

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

<p>1. CERTIFICATE/QUALITY ASSURANCE PROGRAM (QAP) HOLDER</p> <p>Neutron Products, Inc. 22301 Mt Ephraim Road, P. O. Box 68 Dickerson, MD 20842</p> <p>REPORT NUMBER(S): 071-0121/2013201</p>	<p>2. NRC/REGIONAL OFFICE</p> <p>Headquarters U. S. Nuclear Regulatory Commission Mail Stop 3WFN-14-C-28 Washington, DC 20555-0001</p>	
<p>3. CERTIFICATE/QAP DOCKET NUMBER(S)</p> <p>71-0121</p>	<p>4. INSPECTION LOCATION</p> <p>416 N. Preston Street, Ranson, West Virginia</p>	<p>5. DATE(S) OF INSPECTION</p> <p>May 22, 2013</p>

CERTIFICATE/QUALITY ASSURANCE PROGRAM HOLDER:

The inspection was an examination of the activities conducted under your QAP as they relate to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your QAP Approval and/or Certificate(s) of Compliance. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(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, 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 of NRC requirements and are being cited in accordance with NRC Enforcement Policy. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11 (Violations and Corrective Actions)

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 violations identified. This statement of corrective actions is made 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.

TITLE	PRINTED NAME	SIGNATURE	DATE
CERTIFICATE/QAP REPRESENTATIVE	Jerry Fogle JERRY L. FOGLE	<i>Jerry Fogle</i>	6-20-13
NRC INSPECTOR	Jim Pearson	<i>Jim Pearson</i>	6/20/13
BRANCH CHIEF	Eric Benner	<i>E Benner</i>	6/20/13

INSPECTOR NOTES COVER SHEET

Licensee/Certificate Holder (name and address)	Neutron Products, Inc. 22301 Mt Ephraim Road, P. O. Box 68 Dickerson MD 20842
Licensee/Certificate Holder contact	Mr. Jerry Fogle 304-725-7041
Docket No.	71-0121
Inspection Report No.	2013-201
Inspection Date(s)	May 22, 2013
Inspection Location(s)	416 N. Preston Street, Ranson, WV 25438
Inspectors/Observers	Jim Pearson, Jon Woodfield, and Neil Day
Summary of Findings and Actions	<p>This was a follow-up inspection at Neutron Products' Ranson, West Virginia facility of corrective actions from the November/2012 NRC inspection.</p> <p>The team noted some minor observations during the inspection. NPI was quick to understand the observations and capture them on a corrective action report (CA or CAR).</p> <p>The team assessed that overall; NPI was adequately preparing corrective actions. In a few cases the corrective actions had not been implemented and in most cases the corrective action had not been implemented long enough to determine full success of the implemented actions. The corrective action implementation will be more fully evaluated during the next inspection.</p>
Lead Inspector Signature/Date	Jim Pearson  6/20/13
Inspector Notes Approval Branch Chief Signature/Date	Eric Benner  6/20/13

INSPECTOR NOTES: APPLICABLE SECTIONS FROM 86001 WERE PERFORMED DURING THE INSPECTION WITH RESULTS DOCUMENTED BELOW:

Inspection Background

NRC's last corporate inspection of Neutron Products Inc. was performed in November, 2012.

From November 26-30, 2012, the U.S. Nuclear Regulatory Commission (NRC) conducted an announced inspection at the Neutron Products, Incorporated (NPI) facility in Ranson, WV. The purpose of the inspection was to determine if NPI's activities associated with the transportation of radioactive material were being performed in accordance with the requirements of 10 CFR Parts 21 and 71, applicable Certificates of Compliance (CoC), and the NRC approved Quality Assurance (QA) Program. The team inspection focused on the corrective actions taken by NPI's management in regard to a Notice of Violation (NOV) issued to NPI in July 13-15, 2009.

This inspection (2013) was a follow-up assessment of NPI's development and implementation of corrective actions at their Ranson, West Virginia facility resulting from the November, 2012 inspection.

Nonconformance and Corrective Action Controls

The team reviewed the Neutron Products, Inc. reply letter to the Notice of Violation resulting from the inspection performed November 26-29, 2012. The team then reviewed the actual actions taken by NPI with respect to their responses to each individual violation as provided in their reply letter dated February 4, 2013.

The team found, for violation A, the proper and current postings of 10CFR Part 21 and NRC Form 3 were posted in their facility and corrective action document CA-2012-RT-008 to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout.

The team found, for violation B, the corrective action documents CA-2012-RT-004 and CA-2012-RT-005, written to address measurement of gasket thicknesses, to be completed and closed out. The team found the two CAs to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout.

The team found, for violation C.2, the corrective action document CA-2012-RT-018, written to address transfer cask end cover handles, to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout. The team found that Procedures R-2019, Maintenance and Storage Procedure for USA/9215/B(U) Package, and R-2014, Unloading and Loading Procedure for USA/9215/B(U) Package, had been properly revised as required and the changes trained on.

The team found, for violation C.3, the nonconformance report 2012-003, written to address the design of transfer cask angles, to not be dispositioned and therefore still open. NPI has yet to determined final disposition of the NCR to address the violation. However, NPI did state during the inspection that revisions to procedure R-2019 would not be made as stated in the NPI reply letter, requiring a revision to its reply letter removing this action and supplying appropriate basis.

