APPENDIX A

Valley Steel Products Company Docket No. 99901019/85-01

NOTICE OF VIOLATION

As a result of the inspection conducted on November 20, 1985, and in accordance with Section 206 of the Energy Reorganization Act of 1974 and its implementing regulation 10 CFR Part 21, the following violation is identified and categorized in accordance with the NRC Enforcement Policy (10 CFR Part 2, Appendix C), 49 FR 8583 (March 8, 1984).

Section 21.21 of 10 CFR Part 21 dated May 31, 1984 states, in part, "(a) Each...corporation...subject to the regulations in this part shall adopt appropriate procedures to: (1) provide for; (i) evaluating deviations; or (ii) informing the licensee or purchaser of the deviation in order that the licensee or purchaser may cause the deviation to be evaluated unless the deviation has been corrected...."

Contrary to the above, appropriate procedures to evaluate deviations or inform the licensee or purchaser of the deviation did not exist (85-01-01).

This is a Severity Level V violation (Supplement VII).

8601030095 851231 PDR 0A999 EMVVI 99901019 PDR