

May 24, 2012

EA-12-091

Ms. Sheila Pershall
Export Administrator
ATI Wah Chang
1600 Old Salem Road NE
Albany, OR 97321

SUBJECT: EXPORT OF NUCLEAR REACTOR COMPONENTS IN EXCESS OF LICENSE
XCOM-1201 AUTHORIZED LIMITS—NON-CITED VIOLATION

Dear Ms. Pershall:

This letter refers to your March 4, 2011 telephone conversation with Mr. Stephen Baker of the Office of International Programs and your March 7, 2011 email (Enclosure 1), notifying the U.S. Nuclear Regulatory Commission (NRC) that ATI Wah Chang (ATI) exceeded the nuclear reactor component limits of its NRC Export License XCOM1201. ATI's NRC license authorizes the export of 33,000 kg of Zircaloy 4 tubes to Embalse and Atucha I & II power reactors in Argentina until December 31, 2012. Specifically, on November 5, 2010, ATI exceeded its export license limits by shipping an excess of 8513.22 kg of nuclear reactor components to the Embalse and Atucha I & II reactors in Argentina.

Based on the information provided by ATI, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. This violation was evaluated in accordance with the NRC Enforcement Policy included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. This violation is being treated as a Non-Cited Violation (NCV) because all of the criteria in Section 2.3.2 on the NRC Enforcement Policy were met: (1) you identified the violation, (2) you initiated prompt and comprehensive corrective actions to prevent recurrence, (3) the violation was not repetitive as a result of inadequate corrective actions, and (4) the violation was not willful. Specifically, ATI identified the cause of the violation as a misunderstanding regarding licensee responsibility for tracking export shipments against license allowances, and initiated corrective actions for this deficiency upon identifying the potential violation. ATI has instituted changes to its internal software to more accurately track the quantities authorized for export against current licenses.

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 on the docket and in your March 7, 2011 email. Therefore, you are not required to respond to this letter unless the description in your March email does not accurately reflect your corrective actions or your position. If you contest the violations or significance of the NCV, you should provide a response

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within 30 days of the date of this letter, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copy to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, if you choose to respond, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system Agencywide Documents Access and Management System, accessible from the NRC Web site 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. If personal privacy, proprietary information or safeguards information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

Sincerely,

/RA/

Tison Campbell, Acting Chief
Enforcement Branch

Enclosure: ATI disclosure email

cc: (See attached list)

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Sincerely,

/RA/

Tison Campbell, Acting Chief
Enforcement Branch

Enclosure: ATI disclosure email

cc: (See attached list)

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ADAMS Package No.:ML12145A503:
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