



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 1000  
ARLINGTON, TEXAS 76011

*Handwritten signature*

TERA

Docket No. 99900300/79-01

Colt Industries  
Fairbanks Morse Engine Division  
Attn: Mr. J. F. Morgan  
President  
701 Lawton Avenue  
Beloit, Wisconsin 53511

Gentlemen:

This refers to the Reactive inspection conducted by Mr. W. E. Foster of this office on April 2-5, 1979, of your facility at Beloit, Wisconsin associated with the manufacture of diesel generators and to the discussion of our findings with you and members of your staff at the conclusion of the inspection.

This inspection was made to confirm that, in the areas inspected, your 10 CFR Part 21 responsibility 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.

The area examined during the inspection 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.

Within the scope of this inspection, we found no instance where you failed to meet NRC requirements.

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 together with the enclosed inspection report will be 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

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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,

*for L M Hannicutt*  
Uldis Potapovs, Chief  
Vendor Inspection Branch

Enclosure:  
Inspection Report No. 99900300/79-01