The team found for, violation C.4, NPI has not determined final disposition of the nonconformance report, 2012-004, written to address design of overpack metal lids, and is therefore still an open issue. However, NPI did state during the inspection that a revision to procedure R-2019 would not be made as

stated in the NPI reply letter. Revision to R-2019 for this issue was determined not to be needed, thus requiring revision to its reply letter to remove this action and supply acceptable basis.

The team found, for violation C.5, the nonconformance report, 2012-005 written to address nuts and bolts installed in overpack lid angles; as well as the corrective action document CA-2012-RT-017, written to make procedural revisions, to be completed and closed out. The team found the CA to properly document cause, actions, reviews, required signature signoffs, and issue resolution closeout. In addition, the team verified that Procedures R-2014 and R-2019 had been properly revised and trained on.

The team found, for violation D.1, the corrective action document CA-2012-RT-016, which was written for not following procedures for corrective and preventive action reports, to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout. In addition, the team verified that Procedure R-5514, Corrective and Preventive Action – Radioactive Materials Transportation, and the associated corrective action form; had been properly revised and trained on.

The team found, for violation D.2, the corrective action document CA-2012-RT-012, written to address the exemption to the timing of implementing the annual inspection for packagings that are outside the USA, to be completed and closed out. The team found the CA to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout. In addition, the team verified that Procedure R-5512, Preparation of Quality System Programs and Procedures - RMT, had been properly revised to include additional review elements when revising versions of procedures which are tied to the packaging C of C as required by the CA with documentation of the required training on the changes.

The team found, for violation D.3, the corrective action documents CA-2012-RT-011 and CA-2012-RT-015, written to address the overpack wooden protective jacket and metal shell inspection criteria, to be completed and closed out. The team found the two CAs to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout. In addition, the team verified that NPI procedures and their attached checklists associated with maintenance were revised to provide quantitative acceptance criteria with documentation of the required training on the changes.

The team found, for violation D.4, the corrective action documents CA-2012-RT-015 (discussed above for D.3) and CA-2012-RT-009, written to address traceability of parts being stored and forms used for maintenance, to be completed and closed out. Staff reviewed procedure R-5516, Receiving Inspection – RMT, and noted that wording (section 6.4) was added to the procedure to ensure that parts, materials, or components must be clearly marked, labeled or tagged, and must include lot number or purchase order number, and date received. The team verified that the forms/checklists for procedure, Annual Inspection of Metal OP Shells, included the lot number for bolts and for procedure, Inspection of Transfer Cask, included the lot number for gaskets and bolts. The team found the two CAs to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout.

The team found, for violation D.5, the corrective action documents CA-2012-RT-006 and CA-2012-013, written to address form format consistency issues with internal procedures, documentation of the review and approval procedure of form revisions, using red ink on control copies, ensuring obsolete versions of controlled forms are not available at the point of use, and that forms are ensured by users for latest revision before use, to be completed and closed out. The team noted that R-5513, Document Control – RMT was revised. However, staff did not find where “obsolete” archival documents would be maintained after they are removed from the point of use. Also the team noted that there was training

given to the MRSP, but no official training record was provided, but a memo existed to support the existence of the training record, with regards to CA-2012-RT-013.

The team found, for violation D.6, the corrective action document CA-2012-RT-014, was written to add the categorization according to safety scheme for item, parts, and materials purchased from vendors listed on the approved vendor master list (AMVL), to be written and closed out. From the team's review of the current NPIU AMVL, they noted that the master list of vendors was revised to add the categorization scheme which had previously been missing per Section 6.3 of procedure R-5511 which requires that all vendors that provide an item/material/service must have the categorization scheme.

The team found, for violation E, the corrective action documents CA-2012-001 and CA-2012-007 were written to ensure the Master List of Standard Operating Procedures (SOPs) included all procedures, controlled master lists are available at points of use, and the controlled form titles are consistent with titles in the master lists, to be completed and closed out. The team verified the Ranson facility has controlled master lists of controlled forms and SOPs, and that master lists were complete. The team found the two CAs to properly document causes, actions, reviews, required signature signoffs, and issue resolution closeout.

The team found, for violation F, the corrective action document CA-2012-003 was written to address the calibration range for the scale used to weigh the transport packages, to be completed and closed out. The team reviewed procedure R-5508, Purchasing – RMT, and procedure R-5516, Receiving Inspection - RMT and noted that specific wording was added to procedures to ensure the request of items sent for and calibration and received to include the calibration range to be written on the purchase order. The team noted that a training record related to this corrective action was incomplete in that the line provided for the trainer's name was blank on the completion form.

The team noted that CA-2012-RT-002, identifying drawing discrepancies, remains open and the disposition has not occurred due to the timing of the transportation packaging certificate renewal. The certificate expiration was such that the drawing changes could literally not occur before the certificate had to be renewed. NPI has plans to address the disposition now that their certificate is not in danger of expiring. The depth of the corrective action includes the need for development and implementation of design procedures, use of a qualified engineer to verify and/or modify the drawings appropriately to reflect the original and approved design.

While minor observations were noted during the inspection, collectively they did not rise to a level of significance in regard to safety. The team did note that NPI prepared three corrective action documents during the inspection when observations made by the team were discussed (CA-2013-RT-001, CA-2013-RT-002, and CA-2013-RT-003). This type of proactive action is encouraging and in this case indicates the CoC holder is intent on correcting any type of deficiency.

Overall, as noted in the summary, NPI was adequately preparing corrective actions. In a few cases the corrective actions had not been implemented and in most cases the corrective action had not been implemented long enough to determine full success of the implemented actions. The corrective action implementation will be fully evaluated during the next inspection.