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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76012

12 SEP 1979

Docket No. 99900001/79-02

Babcock and Wilcox Company
Nuclear Materials Division
ATTN: Mr. J. S. Dziewicz
Vice President
P. O. Box 1260
Lynchburg, Virginia 24505

Gentlemen:

This refers to the QA Program inspection conducted by Mr. W. M. McNeill of this office on August 21-24, 1979, of your facility at Lynchburg, Virginia, associated with the manufacture and fabrication of nuclear fuel assemblies and to the discussions of our findings with Mr. W. F. Heer and members of your staff at the conclusion of the inspection.

This inspection was made to confirm that, in the areas inspected, your QA Program is being effectively implemented. The inspection effort is not designed to assure that unique quality requirements imposed by a customer are being implemented; nor to assure that a specific product, component or service provided by you to your customers, is of acceptable quality. As you know, the NRC requires each of its licensees to assume full responsibility for the quality of specific products, components or services procured from others. You should therefore not conclude that the NRC's inspection exempts you from inspections by an NRC licensee or his agents nor from taking effective corrective action in response to their findings.

Areas examined and our findings are discussed in the enclosed report. Within these areas, the inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspector.

During the inspection it was found that the implementation of your QA Program failed to meet certain NRC requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

Please provide us within thirty (30) days of your receipt of this report a written statement containing, (1) a description of steps that have been or will be taken to correct these items, (2) a description of steps that have been or will be taken to prevent recurrence, and (3) the date your corrective actions and preventive measures were or will be completed.

In accordance with Section 2.790 of the Commission's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter with enclosure and your reply, together with the enclosed inspection report will be

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placed in the Commission's Public Document Room. If this report contains any information that you believe to be proprietary, it is necessary that you make a written application within thirty (30) days to this office to withhold such information from public disclosure. Any such application must include a full statement of the reasons on the basis of which it is claimed that the information is proprietary, and should be prepared so that proprietary information identified in the application is contained in a separate part of the document. If we do not hear from you in this regard within the specified period, the report will be placed in the Public Document Room.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,


Uldis Potapovs, Chief
Vendor Inspection Branch

Enclosures:

1. Notice of Deviation
2. Inspection Report No. 99900001/79-02

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