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Transnuclear West Inc.
39300 Civic Center Drive, Suite 280
Fremont, CA 94538
Telephone: 510-795-9800
Fax: 510-744-6002

October 12, 1999
The Secretary
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

DOCKET NUMBER
PROPOSED RULE **PR 72**
(64FR41050)

Attention: Rulemakings and Adjudications Staff

SUBJECT: 10CFR Part 72, Proposed Rule to Issue Amendment No.1 to TN West
COC 72-1004 (Federal Register, Volume 64, Number 145, July 29,
1999)

- REFERENCES:**
- 1) Preliminary Amendment No. 1 to COC 72-1004 Regarding Shell Weld Thickness (TAC no. L21145), Letter from J. W. Shea to R. Grenier dated February 11, 1999
 - 2) TNW Safety Analysis Report for the Standardized NUHOMS Horizontal Modular Storage System, Revision 4A
 - 3) Fabrication Specification for NUHOMS System Dry Shielded Canister, NUH-03-105, Revision 8
 - 4) Supplementary Response to Demand for Inspection (DFI), Letter from V. Franceschi to W. Kane, dated June 5, 1997
 - 5) NRC Inspection Report No. 72-1004/97-209; Letter from S. Shankman to D. Dawson dated January 20, 1998
 - 6) NRC Special Inspection Report No. 72-1004/98-208; Letter from S. Shankman to D. Dawson dated May 22, 1998
 - 7) NRC Inspection Report 72-1004/98-211; Letter from S. F. Shankman to R. Grenier dated December 15, 1998

Dear Sir:

TN West concurs with the four proposed changes in Section 72.214 under COC 72-1004 to reflect Amendment No. 1 to COC 72-1004. However, it is TN West's opinion that the proposed revision to COC Condition No. 4 from the wording previously included in Reference 1 as Condition 6 is inappropriate and unnecessary as discussed in the following paragraphs. The proposed Condition No. 4 states that *"TN West shall ensure that 100 percent of the full penetration longitudinal and circumferential butt welds used for the DSC shell are inspected using radiographic examination. Inspections shall be performed on each shell weld after the weld is ground flush with the surrounding surfaces, and the weld and the base metal wall thickness shall be greater than or equal to 0.5 inch"*.

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TN West agrees with the NRC that the stipulated requirements are necessary to provide assurance that the NUHOMS DSCs are capable of fulfilling their intended safety functions. However, TN West licensing documents (DSC Drawing NUH-03-1021 included in Appendix E of Reference 2) currently reflect identical inspection requirements for DSC fabrication and inspection. In addition, TN West DSC Fabrication Specification (Reference 3) and DSC Fabrication drawings (which are created from the DSC Licensing Drawings) specify identical requirements. TN West has included critical DSC fabrication parameters and inspection criteria for acceptability of these parameters into the NUHOMS licensing drawings. In addition, these licensing commitments have been translated into the DSC fabrication drawings and specifications; which provide adequate assurance that the NUHOMS DSCs will perform their intended safety function. Hence, inclusion of such a detailed fabrication and inspection requirement in the COC is redundant and unnecessary.

The proposed change to COC Condition No. 4 intends to implement the decision of the Director of the Office of Nuclear Material Safety and Safeguards (Reference Director's Decision DD-97-03, February 5, 1997).

TN West contends that the conditions which gave rise to this decision have subsequently been fully remedied and therefore inclusion of the aforementioned portion of Condition 4 in the COC is no longer justified. In response to the Demand for Information issued by the NRC in January 1997, VECTRA Technologies Inc., initiated an exhaustive review of their design, licensing, fabrication, and quality assurances programs. This review resulted in implementation of numerous corrective actions and programmatic improvements (Reference 4). The NRC subsequently conducted an inspection of these corrective actions in October 1997, during which it identified some remaining concerns (Reference 5). TN West satisfactorily addressed these remaining concerns by implementing additional corrective actions as documented in NRC Inspections Reports (References 6 and 7) that authorized resumption of fabrication of NUHOMS components.

In summary, TN West considers the proposed change to Condition 4 of the COC as unwarranted and inappropriate. The Director's decision has been de facto implemented by the numerous corrective actions previously implemented by TN West as described. A more appropriate wording for Condition 4, which is also acceptable to TN West, was previously included in Reference 1 as Condition 6 which states that *"Fabrication activities shall be conducted in accordance with a quality assurance program as described in Section 11 of the SAR. All fabrication acceptance tests and procedures shall be performed in accordance with detailed written procedures. Procedures for fabrication, acceptance testing, and maintenance shall be developed using the specifications contained within the SAR, and shall ensure that commitments to specific Codes and standards described in the SAR are satisfied.*

(1) Fabrication inspections shall be performed on each shell weld after the weld is ground flush with the surrounding surfaces, to ensure that the shell thickness meets the requirements of Section III, subsection NB of the ASME Code"

Secretary

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Sincerely,

U. B. Chopra
Licensing Manager
Docket: 72-1004

cc: File NUH003.10003