



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

31 DEC 1979

Docket No. 99900216/79-01

Tubeco, Inc.
Attn: Mr. L. Katz
Director, Quality Assurance
123 Varick Avenue
Brooklyn, N.Y. 11237

Gentlemen:

Thank you for your letter of August 24, 1979, in response to our letter, dated June 18, 1979, with an enclosure. As a result of our review of your letter, we have no further questions relative to Deviation Notices A.3, A.4, D, F, K, L, S.2, Q and X.1 and will review your corrective actions and the implementation of steps to preclude recurrence during a subsequent inspection. However, regarding the remaining Deviation Notices we do not agree with some of your responses, corrective actions, and steps to prevent recurrence of the stated deviation as outlined in an enclosure to this letter.

We therefore request that you carefully review the information contained in this enclosure and be prepared to discuss the stated concerns with the Vendor Inspection Branch Management during the next inspection of your facility.

This inspection will be scheduled in early 1980 and will include the review of specific information which you may choose to present in support of the positions stated in your August 24, 1979 letter and a discussion with your management of our concerns regarding the implementation of your Quality Assurance Program.

We will contact you by telephone to arrange a mutually acceptable date for this inspection meeting.

In addition, we request that after review of our concerns, as outlined in the enclosure to this letter, you respond in writing the actions that have been and/or will be taken, as necessary, to alleviate these

8006190362

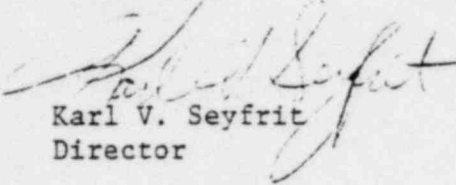
Tubeco, Inc.

2

concerns. Please provide this additional information within twenty (20) days in order that we may complete our review in a timely manner.

If you have any questions concerning this letter we will be pleased to discuss them with you.

Sincerely,



Karl V. Seyfrit
Director

Tubeco, Inc.
Docket No. 99900216/79-01

ENCLOSURE

For your convenience, the referenced paragraph numbers correspond to those used in your August 24 letter.

Deviation Notice A

Concerning your response to parts A.1 and A.2 of Deviation A of your letter, we continue to consider these two items to be deviations from commitments. Consequently, we are readdressing parts A.1 and A.2 of the enclosure of our June 18 letter as follows:

Section P-T of NQAM, paragraph P-1-7 references Procedure No. G-101 . . . Traveler Documentation.

A.1 Tubeco Procedure G-101, paragraph 2.1.4 and 2.1.5 states:

"2.1.4 Every location/operation space shall be filled in. If no data is required N/A shall be entered.

2.1.5 After every entry the bay inspector shall place his clock # in the TI column (30).:

Please address finding A.1 in accordance with the above requirements of your Quality Assurance Program.

A.2 Tubeco Procedure G-101, paragraph 2.3.3 states:

"2.3.3 In the spaces marked 12 & 13 record the Welder's Clock # and the procedure that is employed (e.g. 71 SM-1, 121 GT-8) for both the root pass and the filler weld. It is not necessary to record the revision number of the procedure, but the inspector shall verify that the proper revision has been used."

Please address finding A.2 in accordance with the above requirements of your Quality Assurance Program.

Deviation Notice B

We continue to consider this item to be a deviation from commitments and feel that your disagreement and statement that this should not be a deviation may reflect misunderstanding of our statement of facts in the enclosure. Consequently, we are providing additional information as follows: ASME Boiler and Pressure Vessel Code, Section III, Division, page V.

Foreward, states in part,

" . . . Manufacturers and users of components are cautioned against making use of revisions and Cases that are less restrictive than former requirements without having assurance that they have been accepted by the proper authorities in the jurisdiction where the component is to be installed."

In view of the above information, we request that you reevaluate your position with respect to this deviation and provide us with information to assure us that the above requirements have been satisfied.

