

December 4, 2009

MEMORANDUM TO: Eric Benner, Acting Deputy Director  
Licensing and Inspection Directorate  
Division of Spent Fuel Storage and Transportation, NMSS

FROM: Jessica Glenny, Project Manager */RA/*  
Rules, Inspections, and Operations Branch  
Division of Spent Fuel Storage and Transportation, NMSS

SUBJECT: SUMMARY OF NOVEMBER 10, 2009, MEETING WITH  
NEUTRON PRODUCTS, INC.

### Background

A public meeting was held on November 10, 2009, in Rockville, Maryland, between U.S. Nuclear Regulatory Commission (NRC) staff and Neutron Products, Inc. (NPI) management, to follow up on recent inspection violations (ML0927904490). The purpose of the meeting was to obtain information to assist NRC staff in making a determination regarding warranted enforcement actions; and to develop a common understanding of actions that NPI management will put into place to address: (1) facts, root causes, and missed opportunities associated with the recent inspection; (2) corrective actions taken or planned; and (3) the significance of issues and the need for lasting comprehensive corrective action.

### Discussion

On November 10, 2009, NRC staff met with NPI management to discuss expectations of NPI to meet all NRC requirements, and to provide information about their proposed plans to improve their quality assurance program implementation. SFST staff expressed concern to NPI management regarding programmatic weaknesses in NPI's implementation of their quality assurance (QA) program, which was noted to be less than adequate in meeting the QA requirements in 10 CFR Part 71. Throughout the meeting NRC management stressed the importance of meeting the requirements of 10 CFR Part 71 through improvements in the QA program as needed.

NRC management strongly emphasized the significance for NPI to have independent confirmation of their QA program implementation, whether that independent confirmation came from an internal or external source was to the discretion of NPI. As part of the discussion, NRC management provided an opportunity for NPI to address the necessary actions to determine the adequacy of their implementation and development of their QA program. NPI indicated that they had an internal resource confirm that their QA program implementation procedures were adequate enough to meet the requirements in 10 CFR Part 71. Due to indications during the inspection, NRC staff was concerned that the confirmation provided to NPI may not have been as independent as NPI expected. While independence was discussed multiple times during the meeting, NRC staff indicated to NPI management that in addition to independence, overall consideration was necessary by NPI management to make the changes to meet the 10 CFR Part 71 requirements.

As part of a potential resolution to the inspection findings and a more basic concern of NRC about NPI management support, NPI suggested that they intend to conduct a complete top down review of all of the NPI QA program procedures which support meeting the requirements of 10 CFR Part 71. NPI stated that they intend to form a working group of about three to five people to complete the review by Spring/2010. Training and implementation of the QA program will be included with the procedures review. NPI volunteered to provide a plan for their management actions towards the top down review to the NRC by the end of November 2009. The NPI top down review plan, once submitted, will be considered in addition to NPI's response to the Inspection report and the associated Notice of Violation in a determination in regard to any enforcement action to be taken by NRC. NPI management indicated they recognized the significance of the issues and the need for lasting comprehensive corrective action in meeting 10 CFR Part 71 requirements.

No regulatory commitments were made by either NRC staff or NPI. NRC staff stressed the importance of having full confidence that NPI's QA program will be in full compliance with the requirements of 10 CFR Part 71. Further, NRC encouraged NPI to look at their entire QA program and make a determination for appropriate training and implementation procedures. A strong emphasis was placed on the importance of objectivity when conducting an audit of the QA program.

Docket No. 71-0121  
TAC No. A10119

Enclosures:

1. Meeting Agenda
2. List of Meeting Attendees

As part of a potential resolution to the inspection findings and a more basic concern of NRC about NPI management support, NPI suggested that they intend to conduct a complete top down review of all of the NPI QA program procedures which support meeting the requirements of 10 CFR Part 71. NPI stated that they intend to form a working group of about three to five people to complete the review by Spring/2010. Training and implementation of the QA program will be included with the procedures review. NPI volunteered to provide a plan for their management actions towards the top down review to the NRC by the end of November 2009. The NPI top down review plan, once submitted, will be considered in addition to NPI's response to the Inspection report and the associated Notice of Violation in a determination in regard to any enforcement action to be taken by NRC. NPI management indicated they recognized the significance of the issues and the need for lasting comprehensive corrective action in meeting 10 CFR Part 71 requirements.

No regulatory commitments were made by either NRC staff or NPI. NRC staff stressed the importance of having full confidence that NPI's QA program will be in full compliance with the requirements of 10 CFR Part 71. Further, NRC encouraged NPI to look at their entire QA program and make a determination for appropriate training and implementation procedures. A strong emphasis was placed on the importance of objectivity when conducting an audit of the QA program.

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Distribution: SFST r/f NMSS r/f NRC Attendees BWhite

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OFC	SFST	C	SFST	C	SFST			
<b>NAME</b>	JPearson for JGlenny		MDeBose		EBenner			
<b>DATE</b>	11/18/2009		11/30/2009		12/04/09			

C=Without attachment/enclosure E=With attachment/enclosure N=No copy **OFFICIAL RECORD COPY**

## Agenda

Tuesday, November 10, 2009, 1:30 p.m. – 3:30 p.m.  
Neutron Products, Inc.

- Purpose: To have a management meeting with NPI to obtain information that will assist the NRC in determining if any enforcement actions are warranted and to develop a common understanding of actions that NPI management will implement to address (1) facts, root causes, and missed opportunities associated with recent inspection (Report No. 71-0121/2009-201) violations; (2) corrective actions taken or planned; and (3) the significance of issues and the need for lasting comprehensive corrective actions.
- 1:30 p.m. General Meeting Information and Introductions
- 1:35 p.m. Discussion of any warranted enforcement actions and other actions NPI will implement to address (1) facts, root causes, and missed opportunities associated with recent inspection (Report No. 71-0121/2009-201) violations; (2) corrective actions taken or planned; and (3) the significance of issues and the need for lasting comprehensive corrective actions.
- 3:20 p.m. Public Comments or Questions for NRC staff
- 3:30 p.m. Meeting Adjourned

Meeting with Neutron Products, Inc. and the Nuclear Regulatory Commission

November 10, 2009

Meeting Attendees

Bill Brach	NRC/SFST
Vonna Ordaz	NRC/SFST
Eric Benner	NRC/SFST
Jim Pearson	NRC/SFST
Ray Wharton	NRC/SFST
Rob Temps	NRC/SFST
Jessica Glenny	NRC/SFST
Alan Jacobson	Sate of Maryland
J. A. Ransohoff	Neutron Products, Inc.
Bill Ransohoff	Neutron Products, Inc.
Jerry Fogle	Neutron Products, Inc.
Jeffrey Williams	Neutron Products, Inc.