

June 23, 2010

Linda L. Rutherford
Sr. VP and General Counsel
Dresser, Inc.
15455 Dallas Parkway, Ste 1100
Addison, TX, 75001

SUBJECT: SELF-DISCLOSURE OF FAILURE TO REPORT EXPORTS OF NUCLEAR REACTOR COMPONENTS DESCRIBED IN PARAGRAPHS (5) – (9) OF APPENDIX A – NON CITED VIOLATION OF 10 CFR 110.26

Dear Ms. Rutherford:

This refers to your letter received January 18, 2010, submitting late reports of the exports of nuclear reactor components as described in paragraphs (5) – (9) of Appendix A to Part 110 covered by NRC general license during calendar years 2004 – 2008 and detailing your corrective actions taken to prevent recurrence. Specifically, contrary to 10 CFR 110.26(d),¹ for the years 2004-2008, you made multiple shipments of nuclear reactor components under the NRC general license established by 10 CFR 110.26(a) to multiple destinations, but failed to report these shipments in a report of all nuclear reactor component shipments made by February 1st of the year following the year in which the shipments were made.

Based on the information you provided, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation is being treated as a non-cited violation consistent with Section VI.A of the Enforcement Policy (included on the NRC's Web site at <http://www.nrc.gov>; select **Public Meetings & Involvement, Enforcement, then Enforcement Policy**) because (a) you identified the violation, (b) you initiated prompt and comprehensive corrective actions to prevent recurrence, (c) the violation was not repetitive as a result of inadequate corrective actions, and (d) the violation was not willful. If you contest the violation or its significance, you should provide a response within 30 days of the date of this letter with the basis for your denial to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to: (1) the Director, Office of International Programs; and (2) the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance was achieved is already adequately addressed in your letter received January 18, 2010. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position.

¹ 10 CFR 110.26(a) allows for the exports of nuclear reactor components described in paragraphs (5) – (9) in Appendix A under a general license under specific circumstances. 10 CFR 110.26(d) states that persons making exports under the general license established by paragraph (a) of this section shall submit by February 1st of each year one copy of a report of all components shipped during the previous calendar year including (1) a description of the components keyed to the categories listed in Appendix A of this part, (2) approximate shipment dates, and (3) a list of recipient countries and end-users keyed to the items shipped.

L. Rutherford

- 2 -

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS) accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Sincerely,

/RA/

Scott Moore, Deputy Director
Office of International Programs

cc: (See page 3)

cc:

National Nuclear Security Administration,
Office of International Regimes and Agreements
U.S. Department of Energy
ATTN: Sean Oehlbert, Team Leader
1000 Independence Avenue, SW
Washington, D.C. 20585-1615

National Nuclear Security Administration,
Office of International Regimes and Agreements
U.S. Department of Energy
ATTN: Mr. Richard S. Goorevich, Director
1000 Independence Avenue, SW
Washington, D.C. 20585-1615

National Nuclear Security Administration,
Office of International Regimes and Agreements
U.S. Department of Energy
ATTN: Ms. Jessica Norles
1000 Independence Avenue, SW
Washington, D.C. 20585-1615

LSS Technical Data Assessment &
Teleforensics Center, DHS/CBP
Attn: Christopher Baugues, MSC Physical Scientist
12825 Worldgate Plaza, Bldg 3
Herndon, VA 20170

Office of Nuclear and Missile Technology,
Bureau of Industry and Security
U.S. Department of Commerce
ATTN: Steve Clagett
14th Street & Penn Avenue, NW, Room 2631
Washington, D.C. 20230

NAC International/Nuclear Materials
Management Safeguards System
ATTN: Peter Dessaulles, Program Manager
DOE/NMMSS
1000 Independence Ave., SW
Washington, D.C. 20585-1290

Office of Nuclear Energy, Safety and
Security Affairs, Room 3320 HST
Bureau of International Security
and Nonproliferation
U.S. Department of State
ATTN: Robin DeLaBarre
2201 C Street, NW
Washington, D.C. 20520

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS) accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Sincerely,

/RA/

Scott Moore, Deputy Director
Office of International Programs

cc: (See page 3)

DISTRIBUTION:

- M. Doane, OIP
- J. Owens, OIP
- T. Grice, NRC/NMSS
- N. Hilton, OE
- G. Kim, OGC
- R. Zimmerman, OE
- R. Summers, OE

File Name: S:\EXPORTS\Exports - Genl Lic Violations\OE Case Writeups\Dresser Violation letter.doc

Accession Nos.: ML101480081 (Package), ML101480092 (Incoming), ML101480073 (Response)
* via email

OIP Ticket #: 2057

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

OFFICE	OIP/ECIOB	OIP/ECIOB	OE/EB	OGC	OIP/ECIOB:BC	OIP:DD
NAME	J. Shepherd	S. Baker	R. Summers	G. Kim*	J. Owens	S. Moore
DATE	05/27/10	05/26/10	05/27/10	05/26/10	05/27/10	06/23/10

OFFICIAL RECORD COPY