



**Specialty Alloys  
& Components**

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November 7, 2016

Director, Office of International Programs  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-001

**Reply to a Notice of Violation EA-16-202**

This letter is in response to the Severity Level IV (NRC Enforcement Policy, Section 6.15) Pursuant to the provisions of Title 10 of the *Code of Federal Regulations* (10 CFR) 2.201 notice of violation that was mailed to ATI Specialty Alloys & Components dated October 24, 2016. Please find our explanation as follows:

1. The reason for the violation: As the Export Compliance Administrator I was simply unaware of the requirements for Section 110.54(a)(1) and Section 110.54(c). In addition I was unaware of the requirement for keying to an appropriate category listed in Appendix A to 10 CFR Part 110. I was however submitting additional protocol reports AP-1, AP-2 and AP-5 since 2008 per Hung Ly from the CWC. It was my belief that I had met the obligations set forth by the NRC. On November 17, 2016 I received an email from Andrea R. Jones notifying me that AP-13 forms had not been submitted per the reporting requirements.
2. The corrective steps that have been taken and the results achieved: After several emails and phone calls took place between Hilary Lane, Santiago Aguilar and myself. Santiago clearly explained the requirements and pointed me in the right direction as to what the NRC needed. I then began the process of working my way backward through the years submitting the quarterly reports for our exports of zirconium tubing.
3. Additional corrective steps that will be taken: I have updated my calendar to prompt me when quarterly reports are due two weeks prior to due date which will allow me the time to gather documents and information in order to provide on time to the DOC.
4. The date when full compliance was achieved: Full compliance was achieved August 22, 2016 dating back to first quarter 2009 to present.

Please let me know if you have further questions or need any other additional documentation. I may be reached at 541-917-6712 or [sheila.pershall@atimetals.com](mailto:sheila.pershall@atimetals.com)

Enclosure:  
Letter of Violation

Sincerely,

*Sheila K Pershall*  
Sheila K Pershall

Export Compliance Administrator