



GE Oil & Gas

Bonnie K. Fletcher
International Trade Controls
4424 Westway Park Blvd.
Houston, Texas 77041
U.S.A.

T 281 921 5027
Email: bonnie.fletcher@ge.com

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Via Email Transmission (to: Joanne.Savoy@nrc.gov) and Express Mail (to: addressee & Nick Hilton)

✓ Director, Office of Enforcement
United States Nuclear Regulatory Commission
Washington, D.C. 20555-0001
C/O United States Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, Maryland 20852

Subject: Reply to a Notice of Violation: EA-12-178

Dear Sir:

This letter is in response to Nuclear Regulatory Commission (NRC) "Notice of Violation" EA-12-178 dated December 19, 2012, addressed to Dresser, Inc., a subsidiary of the General Electric Company.

Background

Dresser, Inc. (hereinafter "Dresser") was acquired by the General Electric Company (hereinafter "GE") from private equity owners on February 1, 2011. In addition to gas engines and retail gas dispensing units, Dresser is a valve manufacturing company that primarily serves petrochemical energy markets. In addition, Dresser sells valves and other components that qualify for general licenses under 10 C.F.R. § 110.26. Dresser (excluding its gas engines business) is aligned to GE's Oil & Gas business, an unincorporated operating division of GE.

Reason for the Violation

On March 19, 2012 Dresser submitted a late report of exports (made during calendar year 2011) of nuclear reactor components as described in paragraphs (5)-(9) of Appendix A to Part 110 covered by the U.S. Nuclear Regulatory Commission (NRC) general license. Contrary to the filing requirements set forth in 10 CFR 110.54(c), Dresser failed to timely report the shipment of nuclear reactor components exported under the NRC general license established by 10 CFR 110.26(a).

Prior to the acquisition by GE, the Dresser business units with exports under the NRC general license submitted their reports of exports to the Dresser corporate director of Trade Compliance. In turn, the Dresser director of Trade Compliance filed a composite report with the NRC in accordance with 10 CFR 110.54(c). On August 26, 2011 the Dresser director of Trade Compliance resigned to pursue an opportunity outside Dresser. In January 2012, in accordance with existing practices, the Dresser business units with exports under the general license separately submitted such export information to

the Export Compliance Manager for GE Energy, assuming that the GE Energy Export Compliance Manager would submit the information to the NRC. The Dresser trade compliance personnel sent the information to the GE Energy Export Compliance Manager as they understood that the GE Energy Export Compliance Manager wanted to handle all communications with government agencies. The GE Export Compliance Manager did not submit the information to the NRC, and the Dresser trade compliance personnel, including the undersigned, did not realize until after the filing date had passed that the data was not submitted to the NRC in compliance with applicable regulations. Ultimately, Dresser submitted the required information via letter dated March 19, 2012. Prior to submitting the late report, the undersigned informed Janice Owens of the NRC that Dresser would submit such [late] report via voice mail on March 16, 2012. Thereafter, on March 20, 2012, the undersigned spoke to Ms. Owens, confirming NRC's receipt of the annual report.

Corrective Actions Taken and Corrective Actions to be Implemented

As stated above, Dresser filed the required annual report via letter dated March 19, 2012.

Dresser is aware of its filing obligations under 10 CFR 110.54(c) and the required data was compiled and sent to the GE Export Compliance Manager in advance of the 2012 filing date. However, due to a misunderstanding regarding who was going to make such filing in 2012, the annual report was filed out of time. Going forward, the undersigned, as the Manager of Trade Compliance for the Dresser businesses that utilize the NRC general license, is responsible for compiling and submitting the information as required by 10 CFR 110.54(c). In 2013, as required by 10 CFR 110.54(c), the undersigned will submit Dresser's report prior to the due date.

Conclusion

Dresser sincerely regrets this unintentional violation of the NRC annual filing requirements and believes that the corrective actions Dresser has undertaken will ensure future compliance. Dresser respectfully submits that the late filing constitutes an inadvertent error, and was not intentional conduct designed to avoid Dresser's NRC reporting responsibilities.

Please let us know if any additional information or further clarification is required.

Sincerely,



Bonnie K. Fletcher

International Trade Controls

cc: Nick Hilton, Chief
Enforcement Branch, U.S. NRC