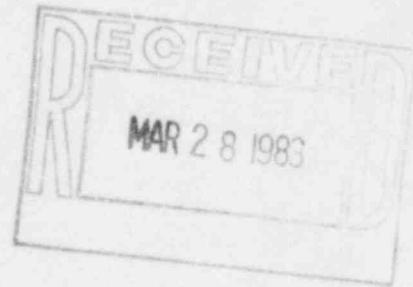


Wilson Avenue  
P.O. Box 517  
Hanover, PA 17331  
717/637-8911

March 21, 1983

United States  
Nuclear Regulatory Commission  
Region IV  
611 Ryan Plaza Drive, Suite 1000  
Arlington, TX 76011

Attention: Uldis Potapovs, Chief  
Vendor Program Branch



Gentlemen:

The following actions have been taken to correct the Violation and Non-Conformances found during the NRC inspection of Alloy Rods, Inc., Quality Assurance Program by Mr. J. T. Conway, January 24-28, 1983.

#### Violation

- 1) Copies of 10 CFR Part 21 dated September 1, 1982, and Section 206, have been posted in six (6) locations throughout our manufacturing facility. (Corrective action completed March 3, 1983)

To prevent recurrence, this requirement will be a vital checkpoint during future internal Quality Assurance audits.

#### Non-Conformances

- A. (1) The Quality Technicians have been given examinations relative to their prescribed duties and the results have been documented by Quality Assurance. All new Quality Technicians will be subjected to the same training and examination program. (Corrective action completed March 18, 1983)
- A. (2) Para. 2.2.1 of QA-3 requires periodic training sessions to applicable participating departmental personnel, informing them of code revisions. Quality Technicians and Inspectors are not classified participating departmental personnel, (as identified in para. 3.1 through 3.10 of QA-3) and therefore, this is not considered by Alloy Rods to be a non-conformance.



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B. Process Engineering Procedures

The four (4) non-conformances found in our Process Engineering procedures have been corrected (completed March 18, 1983) and are now in compliance with our Quality System Program.

C. Compliance with Section 11.0 of Procedure QC-9000

All future purchase orders for Calibration Services will include a statement of our System requirements. Present orders have been revised to include the statement (completed March 16, 1983).

D. The Starrett dial gauge at the front end inspector's station was there only as a temporary tool for a Process Engineering Study. The problem was resolved and the dial gauge is no longer at this station.

A dial gauge (calibrated and serialized) is permanently located at the extrusion press on this production line for coating concentricity control.

In the future, all measuring equipment used on a temporary basis, will conform to our standard calibration procedure.

E. The present Stainless Coated Electrode Processing Procedure states that electrodes are to be checked for concentricity at both ends. Checking the electrode at one place only, as noted during the audit, was a non-conformance. Electrodes are now being checked at both ends to conform to our procedure.

Process Engineering and Quality studies indicate that concentricity checks at one location only are adequate in determining coating concentricity. The Process Engineering procedure will be revised, changing two checks per electrode to one check per electrode. (Revision scheduled to be completed by April 30, 1983.)

F. (1) The internal QA Audit of the Order Analysis Section was not completed in October, 1982 as scheduled due to a strike by the production workers at that time. The audit for this Section was performed on January 12, 1983. We were in error in delaying this audit until the end of the strike. Future audits will be performed as scheduled.

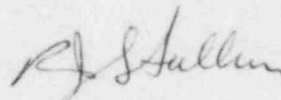
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- F. (2) The results of the QA Audit conducted January, 1983 was reported to the President of the Division, as stated in paragraph 4.1 of QA13. Copies of the report were distributed to the Plant Manager, General Foreman and QA Manager; however, their names were not listed on the report as receiving copies. This report has been reissued (March 14, 1983) and now includes the names of the above personnel on the distribution list.

To prevent recurrence of the above non-conformances, special attention will be given to the areas during future internal audits.

Sincerely,



Richard J. Stallman  
QA Manager

RJS:jem  
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