

June 10, 1999

Dr. William A. Weinreich  
[ ]  
Mason & Hanger Corporation  
P.O. Box 30020  
Amarillo, TX 79120-0020

Subject: Program Review Letter  
PAAA Noncompliance Screening and Reporting

Dear Dr. Weinreich:

The Office of Enforcement and Investigation (EH-10) performed an onsite review on February 24 and 25, 1999, of your Price-Anderson Amendments Act (PAAA) nuclear safety program. The review included (1) your process for screening and reportability evaluations of potential PAAA violations, and (2) the steps you had taken to correct past problems in completing PAAA noncompliance corrective actions. The purpose of this review was to ensure consistency with DOE's regulatory expectations in these areas.

Mason & Hanger Corporation (MHC) implemented a PAAA screening and review process through an internal procedure STD-0127, "Price-Anderson Amendment Act (PAAA) Compliance Program Noncompliances." Noncompliances below the Noncompliance Tracking System (NTS) reporting threshold are tracked in MHC's local tracking system. The system maintains a log of all issues screened for potential PAAA noncompliance consideration.

Inputs to the process include all Occurrence Reporting and Processing System reports, Nonconformance Reports (NCR's), self-assessments, internal audits, external review programs, Operations Center Logs, lessons learned reviews, employee concerns issues, and operational engineering weekly summary items. Such issues are catalogued and screened by the MHC PAAA Coordinator office. All PAAA issues are tracked to closure. Corrective actions are not closed without evidence of completion being provided to the Coordinator. Trending is performed, using a Microsoft Access database. Positive aspects of the MHC process include the thoroughness of issues screened, and the use of off-the-shelf software tools to facilitate resolution management and trending of issues.

In addition to a comprehensive PAAA screening and resolution process, MHC

management has recently put into place a performance metrics process to monitor overall performance in several areas, including safety performance. Although this process is new, it should serve a complementary function in identifying broad trends in safety management.

One area of focus for this EH-10 visit was to evaluate the management steps that have been taken by MHC to improve its previous inadequate performance in correcting and closing earlier NTS reported nuclear safety issues. For example, NTS reports NTS-ALO-AO-MHSM-PANTEX-1996-0003 and -0004 involved matters of inadvertently exceeding nuclear material inventory limits for two different facilities. These reports were filed in mid-1996, with commitments for corrective actions to be completed by May 30, 1997. On several occasions between June 1997 and August 1998, DOE or MHC verification found that NTS corrective actions had not been satisfactorily completed even though they had been reported as such by MHC.

During the February 24 and 25, 1999, EH-10 visit, the contractor summarized the management controls that have now been put into place to better manage the implementation and closeout of corrective actions. The MHC procedure STD-0127 was issued in December 1998, and it included steps to ensure corrective actions are completed. These steps included the following:

1. Submittal of objective evidence of closure from the MHC Division representative to the MHC PAAA Coordinator;
2. Performance of a corrective action completion assessment by the MHC internal independent quality assurance group (Internal Audit, Assurance & Quality); and,
3. Submittal of a closure package from MHC to the DOE Amarillo Area Office, signed by an MHC Division Manager, that contains the action plan items, MHC evaluations, and completion status.

These steps appear to be a more positive step to ensuring that corrective actions are completed in a comprehensive and timely manner.

No reply to this letter is required. However, DOE will continue to monitor performance in these areas and may decide in the future to again review your internally tracked noncompliances that you determined to be non-NTS reportable. Additionally, EH-10 will continue to monitor corrective action closeout for identified PAAA compliance issues. If you have any questions, contact Howard Wilchins of my staff at (301) 903-0107.

Sincerely,

R. Keith Christopher  
Director  
Office of Enforcement and Investigation

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