



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

May 21, 1999

EA 99-085

B. N. Femreite, Vice President
Manufacturing
Siemens Power Corporation
2101 Horn Rapids Road
P.O. Box 130
Richland, Washington 99352-0130

SUBJECT: NRC INSPECTION REPORT 70-1257/99-01 AND NOTICE OF VIOLATION

Dear Mr. Femreite:

On March 26, 1999, the NRC completed a routine inspection at your Siemens Power Corporation facility in Richland, Washington. The purpose of the inspection was to determine whether activities authorized by your license were conducted safely and in accordance with NRC requirements. After the on-site inspection, the inspection continued in the NRC office until the the two exit briefings were held via telephone with members of your staff on May 14 and May 21, 1999.

Areas examined during the inspection were radiation protection, emergency preparedness, operator training and transportation. Within these areas, the inspection consisted of a selective examination of procedures and representative records, interviews with personnel, and observation of activities in progress.

Inspection Report 71-0003/98-203 and Notice of Nonconformance was issued June 2, 1998. This team inspection, conducted February 23-27, 1998, focused on your program to ensure the safe packaging and transportation of licensed materials. An unresolved item, 71-0003/98203-01, was identified in the report and was further investigated by the NRC. Based on the results of the investigation, the NRC has determined that three violations of NRC requirements occurred. The violations involve 1) two examples of using transport containers which did not meet the terms and conditions of the applicable Certificate of Compliance, 2) marking a transportation package with a model number without determining that the package was fabricated in accordance with the design approved by the Commission in the applicable Certificate of Compliance, and 3) two examples of failure to establish measures to assure that conditions adverse to quality such as nonconformances are promptly identified and corrected. These violations are cited in the enclosed Notice of Violation. The circumstances surrounding three of the violations were described in detail in our June 2, 1998, inspection report. Your April 16, 1999, report of non-compliance with conditions of Certificate of Compliance No. 6581 for shipments using the Model 51032-1 container describes the second example of the first violation cited and the second example of the third violation cited.

NMED 34819

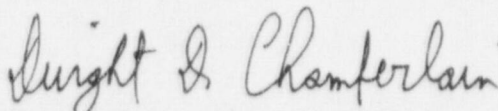
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C PDR

You are required to respond to this letter with respect to violation A.2 and C.2 and should follow the instructions specified in the enclosed Notice of Violation when preparing your response. If your response would include previously submitted documents, you do not need to resubmit these documents but rather, you should provide specific reference to the documents submitted. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements. The NRC has concluded that for information regarding Violations A, B, and C.1, the corrective actions taken and planned to correct the violations and prevent recurrence and the date when full compliance was achieved have been adequately addressed on the docket in correspondence submitted to the NRC dated March 9, June 25, July 1, October 29, and December 23, 1998.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure and your response will be placed in the NRC Public Document Room (PDR).

Should you have any questions concerning this inspection, please contact D. Blair Spitzberg at (817) 860-8191 or Wayne Britz at (817) 860-8194.

Sincerely,



Dwight D. Chamberlain, Director
Division of Nuclear Materials Safety

Docket Nos.: 70-1257; 71-6581; 71-9248
License No.: SNM-1227
Certificate of Compliance Nos.: 6581; 9248

Enclosures:

1. Notice of Violation
2. NRC Inspection Report
70-1257/99-01

cc w/enclosure:

L. J. Masas, Manager
Regulatory Compliance
Siemens Power Corporation
2101 Horn Rapids Road
Richland, Washington 99352

Washington Radiation Control Program Director

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PWLain, FCLB/NMSS (8D9)

PTing, FCOB/NMSS (8A13)

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