



Westinghouse

Westinghouse Electric Company
Hematite Former Fuel Cycle Facility
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USA

Mr. Michael Johnson
Director, Office of Enforcement
U.S. Nuclear Regulatory Commission
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Our ref: HEM-05-137
Date: September 22, 2005

Reference: SNM-33 (Docket 70-0036)

Subject: REPLY TO NOTICE OF VIOLATION: EA-05-104

Dear Mr. Johnson:

Westinghouse Electric Company LLC (Westinghouse) is in receipt of the Notice of Violation (NOV) dated August 25, 2005. That NOV advises that the Nuclear Regulatory Commission (NRC) has determined that three violations of NRC requirements have occurred at the Hematite facility. The purpose of this letter is to inform the NRC that Westinghouse admits the three violations and is paying the proposed fine¹. Westinghouse recognizes that safety is our number one priority, particularly nuclear criticality safety (NCS), and is not satisfied with the circumstances surrounding the events which resulted in the NOV. In that regard, Westinghouse Hematite restates its commitment to NCS including the corrective actions that have been completed and were discussed at the March 2005 NRC/Westinghouse Management meeting and at the June 22, 2005, pre-decisional enforcement conference.

In order to determine the reasons for the violations, Westinghouse performed a comprehensive root cause analyses which determined that the root causes were: (1) inadequate management oversight of nuclear criticality safety and (2) a perception that production was more important than procedural adherence. As discussed at the pre-enforcement conference, Westinghouse implemented a number of corrective actions which are further described below. The Immediate and Long Term Corrective Actions, a number of which are ongoing have been completed. These corrective actions address the causes of the NOV's and are effective.

Following are the corrective actions which have been implemented:

IMMEDIATE/SHORT-TERM CORRECTIVE ACTIONS

Upon identification of the violations:

¹ Payment transmitted under separate cover by Westinghouse check.

- All work activities were stopped with the goal of not conducting work until safety was ensured. At a later date, this work stop order was restricted to handling of special nuclear materials.
- Added Criticality Safety Manager Position and additional staff.
- Reorganized Project to improve Project Coordination and Communication.
- Existing plant and equipment configurations were reviewed and confirmed to be in a safe condition.
- An investigation was initiated and Westinghouse concluded that there was a programmatic weakness and a root cause analysis was then started.
- Increased frequency of staff Project status meetings.
- Enhanced oversight to increase NCSE compliance.
- Procedures have been revised to include all NCSE controls as applicable. Incorporation of applicable NCSE controls into procedures was audited prior to the restart of work. Implementation of controls is monitored by NCS oversight and QC surveillances.
- Work crews, supervisors, and oversight have been retrained to the revised procedures and use of all NCSE controls.
- Conducted audits to independently verify applicable NCSE controls incorporated into procedures.

ON-GOING/LONG TERM CORRECTIVE ACTIONS

Corrective actions taken to address the root causes and prevent reoccurrences included:

- Management has reinforced that working safely and following procedures are our top priority and are more important than schedule or production.
- Improvement of Project Management through proactive planning and project coordination.
- Oversight of the NCS program has increased. A procedure has been developed to direct NCS oversight activities. Also additional resources are available to perform inspections and follow issues.
- Work crews, supervisors and Operations staff have been retrained and re-certified including safety practices.
- The project is now using a readiness review process to ensure complete preparation for future phases of work. This readiness review process will be conducted prior to the next phases of work which are ventilation system removal and building demolition.
- Changes in the organizational structure and more frequent status meetings have been implemented to improve management oversight and communication, both up and down the organizational structure.

These corrective actions have been completed and full compliance with respect to the violations has been achieved. The effectiveness of these actions has been assessed and Westinghouse will continue to monitor the effectiveness of corrective actions.

Westinghouse recognizes that strong and effective programs require work to maintain a high level of performance. With that in mind, Westinghouse has implemented a comprehensive program called Customer 1st. Under this program Hematite has in place a Human Performance Program entitled "Valuing the Prevention of Errors (VPE)". The objective of this program is to shift the organization's focus toward proactive identification of areas for improvement and creation of barriers to prevent errors.

In conclusion, Westinghouse stresses its commitment to ensuring a strong and effective NCS program at the Hematite facility. Westinghouse recognizes that this commitment applies equally to a facility such as Hematite which is being decommissioned as it does to operating facilities. Westinghouse will continue to monitor all aspects of the Hematite D&D project with a priority on safety, valuing the prevention of errors, and a work force that adheres to procedures. The NCS program at Hematite is in full compliance with Regulatory, Licensing, and site requirements, effective for current project activities, and poised to be effective for future decommissioning work.

If you have any questions concerning this response, please contact me at (314) 810-3368.

Sincerely,



Henry A. Sepp
Project Director

cc: Regional Administrator, NRC Region III
Mr. Geoff Grant, NRC Region III Deputy Regional Administrator
Mr. Jamnes Cameron, NRC Region III
Mr. Gene Bonano, NRC Region III
Ms. Amy Snyder, NRC Headquarters
Mr. Mike J. Saunders, Westinghouse
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