JUL 1 4 1981

License No. 53-10226-01

Department of the Navv Naval Submarine Base Repair Department 705 Pearl Harbor, Hawaii 96860

Attention: Captain W. A. Kennington

Commanding Officer

Gentlemer.

Subject: NRC Inspection

This refers to the routine safety inspection conducted by Mr. M. Grayson of this office on May 5, 1981 of activities authorized by NRC License No. 53-10226-01 and to the discussion of our findings held by Mr. Grayson with Captain Smith and other members of the staff at the conclusion of the inspection. The results of this inspection were also discussed with you during the June 11, 1981 Enforcement Conference held by Mr. Engelken and Mr. Thomas of the Region V office.

During this inspection, it was found that certain of your activities appeared to be in noncompliance with NRC requirements. The items and references to the pertinent requirements are listed in Appendix A. These items have been categorized into severity levels as described in the Federal Register Notice (45 FR 66754) dated October 7, 1980.

The findings from this inspection, as well as the one conducted during July 10-11, 1980 indicate two repetitive items of noncompliance (see Appendix A. Items A and B).

He are concerned about the repetitive nature of the items of noncompliance observed during our inspections. In addition to the need for corrective action regarding the specific items of noncompliance included in Appendix A, we are concerned about the implementation of your management control system that allowed these repetitive items of noncompliance to recur. Consequently, in your reply you should describe in particular those actions taken or planned to improve the effectiveness of your overall management control system. Your response to this notice is to be submitted in accordance with the provisions of 10 CFR 2.201 as stated in Appendix A, Notice of Violation.

OFFICE SURNAME

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We have adopted a new NRC enforcement policy, as described in the Federal Register Notice (46 FR 66754) dated October 7, 1980. With the adoption of that policy we are requiring, under the authority of Section 182 of the Atomic Energy Act of 1954, as amended, that responses to Notices of Violations be submitted under oath or affirmation. Therefore, the last paragraph of your letter should include a statement equivalent to the following:

"I certify that all information contained in this letter, including any supplements attached thereto, is true and correct to the best of my knowledge and bel!ef."

Date

Signature

Title

The signature should be notarized.

If you have any questions on this matter or concerning this inspection, please telephone M. Grayson on 415-943-3700.

Sincerely,

B. & SPENCES

G. S. Spencer Division of Technical Inspection

Enclosure: Notice of Violation

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