



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

18 JUN 1979

Central File

Docket No. 99900216

Tubeco, Inc.
ATTN: Mr. L. Katz
Director, QA
123 Varick Avenue
Brooklyn, New York 11237

Gentlemen:

This refers to the QA Program inspection conducted by Mr. H. W. Roberds of this office on February 12-16, 1979, of your facility at Brooklyn, New York, associated with the fabrication of nuclear piping assemblies and to the discussions 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 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 this inspection it was found that the implementation of your QA Program failed to meet certain NRC requirements as indicated in Enclosure No. 1, Notice of Deviation.

This letter is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires that Tubeco, Inc., submit to this office, within twenty (20) days of receipt of this letter, a written statement or explanation in reply including: (1) a description of steps that have been or will be taken to correct the identified items, (2) a description of steps that have been or will be taken to prevent their recurrence, and (3) the dates your corrective actions and preventative measures were or will be completed.

The findings in the attached Inspection Report (Enclosure No. 2), as well as the findings in inspections conducted prior to February 12-16, 1979, indicate

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instances which are repetitive or similar to those which had been identified during these previous NRC inspections. A listing of the items of deviation identified in inspections conducted from June 2-4, 1976, through February 16, 1979, is contained in Enclosure No. 3 to this letter.

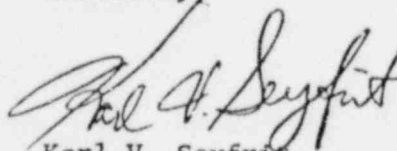
In addition to your response to the specific items of deviation in Enclosure No. 1, please provide a written explanation concerning Tubeco's failure to implement effective corrective and preventive actions that has resulted in the conditions existing as described in Enclosure No. 3, and the steps you plan to take to assure timely and effective implementation and completion of corrective and preventive actions committed in future and previous reports to the NRC.

The enforcement actions available to us in the execution of our regulatory responsibilities include administrative actions in the form of written notices describing the deviations. If a vendor fails to be responsive to correspondence identifying deviations, a letter will be issued, after notice to the vendor of such intent, to the effect that the products manufactured and/or fabricated by the vendor must be subjected to such corrective action by each licensee/client as necessary to assure, to the NRC's satisfaction, that all identified areas of concern have been corrected and that the parts, components, and services meet the standards and requirements of the products as specified by Regulatory requirements and licensee commitments, including industry codes, ASME Codes, purchase order requirements and other standards as applicable. Failure of the licensees to take necessary action will result in the application of enforcement sanctions against the licensees. This letter constitutes such notice to Tubeco, Inc.

While in and of themselves the items of deviation identified in Enclosure No. 1 and No. 3 do not present an immediate threat to the health and safety of the public, we wish to reiterate the necessity for taking prompt and effective management action to assure full compliance with NRC requirements in the future and to correct the items of deviation identified during the February 12-16 inspection. If such assurance is not forthcoming, we plan to forward these concerns to NRC Headquarters for further action with the respective licensees.

If you have any questions concerning the conditions expressed in this letter, we will be pleased to discuss them with you.

Sincerely,



Karl V. Seyfrid
Director

Enclosures:

1. Notice of Deviation
2. Inspection Report No. 99900216/79-01