Deviation Notice C

Additional review on our part relative to the circumstances associated with Deviation Notice C, coupled with evaluations of the comments of your August 24 letter indicates that the drawings (8766 and 8769, J.N. 312261) were Class 2, not Class 3 as stated in your response. We have also determined that the stated deviation was a generic problem in that one Class 1 component was observed that had temporary attachment welds, which had been removed and LP reports were not attached to the traveler for this component. Therefore, please provide a description of the steps that have been or will be taken to correct this deviation, a description of steps that have been or will be taken to prevent recurrence and the date your corrective actions and preventive measures were or will be completed.

Deviation Notices E, G, and H

Concerning your response to Deviation Notices E, G, and H of the enclosure, please identify how the referenced training was documented to provide an auditable record of corrective actions.

Deviation Notice G

Concerning your response to Deviation Notice G of the enclosure, we continue to consider this item to be a repeat deviation from commitments and feel that your disagreement and statement reflect misunderstanding of our statement of facts in the enclosure. The deviation was written relative to the bay inspector not verifying that the specified procedure was used. The bay inspector used the QC copy of the drawing, which is designated as the control document and was not modified by Engineering to permit an alternate procedure. In addition, there was no documented evidence of any actions taken by the bay inspector.

Please provide us with information to verify that the specified procedure was used and how any actions taken by the individual were evaluated and documented.

Deviation Notice I

Concerning your response to Deviation I of the enclosure, we continue to consider this item to be a deviation from commitments and feel that your disagreement and statement that this should not have been reported as a deviation, may reflect misunderstanding of our statement of facts in the enclosure. Consequently, we are readdressing deviation notice I of the enclosure to our June 18 letter as follows:

Improper acceptance of a product in violation of the ASME Code by other parties, while of significant concern to us, does not relieve Tubeco of its responsibilities relative to control of purchased materials.

Your response shows an apparent failure on your part to recognize your responsibilities as an ASME Certificate Holder. Your response does not provide measures relative to either resolution of the specific affected material, or determination of quantitative actions to assure future adequacy of procurement control activities.

Please respond, accordingly, in a manner consistent with the observed finding.

Deviation Notice J

Please provide information on how your stated instructions were documented to provide an auditable record of corrective action.

Deviation Notice M

Your response to this item is incomplete, in that the response does not fully assure procedure qualification heat treatment times will be at least 80% of the maximum time applied to component weld material. Your QA program and staff have failed to provide programmatic postweld heat treatment controls, that will assure compliance with the stated ASME Code requirement. Please describe what actions will be taken with respect to review of production heat treatment time relative to applicable qualifications.

Deviation Notice N

Additional review on our part to the circumstances associated with Deviation N, coupled with evaluation of the comments for this item in your letter of August 24 substantiates that a furnace operator did not comply with heating rate instructions provided to him by a Furnace Inspector. Our further evaluation indicates that if the 25°F conservatism committed by your August 24 response was used, the furnace temperature control system would appear to be functioning improperly, which was not addressed in your response. It is expected that a furnace operator would be aware of actual heating rates during a heat treatment cycle and would take appropriate actions, when discrepancies were observed. You are requested to reevaluate the deviation as stated in our enclosure of

June 18 and provide appropriate corrective actions and steps to preclude recurrence.

Deviation Notice O

Concerning your response to Deviation Notice O of the enclosure, we continue to consider this item to be a deviation from commitments and feel that your disagreement and statement that this should not have been reported as a finding, may reflect misunderstanding of our statement of facts in the enclosure. Consequently, we are readdressing item O of the enclosure to our June 18 letter as follows:

It is the NRC position that your current postweld heat treatment practice is inconsistent with both the wording of your Nuclear Quality Assurance Manual (as written at the time of the last inspection-February 12-16, 1979) and the requirements of the ASME Code. Use of a refractory filled pipe, in our judgement, does not provide a viable means of reliable component temperature measurement, in that the thermocouple (if in contact with the pipe wall) will register the highest area environment temperature and not necessarily component temperature. We also fail to understand how such an arrangement could provide the contact required by the ASME Code, if the option using blocks is exercised.

