

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/CERTIFICATE HOLDER

Industrial Nuclear Company, Inc.
14320 Wicks Blvd.
San Leandro, CA

2. NRC/REGIONAL OFFICE

Division of Spent Fuel Storage and Transportation
U. S. NRC
M/S EBB-3D-02M
Washington, DC
20555-0001

REPORT NUMBER(S) 71-0062/2011-201

3. LICENSEE/CERTIFICATE NUMBER(S)

QAP Approval 71-0062

San Leandro, CA

5. DATE(S) OF INSPECTION

01/10/2011

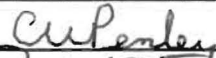
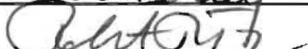
The inspection was an examination of the activities conducted under your NRC-approved 10 CFR Part 71 Quality Assurance Program Approval as they relate to safety and compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your Certificate of Compliance (CoC). The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspectors. The inspection findings are as follows:

- ☒ 1. Based on the inspection findings, no violation or nonconformances were identified.
- ☒ 2. Previous violations(s) or nonconformance(s) closed.
- ☐ 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.
- _____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):
- ☐ 4. During this inspection certain of your activities, as described below and/or attached, were in violation or nonconformance of NRC requirements and are being cited. This is a NOTICE OF VIOLATION which may be subject to posting in accordance with 10 CFR 19.11.


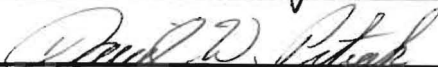
STATEMENT OF CORRECTIVE ACTIONS

- ☐ I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violation(s) identified. This statement of corrective actions I made is in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested; OR

☐ Written Response requested in 30 days ☐ Yes ☐ No

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE	Chuck Penley		01/10/11
NRC INSPECTOR	Robert Terry		01/10/11

INSPECTOR NOTES COVER SHEET

Licensee/Certificate Holder (name and address)	Industrial Nuclear Company, Inc. (INC) 14320 Wicks Blvd. San Leandro, CA 94577
Licensee/Certificate Holder Contact Name	Charles Penley
Docket No.	071-0062
Inspection Report No.	071-0062/2011-201
Inspection Dates	January 10, 2011
Inspection Location	San Leandro, CA
Inspectors	Rob Temps, Team Leader, Senior Safety Inspector Jim Pearson, Senior Safety Inspector Earl Love, Safety Inspector
Summary of Findings and Actions	<p>Background: During an inspection performed February 2-3, 2010, the NRC issued a Notice of Violation (NOV), with two examples, with regard to 10 CFR 71.111, "Instructions, procedures, and drawings." At the 2010 inspection, INC was in the process of transitioning to a new Quality Assurance (QA) Manager.</p> <p>Inspection Purpose: The purpose of this inspection was to assess corrective action for the 2010 inspection NOV and determine the status of the transition to the new QA Manager. INC is also planning a new package design and the team planned to discuss with INC how this new design will be controlled through INC's Part 71 QA program.</p> <p>Inspection Results: The team reviewed INC's corrective actions to the 2010 NOV and determined that INC did take the actions described in their prior response to the NOV and that the actions appeared effective in preventing recurrence. No new concerns were identified.</p> <p>The team determined that the transition to the new QA Manager was completed in 2010.</p> <p>With regard to the new package design, INC has contracted with another company to perform design work; however, INC will perform its own in-house independent engineering analysis as required by 10 CFR Part 71 QA requirements. INC also plans to demonstrate design adequacy through physical testing that will also be controlled through their Part 71 QA program. The team requested that INC keep the inspection group informed of testing and fabrication plans.</p>
Lead Inspector Signature/Date	 01/20/11
Inspector Notes Approval Section Chief Signature/Date	 1/20/11

