



## Department of Energy

Washington, DC 20585

July 10, 2003

Mr. John Christian

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BNFL, Inc.

East Tennessee Technology Park

Portal No. 8, Building K-761

P.O. Box 5689

Oak Ridge, TN 37831

Subject: Enforcement Letter– Noncompliance Tracking System Reports and  
May 14-15, 2003, Price-Anderson Amendments Act Program Review

Dear Mr. Christian:

This letter refers to the Department of Energy's (DOE) review of the facts and circumstances related to several Price-Anderson noncompliances, which are documented in the following Noncompliance Tracking System (NTS) reports

- NTS-ORO--BNFL-K33-2003-0001, "Weaknesses in BNFL's Issue Screening Process to Determine PAAA Noncompliance." This report documents that the BNFL PAAA Review Board failed to correctly identify and report the vast majority of reportable noncompliances.
- NTS-ORO--BNFL-K33-2003-0002, "Weaknesses in the Management Assessment Program." This report confirms that BNFL's management failed to adhere to its own assessment schedule. In addition, the assessments that were conducted were inadequate because they did not identify nonconformances.
- NTS-ORO--BNFL-K33-2003-0003, "Weaknesses in Implementation of the Inspection and Testing Portion of the Procurement Process." This report documents the deficiencies in the BNFL procurement program over an 18 months period.

These NTS reports document deficiencies identified by BNFL concurrent with a program review conducted by the Office of Price-Anderson Enforcement (OE) on May 14-15, 2003. Most notable were the management assessment and PAAA noncompliance screening process weaknesses. Based on our limited review, OE has concluded that potential violations of 10 CFR 830 subpart A, "Quality Assurance Requirements," occurred. Furthermore, the amount of time that these potential violations existed prior to their identification and reporting could have eliminated any consideration of enforcement mitigation if an enforcement action had been issued.

Normally, these issues would have been candidates for potential enforcement action, given the time they existed prior to being identified and reported. However, I am encouraged by recent management changes made by BNFL, Inc. (BNFL), and the positive steps you have taken to identify and address nuclear safety issues since assuming your position. I am particularly encouraged by the substantial improvements BNFL has recently made in revising the PAAA program and procedures that control a variety of quality-related activities. In this regard, aspects of your revised program are now equivalent to several other contractor PAAA programs that have performed quite effectively. For these reasons, DOE will exercise its enforcement discretion regarding these issues consistent with the Enforcement Policy described in Appendix A to 10 CFR 820. We will forego enforcement action based on these issues, with the expectation that you will assure the continuation of prompt and comprehensive corrective action. We intend to continue to closely monitor these efforts to their conclusion.

No reply to this letter is required. Please contact me at (301) 903-0100, or have a member of your staff contact Steven Zobel, of my staff, at (301) 903-2615, if you have any questions.

Sincerely,



Stephen M. Sohinki  
Director  
Office of Price-Anderson Enforcement

cc: J. Stevens, BNFL  
P. Wright, BNFL PAAA Coordinator  
G. Boyd, DOE-OR  
B. Hawks, DOE-OR PAAA Coordinator  
J. Howard, DOE-OR  
S. McCracken, DOE-OR  
B. Cook, EH-1  
A. Kindrick, EH-1  
J. Roberson, EM-1  
S. Johnson, EM-5  
L. Vaughan, EM-5, PAAA Coordinator  
R. Orbach, SC-1  
M. Johnson, SC-3  
R. Schwartz, SC-83, PAAA Coordinator  
P. Rodrik, OE  
S. Zobel, OE  
Docket Clerk, OE