

RTE DELTA

May 5, 1980

United States Nuclear
Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76012

Attention: Uldis Potapovs

Reference: Inspection Report #99900703/80-01

Gentlemen:

Replying to your inspection report, we offer below our comment/
corrective action, preventive measures as appropriate.

- 1) Corrective action with regard to Notice of Violation -
Implementation of 10CFR21, Chapter 1 of Title 10,
Code of Federal Regulation.

Written procedure for compliance with Part 21, Chapter
1 of Title 10. Code of Federal Regulation is currently
being prepared and will be implemented by May 31, 1980.

1a) Preventive Measures

By order of the General Manager, any new regulation applied
retroactively to existing orders in house will be evaluated
and implemented within 30 days from notification -- effec-
tive immediately. Responsibility lies with the Manager of
Quality Assurance.

Explanation:

The 10CFR Part 21 regulation was imposed on us by our
customer retroactively anywhere from 2 to 4 years after
accepting the order. That resulted in a lengthy discussion
with the customer how to implement this regulation where
about 90% of the order was shipped prior to issuance of
10CFR21 by the NRC. On October 19, 1978, the NRC issued
amendments regarding basic components thus exempting all
our buyouts from reporting, since all components used in
our switchgear are "off the shelf" items with no unique
design or specification requirements. Each switchgear
was fully tested and accepted by the customer's Q/A
representative. We therefore feel our shipped product
fully complied in all respects with the specification,
and no harm was caused to anyone or faulty products shipped.
We ask for your leniency in enforcing the 10CFR21. We
would like to assure you that our non-compliance was not
intentional.

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It is our intention not to ship any nuclear order prior to implementing 10CFR21.

2) Corrective Action with Regard to Notice of Deviation.

- a) Shortly prior to your inspection, a man was added to our Quality Assurance Dept. to prevent similar oversights. With better staffing, we will spend more time and effort in reviewing all our documents.
- b) Meeting was held with all quality personnel and the necessity of signing off and dating of all documents was stressed. Again, the added man -- a Quality Assurance Supervisor was charged with responsibilities of good housekeeping, documentation and continuous checking of inspector's performance.

Detail Section:

Item C: See Corrective Action #1
(Implementation of 10CFR21)

Item D: Quality Assurance Program

Db1 Unresolved Items

Corrective Action:

The Quality Assurance Manual to be revised by May 31, 1980 - the word "Production" will be deleted from the sentence "Production Test Equipment." There is no such equipment. The only test equipment is in the Quality Assurance Dept. for testing the finished product.

Db2 Unresolved Items

Corrective Action:

The Quality Assurance Manual shall be revised by May 31, 1980 to show current audit procedures aligned to the eighteen (18) criteria of 10CFR50, Appendix B.

Item E: Change Control - see Corrective Action under Item #2, Notice of Deviation, Item A.

Item F: Manufacturing Process Control -- see Corrective Action under Item #2, Notice of Deviation, Item B.

Unresolved Item:

The Quality Assurance Manual shall be revised by May 31, 1980 so the text of the manual and headings of In Progress Inspection Sheet will jibe.

We hope that our corrective actions will be satisfactory, and we will be forwarding to you necessary revised pages of our QAM no later than the first weeks of June.

Sincerely,

RTE-DELTA CORP

D. R. Prochazka

Danny R. Prochazka
Quality Assurance Manager

cc H. C. Schmidt, Jr.
Acting General Manager