

Docket File



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DEC 19 1990

Docket No: 99901205/90-01

Mr. Barry L. Taylor, General Manager
Hoke Incorporated
899 Simuel Road
P.O. Box 4866
Spartanburg, South Carolina 29303

Dear Mr. Taylor:

This letter refers to the inspection conducted by Messrs. Steven M. Matthews, Larry L. Campbell, and Michael Glasman of this office on September 17-20, 1990 at your Assembly and Test Facility in Spartanburg, South Carolina and the discussion of the findings with you and your staff at the conclusion of the inspection.

The inspection was conducted to assess the control of materials, special processes, valve assembly and test, and implementation of the Hoke Incorporated (HI) quality program in selected areas. Areas examined during the inspection and our findings are discussed in the enclosed report. This inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspectors. The assessment was determined through performance-based reviews of these areas.

The most significant inspection finding was the failure of HI to address in procedure HQI-147, "Reporting of Defects and Noncompliance," Revision B, dated April 19, 1989 the complete scope of deviations, as defined in 10 CFR Part 21, that would require HI to either perform an evaluation or inform the licensee or purchaser of the deviation in order that the licensee or purchaser may cause the deviation to be evaluated. The HI procedure described above limited the definition of a deviation to only those nonconformances affecting the pressure boundary integrity of a safety-related component. HI failed to provide for deviations, defined in Section 21.3, "Definitions," of 10 CFR Part 21 as a departure from the technical requirements included in a procurement document. A departure from the technical requirements included in a procurement document is not limited as HI procedure HQI-147 had to only nonconformances affecting the pressure boundary integrity of a safety-related component. Deviations that affect non-pressure boundary components, such as valve actuators and stems can create a substantial safety hazard. The safety significance of this condition is that HI may have failed to evaluate or inform licensees or purchasers of all deviations, as required by 10 CFR Part 21.

In accordance with the "General Statement of Policy and Procedure for Nuclear Regulatory Commission (NRC) Enforcement Actions," 10 CFR Part 2, Appendix C (1990), Violation A (90-01-01) described in the enclosed Notice of Violation has been classified as a Severity Level IV violation because limiting the scope of what can be considered a deviation constitutes a procedural violation associated with 10 CFR Part 21 with more than minor safety significance.

IE09
IDR-13

NRC FILE CENTER COPY

99901205/90-01

9101020027 901219
PDR GA999 EMVHOKE
99901205 PDR

Barry L. Taylor

-2-

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice of Violation when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice of Violation, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

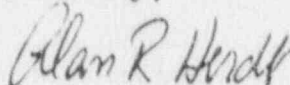
During this inspection it was found that the implementation of your quality program failed to meet certain NRC requirements and resulted in the identification of several nonconformances. The inspection identified that, contrary to HI procedures, engineering activities failed to adequately control the design of basic components in order to assure compliance with the requirements of the American Society of Mechanical Engineers (ASME) Code Section III, the licensee's design specification, and manufacturing and assembly processes that are essential to the safety-related function of the components. The specific findings and references to the pertinent requirements are identified in the enclosed Notice of Nonconformance.

Please provide us within 30 days from the date of this letter a written statement with respect to this Notice of Nonconformance containing: (1) a description of steps that have been or will be taken to correct these 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. We will consider extending the response time if you can show good cause for us to do so.

The responses requested by this letter are 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. In accordance with 10 CFR Part 2.790, of the Commission's regulations, a copy of this letter and its enclosures will be placed in the NRC's Public Document Room. In addition, a copy of this report will be forwarded to ASME for their review and information.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



Alan R. Herdt, Acting Chief
Vendor Inspection Branch
Division of Reactor Inspection
and Safeguards
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A-Notice of Violation
2. Appendix B-Notice of Nonconformance
3. Appendix C-Inspection Report No. 99901205/90-01

cc: See next page

Barry L. Taylor

-3-

cc: Melvin R. Green, Executive Director
Codes and Standards
American Society of Mechanical Engineers
345 East 47th Street
New York, New York 10017

DEC 17 1990

Barry L. Taylor

-2-

specified in the enclosed Notice of Violation when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice of Violation, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

During this inspection it was found that the implementation of your quality program failed to meet certain NRC requirements and resulted in the identification of several nonconformances. The inspection identified that, contrary to HI procedures, engineering activities failed to adequately control the design of basic components in order to assure compliance with the requirements of the American Society of Mechanical Engineers (ASME) Code Section III, and the licensee's design specification, and manufacturing and assembly processes that are essential to the safety-related function of the components. The specific findings and references to the pertinent requirements are identified in the enclosed Notice of Nonconformance.

Please provide us within 30 days from the date of this letter a written statement with respect to this Notice of Nonconformance containing: (1) a description of steps that have been or will be taken to correct these 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. We will consider extending the response time if you can show good cause for us to do so.

The responses requested by this letter are 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. In accordance with 10 CFR Part 2.790, of the Commission's regulations, a copy of this letter and its enclosures will be placed in the NRC's Public Document Room. In addition, a copy of this report will be forwarded to ASME for their review and information.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

LSI
Alan R. Herdt, Acting Chief
Vendor Inspection Branch
Division of Reactor Inspection
and Safeguards
Office of Nuclear Reactor Regulation

Enclosures:

- 1. Appendix A-Notice of Violation
- 2. Appendix B-Notice of Nonconformance
- 3. Appendix C-Inspection Report No. 99901205/90-01

DISTRIBUTION

DRIS R/F	BKGrimes	LLCampbell	SMMatthews	UPotapovs	Docket File ✓ <i>FDR</i> ✓
VIB R/F	AHerdt	MGLasman	BDLiaw		

* see previous concurrence

Document Name: HOKE INCORPORATED LETTER

OFC	:VIB/DRIS	:VIB/DRIS	:VIB/DRIS	:VIB/DRIS	:VIB/DRIS	:DRIS/NRR	:DRIS/RRR
NAME	:SMMatthews	:LLCampbell	:MGLasman	:UPotapovs	:AHerdt	:BDLiaw	:BKGrimes
DATE	:12/04/90*	:12/04/90*	:12/19/90	:12/7/90	:12/7/90	:12/7/90	:12/11/90 <i>mkem</i>