



**Hittman
Nuclear &
Development
Corporation**
9190 Red Branch Road
Columbia, Maryland 21045
301/730-7800

September 30, 1982

Mr. Uldis Potapovs, Chief
Vendor Program Branch
U.S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Reference: Docket No. 99900768/82-01

Dear Mr. Potapovs:

Your letter of August 6, 1982 and its appended Notice of Violation informed Hittman Nuclear & Development Corporation of two violations of 10 CFR Part 21. You state that during an inspection, it was found that the implementation of our Quality Assurance Program failed to meet certain NRC requirements. This inspection was made as a result of the receipt of an allegation by Region I on the leak tightness and impact resistance of certain of our company's radioactive waste shipping containers. According to your letter, we are to provide a written statement describing the actions we are taking to correct the deficiencies in our Quality Assurance Program.

Before responding to your request, we believe it is essential to provide a broader view of the investigation and its result than that which is presented in your letter. During his initial visit, your investigator informed us that we had been described as knowingly operating and maintaining our radioactive waste shipping containers in violation of the Safety Analysis Report and in an unsafe condition. During the exit interview, he stated that there was no evidence to support the three allegations, but that records did not exist to verify the impact resistance characteristics of the foam used in the impact limiting skirts of our HN-200 cask. At that time, we objected to this conclusion since 10 CFR Part 71 provided exceptions to this type of record-keeping for casks built prior to January 1, 1979. Since your investigator was unmoved by this argument, we petitioned the NRC to downgrade the Certificate of Compliance for the HN-200 cask until such time as we could provide further documentation. We ultimately removed some of the impact resisting material from the cask, and through tests, were able to demonstrate that it was exactly as described in the Safety Analysis Report. This information was presented to the NRC and the cask certification restored to its original level on May 20, 1982.

Apparently with the permission of the individual, your investigator disclosed to us the name of the informant. This person's background is such as to raise serious questions as to his character, motives and the veracity of his statements. It deeply concerns us that the NRC would focus its attention and resources on a licensee with an exemplary record before it even investigated and evaluated the source of the allegations.

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We believe that the summary presented above is important for a full understanding of this matter. The allegations made against our company were of the most serious nature. However, the investigation showed them to be without foundation. Instead, two minor violations of a procedural nature were discovered. It has always been the policy of our company to operate our equipment so as to provide for no undue risk to workers or the general public. Clearly, this has been substantiated by your investigation, as it has been in the past by numerous audits and inspections.

With regard to the specific violations, our response is as follows:

Violation A:

It is stated that, contrary to section 21.21(a) of 10 CFR Part 21, we did not have written procedures for evaluating deviations. A written procedure now exists which is in full compliance with the aforementioned section. This procedure was written and adopted as part of our Quality Assurance Program on April 9, 1982. We believe no further action is required.

Violation B:

We respectfully request that you reconsider your judgment and withdraw the notice of violation.

In this instance, we have been cited for failing to comply with section 21.51(b) of 10 CFR Part 21 which requires that records be kept with regard to the testing of materials to be supplied for a basic component. We maintain that no violation of this section exists. Attached to this letter is our request for reconsideration of this violation, supported by appropriate affidavits. The argument can be summarized by saying that our Quality Assurance procedures, including individual department procedures, contain the requirements for record-keeping indicated in Part 21. In the matter cited by your investigator, the need for records did not exist since there was no intent to use the material which was tested as part of a basic component.

Please notify us in advance of your taking any further action in this matter.

Very truly yours,

Barry Koh, Ph.D.
Vice President
and General Manager

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Enclosures - Reconsideration Request
Affidavit - B. Koh
Affidavit - C. Mallory

cc: H. Feinstein, Esq.