

NOTICE OF VIOLATION

Gulton-Statham Transducers, Inc.
Costa Mesa, California

Docket No.: 99901261/94-01

During an NRC inspection conducted on March 7 through 10, 1994, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1993), the violations are listed below:

- A. 10 CFR 21.21, "Notification of failure to comply or existence of a defect and its evaluation," requires, in part, that each corporation subject to the regulations shall adopt appropriate procedures to evaluate deviations and failures to comply in order to identify a reportable defect that could create a substantial safety hazard.

Contrary to the above, at the time of the inspection Gulton-Statham Transducers, Incorporated's (G-S's) procedure SQP-0228, "Reporting Potentially Significant Conditions - Nuclear Safety Related Production," Revision B, August 30, 1993, did not adequately address the evaluation and reporting requirements. The procedure did not assure that deviations would be evaluated, that defects or failures to comply would be reported to the responsible officer, or that all affected purchasers or licensees would be informed of deviations when G-S cannot perform the required evaluations.

This is a Severity Level V violation (Supplement VII).
(99901261/94-01-01)

- B. 10 CFR 21.6, "Posting Requirements," requires, in part, that each corporation subject to the regulations shall post current copies of (1) 10 CFR Part 21, (2) section 206 of the Energy Reorganization Act of 1974, and (3) the corporation's procedures for implementing 10 CFR Part 21. Alternately, the corporation may post section 206 and a notice describing the regulations and procedures and stating where they may be examined.

Contrary to the above, at the time of the inspection G-S had not posted a current copy of 10 CFR Part 21 or a notice describing its contents and where it may be viewed.

This is a Severity Level V violation (Supplement VII).
(99901261/94-01-02)

Pursuant to the provisions of 10 CFR 2.201, Gulston-Statham Transducers, Incorporated, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington D.C. 20555, with a copy to the Chief, Vendor Inspection Branch, Division of Reactor Inspection and Licensee Performance, Office of Nuclear Reactor Regulation, within 30 days of the date of the letter transmitting this Notice of Violation. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time.

Dated at Rockville, Maryland
this 3rd day of May 1994