

U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
REGION IV

Report No. 99900375/79-01

Program No. 51300

Company: Newport News Shipbuilding
4101 Washington Avenue
Newport News, Virginia 23607

Inspection
Conducted: June 4-8, 1979

Inspectors: J. W. Sutton 6-27-79
J. W. Sutton, Contractor Inspector Date
Vendor Inspection Branch

Approved by: D. E. Whitesell 6-27-79
D. E. Whitesell, Chief, Components Section I Date
Vendor Inspection Branch

Summary

Inspection on June 4-8, 1979 (99900375/79-01)

Areas Inspected: Implementation of 10 CFR 50, Appendix B Criteria and applicable Codes and Standards including: Initial Management Meeting, QA Program Review (Organization-Program), audits and review of Vendor's activities. The inspection involved twelve (12) inspector-hours on site by one (1) NRC inspector.

Results: In the areas inspected no deviations or unresolved items were identified.

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DETAILS

A. Persons Contacted

- *R. Thomas Clark, Jr., Manager Quality Assurance
- J. Camden, Quality Analyst
- *W. A. Evans, Principal Engineer, Industrial Products
- B. C. Howser, Manager, Welding Engineering
- C. O. Horton, Manager, QA (Shop)
- *T. O'Donohue, Director, Manufacturing Services
- W. C. O'Neill, Executive Vice President
- D. W. Rainey, QA Engineer
- E. J. Reister, Welding Engineer
- *J. E. West, Engineering Supervisor

*Denotes those present at the exit interview.

B. Initial Management Meeting

1. Objectives

The objectives of this meeting were to accomplish the following:

- a. To meet with Newport News Shipbuilding (NNS) management and those persons responsible for the administration of the NNS QA Program and establish channels of communication.
- b. To determine the extent of company involvement in the U. S. commercial nuclear business.
- c. To explain the NRC direct inspection program including the Licensee Contractor Vendor Inspection Program (LCVIP) organization, Vendor Inspection Branch (VIB) inspection methods and documentation.

2. Method of Accomplishment

The preceding objectives were accomplished by a meeting on June 23, 1979.

The following is a summary of the subject matter covered:

- a. The VIB organization was described and its relationship to NRC Region IV and other components of the Office of Inspection and Enforcement.
- b. The LCVIP was described including the reasons for its establishment, its objectives, and implementation methods and criteria used.

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- c. The conduct of VIB inspections was described and how inspections are documented including the report, responses to reports, how proprietary information is handled, the Public Document Room, and the White Book.
- d. The company's contribution to the nuclear industry was discussed, including current and projected manufacturing activity, status of ASME Certificates of Authorization and third party inspection arrangements.

3. Findings

- a. NNS management informed the inspector that NNS is currently completing or working on six (6) nuclear contracts. These nuclear contracts comprise approximately five percent (5%) of commercial work being performed by the shipyard.

Present nuclear contracts have been subcontracted from Newport News Industrial Corporation (NNI).

- b. NNS has been surveyed by ASME and issuance of "NA" and "NPT" Certificates of Authorization are pending.
- c. NNS has a contract with Hartford Steam Boiler Inspection and Insurance Company to act as their Authorized Inspection Agency and are presently served on an itinerant basis by an Authorized Nuclear Inspector.

C. QA Program Review (Organization - Program)

1. Objectives

The objectives of this inspection were to ascertain whether the QA Program has been documented in writing, and if it is correctly implemented, and will ensure that the completed components will be manufactured in compliance with code requirements and meet the prescribed quality standards. Also, to ascertain whether the program is consistent with NRC regulations, contract, and code requirements.

2. Method of Accomplishment

- a. Review of Newport News Shipbuilding's QA Manual, Revision B, dated May 18, 1979, Titled "Procedures Q 501" for ASME QA Manual for "NA" and "NPT" Certificates of Authorization.

- b. Review of appropriate organization charts to verify that the QA staff is independent from the pressures of cost and scheduling and has access to upper management.
- c. Review of the documents concerning the authority, duties, and responsibilities of the Quality Assurance staff, to verify that they have the independence to identify quality problems, and initiate appropriate corrective action, and the authority to stop work.
- d. Review of proposed training schedules and activities to date.

3. Findings

In this area of the inspection, no deviation or unresolved items were identified.

D. Audits

1. Objectives

- a. To ascertain that procedures have been prepared and approved by the company to prescribe a system for auditing which is consistent with the commitments of the QA Program.
- b. To determine that the audit procedures and schedules are being properly and effectively implemented by the company.

2. Method of Accomplishment

The preceding objectives were accomplished by:

- a. Review of the QA manual, Section XVIII Titled "Audits" to verify that:
 - (1) Procedures and policy documents identify organizations responsible for audits and define their responsibilities and authorities.
 - (2) Measures have been established to assure that auditors are independent of any direct responsibility for performance of activities which they are auditing.
- b. Review of Standard Operating Procedures (SOP) 004-13-85, Titled Audit of the ASME Nuclear QA Program.
SOP-004-3.4, Titled Qualification of Auditors and Lead Auditors.

- c. Review of proposed audit schedules.
- d. Review of proposed audit check lists.
- e. Provisions exist for reporting on the effectiveness of QA Program to responsible management.

3. Findings

The vendor has established an audit program but it has not as yet been implemented. This area will be reviewed during a subsequent inspection.

E. Exit Interview

The inspector met with management representatives (denoted in paragraph A.) at the conclusion of the inspection. The inspector summarized the scope and findings of the inspection. The management representatives had no comment in response to the items discussed by the inspector.

The inspector reviewed the format to be used by the company when responding to inspection findings which require corrective action to be initiated.