



July 22, 2005

Document Control Desk
Director, Spent Fuel Project Office
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: 10 CFR 71.95 Report
Reference: Docket Nos: 71-9036 and 71-9056

In accordance with 10 CFR 71.95(c), Source Production and Equipment Company (SPEC) hereby submits this report of instances in which the conditions of approval in the Certificate of Compliance were not observed in making shipments.

ABSTRACT:

Two of our Type B packages, the SPEC 2-T, certificate USA/9056/B(U), and the SPEC C-1, certificate USA/9036/B(U)-85, require 12 gallon overpacks made of 20-22 gauge steel drums. Several shipments were inadvertently made using 24 gauge steel drums. No component failures or events occurred as a result. There was no significant reduction in the effectiveness of the packagings during use. There are no defects with safety significance. The drums are being replaced with 20-22 gauge steel drums.

DESCRIPTION OF THE NONCOMPLIANCE:

SPEC is a manufacturer of industrial radiography devices and radioactive sealed sources. Two of the devices, the SPEC 2-T exposure device and SPEC C-1 source changer, are shipped inside 12 gallon steel drum overpacks. The drums have a QA classification of "N" which identifies them as "not important to safety".

March 28, 2003, an internal purchase requisition for drums was issued. On April 8, 2003 we issued a purchase order to Questar. Our purchase order referenced our drum drawing. On April 16, 2003, we received the order of drums. Questar shipped 24 gauge drums, but did not notify us of the discrepancy. None of the documents accompanying the shipment of the 24 gauge drums the discrepancy. The 24 gauge drums have the same appearance as the 20 - 22 gauge drums. The drums are coated with black paint.

The 24 gauge drums were used for several shipments to radiography licensees from April, 2003 until May 25, 2005.

CAUSES/ROOT CAUSE:

The root cause was human performance-related. The QA Inspector (who is no longer employed at SPEC) did not properly verify the gauge of the steel beneath the painted surface of the drums.

UMSSO1



Source Production & Equipment Co., Inc.

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METHOD OF DISCOVERY:

In June, 2005, we were preparing to reorder drums when we discovered the discrepancy. We reviewed the 2003 invoice from Questar and discovered that it referenced 24 gauge drums which we confirmed by direct measurement. It should be noted that a review of vendor's invoices is not part of the QA receiving inspection procedures.

CORRECTIVE ACTION:

The drums are being returned to SPEC and replaced. We expect to remove all 24 gauge drums from use within 45 days.

PREVENTATIVE ACTION:

A new QA procedure has been implemented that requires QA Inspectors to notify the QA Manager when purchase specifications cannot be verified by established means. The QA Manager shall obtain conformance certificates from the vendor, specify alternate inspection techniques, or otherwise specify the means to verify conformance.

Should you need any further information, please contact me at 504-464-9471.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelley Richardt". The signature is written in a cursive, flowing style.

Kelley Richardt
Regulatory and Quality Manager