



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
511 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76011

20 JAN 1981

Docket No. 99900308/80-02

ACF Industries, Inc.
WKM Valve Division
Attn: A. Williamson
Director of Operations
16500 South Main Street
Missouri City, Texas 77459

Gentlemen:

This refers to the special inspection conducted by Mr. D. F. Fox and Mr. W. D. Kelley of this office on August 25-28, 1980, of your facility at Missouri City, Texas, associated with the manufacture of ASME "N" Class 1, 2, and 3 valves and to the discussion of our findings with you and members of your staff at the conclusion of the inspection, and to the subsequent meeting with Mr. R. V. Hopkins in the NRC Region IV office in Arlington, Texas, on September 4, 1980.

This special inspection was a continuation of a special inspection conducted at Babcock & Wilcox (B&W) on July 8-11 and August 6-9, 1980, and also was 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 during the special 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.

During this inspection it was found that you failed to meet certain 10 CFR Part 21 requirements. The specific findings and references to the pertinent requirements are summarized in the enclosed Notice of Violation.

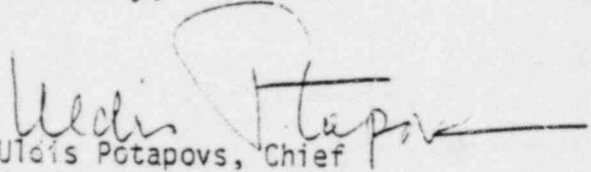
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This Notice of Violation is sent to you pursuant to the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. However, your staff provided the information required by Section 2.201 during our September 4, 1980 meeting and in your letters of September 16, 1980, and October 15, 1980, and no further written response is required concerning the enclosed Notice of Violation.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter with enclosure and your reply, if any, 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 a written application within twenty (20) 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,


Uldis Potapovs, Chief
Vendor Inspection Branch

Enclosures:

1. Notice of Violation
2. Inspection Report No. 99900308/80-02