

Owens, Janice

Components/ equip - 110.8

From: Baker, Stephen
Sent: Tuesday, March 08, 2011 11:17 AM
To: Owens, Janice
Subject: FW: Notification letter
Attachments: AES confirmation.pdf

Janice-

Last week I received a self-disclosure from Sheila Pershall of ATI Wah Chang. At the conclusion of the call, I asked Sheila to send me an email summarizing her company's violation. [REDACTED]

I am sending it to you for you to decide who should do the OE writeup.

Stephen Baker
U.S. Nuclear Regulatory Commission
Office of International Programs
(301) 415-3329

From: Pershall, Sheila [<mailto:Sheila.Pershall@ATImetals.com>]
Sent: Monday, March 07, 2011 5:44 PM
To: Baker, Stephen
Subject: FW: Notification letter

Dear Mr. Stephen Baker,

As the export administrator here at ATI Wah Chang I would like to bring to your attention an over-shipment on an approved license with the NRC. On March 4th 2011 while reviewing our licenses I noticed that we had exceeded the approved kilograms on license XCOM1201. This license was approved for 33,000kgs and \$2,480,940.00 in value. We had the following shipments decremented against this license as follows:

Approved			33,000	\$2,480,940.00
Invoice	Sales Order	Ship Date	Kgs	Value
280289	140313	12/30/09	12,290.54	872,875.28
283173	144551	6/4/10	5,982.88	437,528.26
283778	144551	7/2/10	10,798.67	789,706.74
284300	144551	7/30/10	1,218.35	89,097.94
Balance			2,709.56	291,731.96

We then had a shipment on 11/5/10 for 11,222.78 kgs and \$820,721.91 dollars. The export paperwork for this shipment was sent to our freight forwarder to file the paperwork with customs in the Automated Export System (AES). Our freight forwarder has power of attorney to file shipments on our behalf and has received notifications in the past from the AES system when licenses have expired or we do not have a balance large enough to cover the shipment in question. We were under the impression that the NRC is also linked in with

[Redacted]

[Redacted]

AES and would notify our freight forwarder if we exceeded the limits on a license. Rather than send our freight forwarder a notice that this license was not in the AES system, AES sent back a notice of approval (attached) and an internal transaction number (ITN) confirming a valid export. This served to confirm for us that the AES system was indeed tracking this license.

To prevent this from happening in the future we are improving our license management process to automatically decrement shipments from approved licenses. We had been working with our software vendor since 2009 to implement this portion of their software. We now believe it can be completed in the second quarter of 2011. When complete, our system will perform the following.

- Subtract the pounds/kgs as on a specific Export License as it ships out of our Oracle business operating system.
- Subtract the dollars on a specific Export License as it ships out of the Oracle business operating system.
- Track the Date when the License expires.
- Send a notification to the export administrator when the Dollars or Pounds/Kgs have been fulfilled.
- Send a notification to the export administrator when the date of the Export License will expire starting 7 days prior to expiration.

I apologize for the over-shipment and regret that I did not catch this in time to stop the shipment. I would like to respectfully request an amendment to license XCOM1201 to increase the value and kilograms to cover the overage shipped.

Please let me know what further information I may provide to the NRC for further clarification.

Respectfully,

Sheila Pershall
ATI Wah Chang
Export Administrator



Sheila Pershall
Export Compliance

ATI Wah Chang
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Albany, OR 97321

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T: 541-917-6712
F: 541-967-6990

5722881 V5R4M0 060210

S0615A05

03/04/11 14:29:42

Display Device : QPADEV0089

User : BETSY

ESS0013 Type: S SHIPMENT ENTRY/BOOKING 3/04/11 14:25:46

Fi
Ship ELS001 License Details
USPPI: Plant: State: Related:
Ite Schedule B/Desc : 8109900000 ZIRCONIUM AND ARTICLES THEREOF t
Pk FMS Case Number : Contract #:
Export License #: XCOM1201 ECCN: 1C234 Expires : 12/31/12
Initial Value: Bal
Customs Lic Type: N01 Customs Code: OS DorP: D Serv:
Repairable Stock#: Serial:
Contract/Document: NSN#
ODTC Related Fields More Fractional SED
ITAR Exemption : Qty 1:
Registration # : Qty 2:
SME Indicator : USML Category : Transmit Status :
Eligible Party : Quantity/UOM :
End User/ISO Cd:
In Bond Number : Type:
Consignee :
F12=Previous Screen

F3=Exit F11=Scrnl F12=Prev F13=Book F14=Docs F17=On-Hands F18=Bridging F24=KEY

Display Device : QPADEV0089
User : BETSY

3/04/11 AES Status Notification Lock-Up 14:30:05

STD #: 01955210056789 ITN #: X20101108048042 Ref: SO 144551 INV.286159
Appl ID Message Text Date Time

XT REF #: 01955210056789001 ITN #: X20101108048042 11/08/10 14:33:07
XT ES1974 A SHIPMENT ADDED 11/08/10 14:33:07
XP NEW SHIPMENT DATA SENT TO CUSTOMS 11/08/10 14:32:49

Select with an X and F1 to display AES message
F1-Select F3-Exit F5-Display F8-Refresh F9-ITN Lookup F12-Previous Screen