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November 23, 1999

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

Subject: Reply to a Notice of Nonconformance
Nonconformance 99901342/19999201-02

Reference: NRC INSPECTION REPORT 9990001342/1999201 (NOTICE OF
VIOLATION AND NOTICE OF NONCONFORMANCE)

Gentlemen:

Transmitted herewith is Anatec's subject Reply to a Notice of Nonconformance including the attachments thereto. As stated in our Reply, certain corrective steps have already been taken while other steps are in the process of being taken. We are confident that these corrective steps will both remedy the cause of the nonconformance and avoid further nonconformances.

Forwarded under separate cover is Anatec's Reply to a Notice of Violation, Violation 9990001342/1999201-01.

Anatec views this entire matter with the utmost seriousness and is fully committed to the courses of action set forth in our Replies. If you have any questions or require additional information, please let us know.

Very truly yours,
ANATEC INTERNATIONAL, INC.

A handwritten signature in black ink, appearing to read "Blaine L. Curtis".

Blaine L. Curtis, President

Cc: Chief, IQMB
Division of Inspection Program Management
Office of Nuclear Reactor Regulation

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REPLY TO A NOTICE OF NONCONFORMANCE**DOCKET NO. 99901342/1999201-02****Anatec International, Inc.****San Clemente, California 92673-3758****REFERENCES:****(Attached)**

1. **AJB Technologies 10 CFR PART 21 REPORT FORM dated April 29, 1999.**
2. **NRC Letter to Anatec dated October 28, 1999, subject: NRC Inspection Report 999001342/1999201 (Notice of Violation and Notice of Nonconformance).**
3. **Anatec Procedure No. ANATEC-08, Revision 13 dated March 17, 1999, Certification of NDT Personnel**
4. **Anatec Procedure No. ANATEC-G-06, Revision 2 dated September 26, 1994, 10 CFR 21 Reporting of Defects and Noncompliances**

I. BACKGROUND

In May 1999, Anatec International, Inc. ("Anatec") received a copy of reference 1, a 10 CFR Part 21 Report Form (the "Report") prepared by AJB Technologies ("AJB"), an inspection services company. The Report had been forwarded by AJB to the NRC with copies to affected utilities and vendors, including Anatec. In the Report, AJB expressed its opinion that the certification records of certain of its former employees should be regarded as suspect if such records were not obtained through official channels (i.e., through AJB). The Report named seven former AJB employees whose records AJB considered to be potentially affected and named their putative then-current employers. Of the seven individuals, four were employed by Anatec at the time of the Report and continue to be so employed.

After receipt of the Report, Anatec management reviewed the Report and the certification records of the affected Anatec personnel. As a result, Anatec concluded that the certification records of its personnel in question were not suspect.

On August 31 and September 1, 1999, the NRC inspected Anatec's facilities in San Clemente, CA in response to AJB's Report. Following the inspection, the NRC issued a Notice of Nonconformance to Anatec concerning the process of verification and acceptance of certain personnel certification records.

II. DESCRIPTION OF VIOLATION:

On November 3, 1999, Anatec received a Notice of Nonconformance ("NON"), forwarded in reference 2. The NON as stated in reference 2 is as follows:

"Anatec certified NDE personnel based upon training and certification records from other organizations which were not verified to be in accordance with Anatec's written practice. Anatec accepted certification records from other organizations (provided by incoming Anatec employees) without auditing or otherwise assuring the other organization's training, examination and certification of NDE personnel met the requirements of ANATEC-08. (Nonconformance 99901324/1999201-02)"

III. REASON FOR NONCONFORMANCE

The reason for this nonconformance is that Anatec's approved written practice for certification of nondestructive examination personnel, reference 3, does not explicitly set forth the requirements and means for verifying and documenting personnel certification and qualification records. As a consequence, there is no consistent positive record of the steps taken to verify certification records, particularly in the case where such records originate within organizations other than Anatec and are provided or transported to Anatec by incoming Anatec employees.

IV. CORRECTIVE STEPS TAKEN AND RESULTS ACHIEVED

Anatec has further reviewed the qualification and certification records for all qualified data analyst (QDA) nondestructive examination personnel who are employed by Anatec, with special emphasis on the Anatec personnel alluded to in references 1 and 2. These are Anatec employees whose qualification and certification records, including QDA qualification records, were issued outside Anatec by the employees' previous hiring organizations. In this review, Anatec has verified and documented that the certification and qualification records for all Anatec QDA employees were accurate and valid and, in the view of Anatec, were at no time suspect. In addition, Anatec has performed a 10 CFR 21 evaluation of these records in accordance with Anatec procedure ANATEC-G-06, reference 4, and has concluded that (a) there is no deviation that could create a substantial safety hazard, (b) nor is there a failure to comply that is associated with a substantial safety hazard and (c) the issue involving these certification records is not reportable under 10 CFR Part 21. This review and verification of qualification and certification records and the evaluation of reportability have been documented by Anatec in a corrective action request (CAR).

Also, concurrent with this Response to a Notice of Nonconformance, Anatec is notifying, as a minimum, utilities and clients who were potentially affected by virtue of the Anatec personnel alluded to in references 1 and 2.

V. CORRECTIVE STEPS TAKEN TO AVOID FURTHER NONCONFORMANCES

The following steps are being taken to avoid further nonconformances:

First, Anatec Procedure No. ANATEC-08, Certification of NDT Personnel, will be revised to (a) specify that all personnel qualification and certification records be obtained directly from the issuing organization and (b) require that verification of personnel qualification and certification records be documented in accordance with an approved Anatec procedure.

Second, Anatec will prepare a new general procedure for verification of personnel qualification and certification records. This procedure will be incorporated into the Anatec Procedures Manual.

Third, Anatec management personnel and/or those directly responsible for the training, qualification and certification of NDT personnel will attend formal training and information sessions on the NON and Anatec's response to the NON, including the new and revised procedures.

Fourth, no personnel qualification and certification records for any new incoming personnel will be processed or accepted prior to completion of these steps.

VI. DATE FOR FULL COMPLIANCE

The above steps shall be completed by December 30, 1999.