



March 25, 2010

Attn: Document Control Desk,
Director,
Spent Fuel Project Office,
Office of Nuclear Material Safety and Safeguards.
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Reply to Notice of Violation

Reference: NRC Inspection Report 71-0062/201001

Dear Sir/Madam

Industrial Nuclear Company has reviewed the NRC Inspection Report 71-0062-2010 and offer our attached response to the "Notice of Violations".

All items listed in the "Notice of Violation" have been addressed in our reply to these Violations.

If you have any questions or need additional information, please contact Jerry Tucker, Quality Assurance Manager at (510) 352-6767

Sincerely,

A handwritten signature in black ink that reads "Jerry A. Tucker".

Jerry A. Tucker
Quality Assurance Manager
Industrial Nuclear Co., Inc

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NRC Report 71-0062/2010201
February 19, 2010
Responses to Level IV Violations

LEVEL IV VIOLATION

Violation 1: The NRC identified that contrary to 10 CFR 71.111, "Instructions, Procedures and Drawings" that "INC Quality Procedure 3.2, "Commercial Grade Item Dedication" Revision 1, dated 3/14/2005, states in part, in Step 5.1.7, that the Quality Assurance Manager shall assure that procedures are developed and in use to conduct verification activities for all dedication methods. However, currently an inadequate procedure exists which does not assure full control of the commercial grade dedication process for welding wire used in INC's fabrication activities."

INC RESPONSE

Violation 1: On 2/3/2010 INC's Quality Assurance Manager issued Corrective Action Report (CAR) 10-007 to internally identify and correct this condition. INC forwarded the completed and closed CAR to the NRC on 2/25/2010. The investigative corrective action required a review of all dedication plans for similar cases of internal dedication activities without adequate procedural controls. This review did not identify any similar cases. The remedial corrective action required revision of the dedication plan and generation of a procedure or work instruction to control production of the weld sample used to test and dedicate the welding material. INC generated Work Instruction 12, Revision 0, 2/16/2010 to control production of the weld sample. The dedication plan was also revised to reference Work Instruction 12 and added the chemical requirements for ER308L welding wire. All actions were completed and verified by the QAM and closed on 2/16/2010.

LEVEL IV VIOLATION

Violation 2: The NRC identified that contrary to 10 CFR 71.111, "Instructions, Procedures and Drawings" that that QP 6.1, "Document Control," Revision 1, dated 3/14/02, states, in part, in Step 5.4.2, that following approval of design drawings per Quality Procedure 3.1, the Document Control clerk shall enter the above information on Attachment 6.4, "Approval and Superseded Drawing Log." However, no such attachment or log exists; therefore, the procedural step as described has not been followed.

INC RESPONSE

Violation 2: INC issued CAR 10-003 on 2/3/2010 to correct the issue identified in this Violation. INC recognized that document control logs have created continuous problems. Investigative corrective actions were performed that included a complete program review of all control logs. As a result of this review QPs 3.1, 6.1, 15.1 and 16.1 were revised to describe the new system of computer-generated control logs. QP 3.1 was revised to describe the new computer-generated DCN Log and Approved Drawing Indices for the IR-100, IR-50, OP-100 and Depleted Uranium Shield drawings; QP 6.1 was revised to describe the new computer-generated Controlled Document Distribution Log and Controlled Document Master Log; QP 15.1 was revised to describe the new computer-generated NCR E-Log; and, QP 16.1 was revised to describe the new computer-generated CAR E-Log. All new computer-generated logs were placed in service and old paper logs were scanned and archived for continuity. All computer-generated logs are found on an access-restricted shared drive. All logs were verified as accurate prior to placing them in-service. The use of paper logs has been discontinued.

CAR 10-003 was verified and closed on 2/25/2010.