APPENDIX A

Peerless-Winsmith, Inc.
Docket No. 99901080/87-01

NOTICE OF VIOLATION

As a result of the inspection conducted on January 12-14, 1987, and in accordance with Section 206 of the Energy Reorganization Act of 1974 and its implementing regulation 10 CFR Part 21, the following violations were identified and categorized in accordance with the NRC Enforcement Policy (10 CFR Part 2, Appendix C), 49 FR 8583 (March 8, 1984):

A. Section 21.21 of 10 CFR Part 21, dated January 1, 1986, states, in part: "(a) Each individual, corporation, partnership or other entity subject to the regulations in this part shall adopt appropriate procedures to: (1) Provide for: (i) Evaluating deviations or (ii) informing the licensee or purchaser of the deviation in order that the licensee or purchaser may cause the deviation to be evaluated unless the deviation has been corrected; and (2) Assure that a director or responsible officer is informed if the construction or operation of a facility, or activity, or a basic component supplied for such facility or activity: (i) Falls to comply with the Atomic Energy Act of 1954, as amended, or any applicable rule, regulation, order or license of the Commission relating to a substantial safety hazard, or (ii) Contains a defect."

Contrary to the above, Peerless-Winsmith, Inc. did not adopt a procedure to evaluate or report defects discovered in motors supplied to their customers under 10 CFR Part 21 requirements. (87-01-01)

This is a Severity Level V violation (Supplement VII).

B. Section 21.6 of 10 CFR Part 21, dated January 1, 1986, states, in part: "(a) Each individual, partnership, corporation or other entity subject to the regulations in this part, shall post current copies of the following documents in a conspicuous position on any premises, within the United States where the activities subject to this part are conducted (1) the regulations in this part, (2) section 206 of the Energy Reorganization Act of 1974, and (3) procedures adopted pursuant to the regulations in this part. (b) If posting of the regulations in this part or the procedures adopted pursuant to the regulations in this part is not practicable, the licensee or firm subject to the regulations in this part may, in addition to posting section 206, post a notice which describes the regulations/procedures, including the name of the individual to whom reports may be made, and states where they may be examined."

Contrary to the above, Peerless-Winsmith, Inc. has not posted the required documents either in their engineering or manufacturing areas within the plant. (87-01-02)

This is a Severity Level V violation (Supplement VII).

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