AUG 1 9 1982

Docket No. 99900764/82-01

Sandvik Special Metals Corporation ATTN: J. A. Lindberg President and General Manager P. O. Box 6027 Kennewick, WA 99336

Gentlemen:

This refers to the inspection conducted by Mr. Wm. McNeill of this office on April 6-8, 1982, of your facility at Kennewick, Washington, associated with the manufacture of fuel tubing and to the discussions of our findings with you and members of your staff at the conclusion of the inspection. The results of this inspection are contained in Appendix B to this letter.

This inspection was made as a result of an inquiry by the Nuclear Regulatory Commission of allegations pertaining to the implementation and effectiveness of the QA program used by Sandvik Special Metals Corporation in the manufacture of fuel tubing. This inquiry was conducted on October 26-28, 1981, by Mr. D. D. Driskill of this office. Results of this inquiry are presented in Appendix D.

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 the inspection it was found that the implementation of your QA program failed to meet certain NRC requirements. The specific findings and references to the pertinent requirements are identified in the enclosures to this letter.

Please provide us within 30 days from the date of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct the items; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures were or will be completed. Consideration may be given to extending your response time for good cause shown.

The response requested by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511. RIV

CI:R&CPS S WMMcNeill/rf I 8/18/82 8

SC: R&CPS IBarnes 8/ 19/82 BC: VPB UPotapovs 8/19/82 D: IES 10 EHJohnson 8/14/82

RA: RIV JICollins 8//9/82

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In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you (a) notify this office by telephone within 10 days from the date of this letter of your intention to file a request for withholding; and (b) submit within 25 days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than 7 days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld, and which contains a full statement of the reasons on the basis which it is claimed that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, 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 Programs Branch

Enclosures: 1. Appendix A - Notice of Nonconformance 2. Appendix B - Inspection Report No. 99900764/82-01 3. Appendix C - Inspection Data Sheets (6 pages) 4. Appendix D - Results of Inquiry bcc: IE Files AEOD QAB NRC:PDR Reg. Administrators, I, II, III, IV, V EHJohnson, RIV