



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

June 7, 2013

EA-13-123

Ms. Michele M. Gutman  
Deputy General Counsel & Chief Compliance Officer  
Westinghouse Electric Company  
1000 Westinghouse Drive  
Cranberry Township, PA 16066

SUBJECT: REVIEW OF WESTINGHOUSE ELECTRIC COMPANY SELF-AUDIT OF  
EXPORT RECORDS FROM 2008 TO 2013, AND NON-CITED VIOLATIONS

Dear Ms. Gutman:

This letter refers to your July 11, 2012, and January 22, 2013, letters to the U. S. Nuclear Regulatory Commission (NRC) concerning a recent comprehensive self-audit of Westinghouse Electric Company (Westinghouse) export records over the last five years. In the letters, Westinghouse provided a voluntary self-disclosure of possible violations of NRC requirements based on the results of this audit. Specifically, Westinghouse provided information concerning: (1) exports to China that were sent to a third country without that entity listed as a consignee on the license, (2) instances in which incorrect license numbers were used on shipping papers, and (3) the failure to submit a required report.

In addition, the self-audit identified two other findings that prompted further review by the NRC staff:

1. Under NRC License No. XR081, Westinghouse discovered that the Brazilian ultimate consignee had changed names and exports were completed to the old company name. When Westinghouse learned of the name change, it applied for and received NRC License No. XCOM1249 for the shipment of the remaining components to the correctly named facility. Additional documentation associated with the merger was provided and, based on its review, the NRC staff has concluded that no violation occurred.
2. Westinghouse was originally advised that Zirconium products shipped under NRC License No. XCOM1111 to China were under the Department of Commerce's jurisdiction; however, NRC received additional information regarding the Zirconium products and has confirmed that the Trex tubes are, in fact, under NRC jurisdiction and were appropriately exported under XCOM1111.

Based on the information provided by Westinghouse, the NRC has determined that three Severity Level IV violations of NRC requirements occurred.

- A. Title 10 of the *Code of Federal Regulations* (10 CFR), Section 110.31, "Application for a Specific License," requires that applicants provide the information specified in 10 CFR 110.32 when applying for a specific license. Section 110.32(d) of 10 CFR



requires that the names and addresses of all intermediate and ultimate consignees, other than intermediate consignees performing shipping services only, be provided in the license application. Contrary to the above, Westinghouse exported, on four occasions in 2010, reactor vessel internals parts to China via a South Korean facility (for further fabrication) without that entity listed as an intermediate consignee on NRC License No. XR169. Westinghouse realized this error in March 2012, immediately ceased shipments, and applied for a license amendment to add the intermediate consignee. The physical equipment was returned to the U.S. and, as of this date, the license amendment application is still pending. Westinghouse understands that similar export shipments via the consignee cannot resume until the issuance of the license amendment.

- B. Section 110.54(c) of 10 CFR, "Reporting Requirements," states that persons making exports under the general license established by 10 CFR 110.26(a) shall submit by February 1 of each year a report of all components shipped during the previous calendar year. In addition, Section 110.7a(a) of 10 CFR, "Completeness and Accuracy of Information," requires information provided to the Commission to be complete and accurate in all material respects. Contrary to the above, Westinghouse identified multiple instances (Ukraine, South Africa, United Kingdom, Czech Republic, Croatia, South Korea, Taiwan and Sweden) in which incorrect specific license and general license numbers were used on shipping papers and internal Westinghouse tracking documents for calendar years 2007 to 2011. As a result, annual reports required by 10 CFR 110.54(c) contained incorrect information. The NRC staff notes that, in all cases, Westinghouse did have the appropriate licenses to make the exports in question, even though the documentation included incorrect citations. In cases in which a specific license number was used instead of a general license, Westinghouse identified that the annual reports for years audited needed to be amended to reflect the results of the audit. Westinghouse submitted amended 10 CFR 110.26 general license reports required by 10 CFR 110.54(c) in May 2013. All corrections were noted in the amended reports.
- C. Section 110.54(b) of 10 CFR, "Reporting Requirements," states that persons making exports under the general license established by 10 CFR 110.23(a) shall submit by February 1 of each year a report of all americium and neptunium shipments made during the previous calendar year. In 2010, Westinghouse exported a small quantity of Neptunium (Np) to South Korea under the 10 CFR 110.23(a) general license; however, the annual report required by 10 CFR 110.54(b) was not submitted by February 1, 2011. Westinghouse submitted the required report in April 2013.

These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are being treated as Non-Cited Violations (NCVs) because all the criteria in Section 2.3.2 of the NRC's Enforcement Policy were met: (1) you identified the violation, (2) you initiated prompt and comprehensive corrective actions to prevent recurrence as documented in your letter dated January, 22, 2013, (3) the violations were not repetitive as a result of inadequate corrective actions, and (4) the violations were not willful.

If you contest the violations or significance of these NCVs, you should provide a response within 30 days of the date of this report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to the

M. Gutman

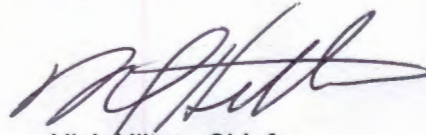
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Deputy Director, Office of International Programs, and Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, (its enclosure(s), if any) 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 or proprietary information so that it can be made available to the Public without redaction.

Please contact Charlotte Abrams at (301) 415-2933 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nick Hilton", with a stylized, sweeping flourish extending to the right.

Nick Hilton, Chief  
Enforcement Branch  
Office of Enforcement

cc: See next page



cc:

National Nuclear Security Administration,  
Office of International Regimes and  
Agreements  
U.S. Department of Energy  
ATTN: Sean Oehlbert, Team Leader  
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LSS Technical Data Assessment  
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