

(SP-97-050, June 1997, Other, Transportation Action Testing)
DATED: JUNE 26, 1997 SIGNED BY: PAUL H. LOHAUS

ALL AGREEMENT STATES
OHIO, OKLAHOMA, PENNSYLVANIA

TRANSMITTAL OF STATE AGREEMENTS PROGRAM INFORMATION (SP-97-050)

Your attention is invited to the enclosed correspondence which contains:

- INCIDENT AND EVENT INFORMATION.....
- PROGRAM MANAGEMENT INFORMATION...
- TRAINING COURSE INFORMATION.....
- TECHNICAL INFORMATION.....
- OTHER INFORMATION..... XX CONFIRMATORY
ACTION LETTER TO
SOURCE PRODUCTION
AND EQUIPMENT
COMPANY, INC.,
CONCERNING
TRANSPORTATION
PACKAGE TESTING

Supplementary information: Enclosed for your information is a Confirmatory Action Letter sent to Source Production and Equipment Co., Inc. (SPEC) on June 24, 1997. The letter identifies NRC concerns with the adequacy of the transportation package puncture test and quality assurance program implementation under the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material." It also identifies actions to be taken by SPEC.

If you have any questions or comments regarding this letter, please contact me or the individual named below.

POINT OF CONTACT: Tom O'Brien
TELEPHONE: (301) 415-2308
FAX: (301) 415-3502
INTERNET: TJO@NRC.GOV

Paul H. Lohaus, Deputy Director
Office of State Programs

Enclosure:
As stated

June 24, 1997
CAL No. 97-7-006

Source Production and Equipment Co., Inc.
ATTN: Mr. R.D. Dicharry, President
113 Teal Street
St. Rose, Louisiana 70087-9691

SUBJECT: CONFIRMATORY ACTION LETTER

Dear Mr. Dicharry:

On June 16-19, 1997, U.S. Nuclear Regulatory Commission staff conducted an inspection at Source Production and Equipment Company, Inc. (SPEC) in St. Rose, Louisiana. SPEC has a Quality Assurance (QA) Program approved by the NRC under the provisions of Subpart H of 10 CFR Part 71 (Docket No. 71-0102). SPEC is also the holder of three NRC Certificates of Compliance for transportation packages. The inspection was related to testing under 10 CFR Part 71.

The inspection identified an issue regarding the method for conducting the puncture test specified as one of the hypothetical accident condition tests under 10 CFR Part 71.73. The issue involved the steel puncture bar which was not properly mounted on the test pad.

The issue we identified with the conduct of your test program calls into question the adequacy of the puncture tests performed in support of SPEC's transportation package designs. Further, we are concerned that the implementation of your QA Program did not disclose this problem.

For the reasons stated above, and pursuant to telephone conversations between you and Dr. Susan Frant Shankman on June 19, 1997, and Mr. Ross Chappell on June 23, 1997, it is our understanding that you will take the following actions which will be completed by the dates specified:

- (1) Effective immediately, suspend fabrication of all NRC-certified transportation packagings, until you receive authorization to resume from the NRC.
- (2) On or about Monday June 23, 1997, submit a test plan which, when carried out, would verify the validity of previously performed puncture tests.

- (3) Perform testing of the Model SPEC-150 package design, and other package designs as appropriate. Due to its frequency of use, the Model SPEC-150 will be tested first. Testing will begin on or about June 26, 1977. The results of the tests may be extrapolated to other package designs if you provide a technical basis acceptable to the NRC staff to support the validity of the extrapolation.
- (4) Preserve all packaging, components, specimens, and test records for examination by the NRC. Submit test reports to the NRC within four business days of test performance.
- (5) Obtain the services of an independent QA expert to audit the effectiveness of SPEC's QA program in complying with the Requirements of 10 CFR Part 71. Advise the NRC regarding the name and qualifications of the expert by July 21, 1977. Conduct the independent audit within 60 days of advising the NRC.

You will also:

- (1) Notify me immediately if your understanding differs from that set forth above;
- (2) Notify Mr. William Kane, Director, Spent Fuel Project Office, if for any reason you cannot complete the actions within the specified schedule and advise me in writing of your modified schedule in advance of the change; and
- (3) Notify me in writing when you have completed the actions addressed in this Confirmatory Action Letter.

Issuance of this Confirmatory Action Letter does not preclude issuance of an order formalizing the above commitments or requiring other Certificate-holder actions; nor does it preclude NRC from taking enforcement action for violations of NRC requirements that may have prompted the issuance of this letter. In addition, failure to take the actions addressed in this Confirmatory Action Letter may result in enforcement action.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information, so that it can be placed in the PDR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a

R.D. Dicharry

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request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Sincerely,

/S/ CARL J. PAPERIELLO

Carl J. Paperiello, Director
Office of Nuclear Material
Safety and Safeguards

cc: William H. Spell, State of Louisiana
A. Roberts, Department of Transportation

Dockets 71-0102, 71-9036, 71-9056, 71-9263