



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

August 19, 2011

Hitachi America, LTD
ATTN: Neal Svalstad, Esq.
Senior Corporate Counsel
900 Hitachi Way
Chula Vista, California 91914-3556

SUBJECT: NRC INSPECTION REPORT 030-38282/2011-001 AND NOTICE OF VIOLATION

Dear Mr. Svalstad:

This refers to the inspection conducted at your facilities in Chula Vista and Carson, California, on May 3-4, 2011, with continued in-office review through June 22, 2011. The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. A preliminary exit was conducted with you and Laurel Vaughn at the conclusion of the on-site inspection. A final exit briefing was conducted with you telephonically on June 29, 2011.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are cited in the enclosed Notice of Violation (Notice) because they were identified by the NRC.

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken, plans to correct the violations and prevent recurrence, and the date when full compliance will be achieved has been adequately addressed on the docket in electronic mail correspondence with attached letters received from Hitachi America, LTD to NRC dated June 20, 21, and 23, 2011. Your June 20 and 21, 2011, correspondence (ML111740244 & ML111790007) described your relocation notification. The June 21, 2011, correspondence (ML111790007) described your immediate corrective actions by submitting the 2010 annual report, and your June 23, 2011, correspondence (ML111810968) described your long-term plan to correct the violations and documented your continued efforts to prevent recurrence of the violations. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, Enclosure 1, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the Web site at <http://www.nrc.gov/reading-rm/adams.html>. If you choose to respond to this

letter, to the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Should you have any questions concerning this inspection, please contact Rick Muñoz at 817-860-8220 or the undersigned at 817-860-8130.

Sincerely,

/RA/

G. Michael Vasquez, Chief
Nuclear Materials Safety Branch A

Docket: 030-38282
License: 04-23985-01E

Enclosures:

1. Notice of Violation
2. Information Notice 96-28

cc w/Enclosure 1:
California Radiation Control Program Director

Internal distribution via e-mail:

E. Collins, RA

R. Caniano, D: DNMS

M. Vasquez C: DNMS/NMSB-A

J. Whitten, C: DNMS/NMSB-B

M. Herrera, Fee Coordinator

R4DNMS_MS-A

Hard Copy:

RIV Materials Docket File

DNMS Secretarial File

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R:_DNMS

ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes		<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: RRM
<input type="checkbox"/> Nonpublicly Available		<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive
RIV:DNMS/NMSB-A	C:NMSB-A		
RRMuñoz;dlf	GMVasquez		
/RA/	/RA/		
6/29/11	8/19/11		

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

NOTICE OF VIOLATION

Hitachi America, LTD
Chula Vista, California

Docket: 030-38282
License: 04-23985-01E

During an NRC inspection conducted on May 3-4, 2011, with continued in-office review through June 22, 2011, one violation of NRC requirements was identified. In accordance with the Enforcement Policy, the violation is listed below:

- A. 10 CFR 30.34(c) requires, in part, that each licensee confine possession and use of byproduct materials to the locations and purposes authorized by the license.

Condition 11 of License 04-23985-01E authorizes the licensee to distribute only from its facilities located at Hitachi Transport System (America) Ltd., located at 1650 Glenn Curtiss Street in Carson, California.

Contrary to the above, from April 9 through June 22, 2011, the licensee was distributing electron tubes (lamps) and glow switches containing Kr-85 from a location not authorized on the license. Specifically, the licensee moved its distribution location to 1031 East Watson Center Road, Carson, California, a location not authorized on the license.

This is a Severity Level IV violation (Violation Example 6.3).

- B. 10 CFR 32.16(c)(1) requires the licensee to file a report, covering the preceding calendar year, on or before January 31 of each year. The report must include the type of each product, the radionuclide in each product, the total quantity of the radionuclide, and the number of units of each type of product transferred during the reporting period.

Contrary to the above, the licensee failed to file a report for calendar year 2010, by January 31, 2011, which includes a description or identification of the type and quantity of each product transferred, the radionuclide in each type of product, the model number of units transferred, and the total quantity of each radionuclide transferred. The report was submitted on June 21, 2011.

This is a Severity Level IV violation (Violation Example 6.3).

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken, plans to correct the violations and prevent recurrence, and the date when full compliance was achieved, has been adequately addressed on the docket in letters dated June 22, 2011, received via electronic correspondence on June 22, 2011, from Hitachi America, LTD, to NRC. Therefore, you are not required to respond to this letter unless the description herein does not accurately reflect your corrective actions or your position.

However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator,

Enclosure

Region IV, US Nuclear Regulatory Commission, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas, 76011-4005, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 19th day of August 2011