It should also be repeated that the NRC inspector both observed these refractory filled pipes at the mid-width position of the furnace and was verbally informed by Tubeco personnel that this area was the standard practice.

All future post weld heat treatment cycles performed using this practice will be regarded as a being in violation of the ASME Code, until technical adequacy can be positively demonstrated.

It is requested that a reevaluation of this deviation be made and appropriate actions developed. You are also requested to provide a written statement from your Authorized Inspection Agency relative to their position on this practice.

Deviation Notice P

You have not related to item P of our June 18 enclosure, in that you have not indicated steps you have taken, or plan to take, to prevent recurrence of these deviations. Please provide a complete statement of the programmatic actions that you will take relative to this repeat deviation, that will provide necessary definition of post weld heat treatment practice and will assure that controls and personnel responsibilities have been established and that these will be adhered to during heat treatment of ASME Code components.

Deviation Notice R

Concerning your response to Deviation R of the enclosure, we continue to consider this item to be a deviation from commitments related to external audits not being performed by auditors qualified in accordance with Tubeco Procedure G-103.

Your response does not provide corrective action, or actions to preclude recurrence, and the dates by which these actions will be completed. Your commitment for written examination became effective in December 1978. The Audit Qualification Examinations and Auditor Certifications for four (4) Tubeco personnel were dated February 8, 1979. Four (4) external audits were performed after the commitment became effective (between January 18 and February 6, 1979) but prior to the examination and qualification dates of the personnel performing the audit.

Deviation Notice S

Concerning your response to Deviation S of the enclosure, we continue to consider this item to be a deviation from commitments and feel that your disagreement and statement that this should not have been reported as a deviation, may reflect misunderstanding that your performed assessment is contrary to your specific commitments delineated in your NQAM which was accepted by ASME on December 18, 1978, and was addressed in Section III, paragraph C.3.a.(1) of the Inspection Report. Please provide your corrective action, your actions to preclude recurrence, and the dates by which these actions will be completed.

Deviation Notice T

Please identify the dates on which the stated corrective action measures were taken.

Deviation Notice U

For your information, our records regarding part 1 of this deviation, show that NCR 214, was initiated as a result of a Deficiency Report (DR) dated December 14, 1979. This DR stated: "Action required - (1) Remove lamination; (2) PT examine; (4) Grind Smooth; (5) PT examine; (6) RT (radiographic examination)." This was authorized by the Director, QA, on December 14, 1978. NCR 214 was then initiated on December 15, 1978, with Final QA Acceptance.

As stated in Details Section III, paragraph D.3.a of our June 18 enclosure, if welding and/or NDE is required, then Form ZQO (repair traveler) will be prepared. This becomes a permanent part of the traveler. The CQE shall review the documentation and indicate acceptance by signing and dating the NCR. As noted above, the final QA acceptance, was signed and dated December 15, 1978.

However, at the time of the NRC inspection, no repair traveler relative to NCR 214 was made available to substantiate the repair operations and the NCR Log (Procedure G-107, paragraph 3.4) showed the NCR to still be open. In addition, please identify the manner in which the training sessions will be documented, and the dates by which the training will be conducted.

Deviation Notices V and W

Please identify the dates by which the forms and procedures will be reviewed and revised, and also the dates and the manner in which you will conduct and document the training session(s).

Deviation Notice X

Please indicate the manner in which the instructions will be documented and the dates by which they will be given. Also, provide the date when procedure W-602 will be revised.

Deviation Notice Y

Your response to this deviation failed to recognize that the deviation dealt with two (2) lots of 7018, 1/8" electrodes that were located in the same storage oven. You addressed only part of the deviation; therefore, your response is incomplete and is not accurate. Please respond to the entire deviation, including the 1/8" type 7018 electrodes, heat number 421G9521, MTN 8K7895D, lot number PPP-045 that were also observed to be stored in the oven. In addition, please identify the date(s) by which Procedure W-602 will be revised.

In our review we believe that you inadvertently added a six (6) to the "New MTN (9B2666-1)" in part 3 of your comment.

Please provide additional information as required in your response as outlined in the cover letter to this enclosure.