

A schedule of staff's technical review will be provided to SPEC as part of the licensing process. The staff anticipates that SPEC will submit a 10 CFR 71.95 report. SPEC committed to work on how best to address the open issue and to provide reasonable assurance that the shield assemblies meet the intent of procurement requirements. RIOB shall schedule a follow-up inspection at SPEC upon completion of tech staff's review and disposition of change request some time 1st quarter of 2010. Depending outcome of staff's overall assessment, engage OGC and OI for enforcement action if applicable.

NAME OF PERSON DOCUMENTING CONVERSATION

Earl Love

SIGNATURE



DATE

12/02/2009

ACTION TAKEN

TITLE OF PERSON TAKING ACTION

SIGNATURE OF PERSON TAKING ACTION

DATE

CONVERSATION RECORD

SUMMARY

SPEC stated that they now understand the procurement requirements and appreciated being able to have an open discussion. Further, SPEC stated the reason for the delay was in part due to a misunderstanding of the requirement and emphasized failure to comply with the regulation was not willful.

The staff informed SPEC of the need to include a safety significance determination and to identify shipments that have been made as part of the 71.95 report and that if they continue to manufacture packages with inappropriately qualified material that they continue to create packages that are out of compliance. In addition to the depleted uranium, the staff noted other components listed as part of the shield assembly (i.e. S-tube, support sleeve and shielding pads) that should be evaluated accordingly.

SPEC responded that they are concerned about the extent of condition and that submitting a 71.95 report could result in additional problems. Further, SPEC committed to work on how best to address the open issue and to provide reasonable assurance that the depleted uranium shields meet the intent of procurement requirements consistent with that of the current Category 'A' component. SPEC indicated this could be accomplished by getting lab samples, or by validating the vendor's testing process and that resolution with the manufacturer is ongoing and will move forward as quickly as possible.

References:

1. NRC Inspection Report 71-0102/2008-201, dated January 9, 2009, Notice of Violation
2. SPEC Letter dated February 6, 2009, Reply to Notice of Violation associated with NRC Inspection report 71-0102/2008-201
3. NRC Enforcement Action Letter, dated March 12, 2009 Response to Disputed Notice of Violation associated with NRC Inspection report 71-0102/2008-201
4. SPEC Letter dated April 7, 2009, Reply to Disputed Notice of Violation, associated with NRC response dated March 12, 2009
5. SPEC Letter dated October 19, 2009, Certificate of Compliance Revision Request, Model **SPEC-150: certificate renewal and drawing change**, 15B000 referenced by the CoC and eliminate QA Classification 'A,' Drawing No. 15B000, Revision 4, "SPEC-150, Depleted Uranium Shield"
6. SPEC Letter dated October 28, 2009, Certificate of Compliance Revision Request, Model **SPEC-300: certificate renewal and drawing changes** to 19B000 and B190700 drawings referenced by the CoC (addition of shielding pads and elimination of QA Classification 'A' and weld specifications for non-structural welds), Drawing Nos. 19B000, Revision 4, "Spec-300 Exposure Device, General Arrangement" and Drawing No. B190700, Revision 2, "SPEC-300 Exposure Device"
7. Spec Letter dated November 13, 2009, Certificate of Compliance Revision Request, Model SPEC-150: addition of Radionuclides