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STEPHEN GRANT
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 AND GENERAL COUNSEL

January 11, 1991

Mr. Edward Baker, Acting Chief
 Vendor Inspection Branch
 Division of Reactor Inspection and Safeguards
 Office of Nuclear Reactor Regulation
 Nuclear Regulatory Commission
 Washington, D.C. 20555


Dear Sir:

In response to your letter of December 11, 1990, and a telephone conversation between Gary Culina and Ron Kulchak on January 3, 1991, we submit the following additional information.

Morrison Knudsen sold its subsidiary, Power Systems, Inc., to Wartsila Diesel, Inc. in June of 1990. Prior to the sale, Power Systems, Inc. purchased and manufactured components and assembled diesel generator units for use as emergency standby diesel generators for use in nuclear facilities, although there were no open 10CFR21 Reportable Findings. Under the Sales Agreement between Morrison Knudsen and Wartsila Diesel, Wartsila Diesel is responsible for service and warranty work on all equipment sold by Morrison Knudsen and delivered prior to May 25, 1990, and for all future sales and delivery of equipment after that date.

Morrison Knudsen is no longer in the business of purchasing, manufacturing or assembling emergency standby diesel generators for nuclear facilities or otherwise and will not be in a position to receive information relating to any safety related deficiency that would warrant reporting under 10CFR21; however, if it does receive such information relating to components and diesel generating units sold/delivered prior to May 25, 1990, it will notify the NRC in accordance with the requirements of 10CFR21.

Very truly yours,


 Stephen Grant

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