

hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a hearing request has not been received.

Dated this 27th day of January 1999.

For the Nuclear Regulatory Commission.

James Lieberman,

Director, Office of Enforcement.

[FR Doc. 99-3095 Filed 2-8-99; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

Receipt of Petition for U.S. Nuclear Regulatory Commission Action

Notice is hereby given that, by petition dated December 30, 1998, Mr. Thomas B. Cochran of the Natural Resources Defense Council has requested that the U.S. Nuclear Regulatory Commission (NRC) take action with regard to Khosrow B. Semnani, former President, Envirocare of Utah, Inc. (Envirocare). The Petitioner requests that NRC issue an order to show cause why Mr. Semnani should not be prohibited permanently from participating in any NRC-licensed activity.

As basis for this request, the Petitioner asserts that Mr. Semnani has been convicted of a federal crime—aiding and abetting in the filing of a false income tax return and fined \$100,000. The Petitioner further asserts that this federal crime was committed in direct relation to the facilitation of a license authorized by the Atomic Energy Act. The Petitioner asserts that Mr. Semnani admitted under oath that: (1) He paid Mr. Larry F. Anderson, the Director of the Utah Bureau of Radiation Control and the Agreement State official responsible for radiological safety, cash, gold coins, and the deed to a ski condo in order to facilitate the first disposal license and the issuance of other favorable license actions, and (2) he knew these actions were inappropriate, but informed no governmental authorities of the payments.

As further basis the Petitioner states that “independent of the results of any criminal or civil proceeding against Mr. Semnani it is incumbent upon the NRC to take appropriate action to ensure the integrity of its own licensing process.” In stating that a licensee’s character is fundamental in the protection of public health the Petitioner cites several cases involving nuclear power reactor

licensees where the character of the licensee was allegedly brought into question.

The request has been referred to the Director of the Office of Nuclear Material Safety and Safeguards. As provided by section 2.206, action will be taken on this petition within a reasonable time.

FOR FURTHER INFORMATION CONTACT:

Harold Lefevre, Uranium Recovery Branch, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Mail Stop T7-J9, Washington, DC 20555. Telephone 301/415-6678. A copy of the petition is available for inspection at the Commission’s Public Document Room at 2121 L Street, NW, Washington, DC 20555.

Dated at Rockville, Maryland, this 2nd day of February 1999.

For the Nuclear Regulatory Commission.

Carl J. Paperiello,

Director, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 99-3094 Filed 2-8-99; 8:45 am]

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NUCLEAR REGULATORY COMMISSION

[Docket No. 72-1007, EA 98-529]

March Metalfab, Inc., Hayward, California; Confirmatory Order Prohibiting Involvement in NRC-Licensed Activities (Effective Immediately)

I

March Metalfab, Inc. (MMI) is a subcontractor of Sierra Nuclear Corporation (SNC), which holds NRC Certificate of Compliance 72-1007 for the VSC-24 cask, used by general licensees, Palisades Nuclear Plant (PNP) and Arkansas Nuclear One (ANO). The general license (10 CFR 72.210) relied on by PNP and ANO is for the storage of spent nuclear fuel under 10 CFR part 72.

II

In March 1995, PNP loaded spent fuel into a multi-assembly sealed basket (MSB) spent fuel cask that had been supplied by SNC and fabricated by MMI. When the cask was pressurized with helium, two leaks were identified in the wall of the MSB adjacent to the closure weld. Subsequent analysis by PNP metallurgical personnel determined that the defects were caused by underbead or hydrogen cracking, resulting from a base metal weld repair to the MSB shell inner wall that was

performed during MSB manufacturing. The NRC staff learned of the problem experienced by PNP as a result of inspection activities following a similar closure weld failure at ANO. The staff became concerned that undetected cracks in other MSBs, produced by SNC that were already loaded with spent fuel, could propagate while the casks were in storage, affecting the integrity of the cask confinement boundary. As a result, during the week of March 17-21, 1997, a special inspection was conducted at SNC and MMI.

During the special inspection, five MMI employees who were considered most likely to have been aware of the fabrication activities during the manufacture of the MSBs that failed were interviewed. They included two managers, the Project Manager and the Quality Assurance (QA) Manager. All of the individuals interviewed denied having any knowledge of any undocumented or unauthorized welds or weld repairs during the manufacture of the MSBs.

In July 1997, the NRC conducted a further inspection of MMI and SNC. During that inspection, employees of both companies acknowledged that undocumented welds had been made on casks sold to ANO and PNP. In the course of this inspection, both the Project Manager and the QA Manager for MMI admitted that they were aware that repair welding had been performed on the inside of the MSBs during fabrication and that they had not informed the NRC inspectors of those welds during the March 1997 inspection interviews. The NRC continued to investigate the matter and the Office of Investigations issued its report on October 16, 1998.

The NRC has concluded that because the two managers were knowledgeable about the fabrication process and were aware that welding had been done on the insides of the MSBs, they deliberately made statements in March 1997 to SNC and to the NRC that were inaccurate concerning the internal welding. The information involved was material to the NRC’s understanding as to the quality of the MSBs and delayed the NRC’s action to ensure integrity of MSBs. As a result, the NRC has further concluded that in providing the information, MMI violated 10 CFR 72.11, “Completeness and Accuracy of Information” and 10 CFR 72.12, “Deliberate Misconduct.” The NRC believes that the circumstances of this matter raise questions as to MMI’s willingness to comply with Commission requirements. MMI has not admitted that a violation occurred.