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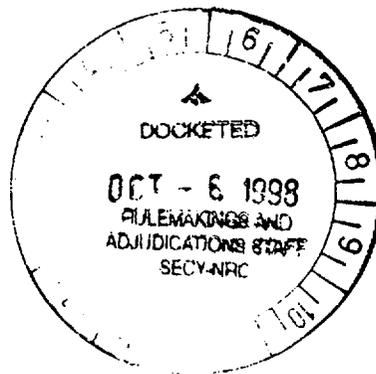
October 6, 1998

Secretary
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

Attention: Rulemakings and Adjudications Staff

Re: Proposed Rule
10CFR Part 72
RIN 3150-AF93

DOCKET NUMBER
PROPOSED RULE **72**
(63FR39526)



Gentlemen:

Precision Components Corporation, a leading fabricator of spent fuel storage and transportation packages, has reviewed your proposed rule and offers the following comments:

GENERAL

Most fabricators are never involved in the licensing process for spent fuel equipment. Fabricators typically provide equipment on a "build to print" basis in accordance with a specification package provided by the equipment designer. We certify that the equipment was manufactured in strict accordance with the technical and quality requirements. Fabricators usually agree to some defined warranty provisions relating to workmanship and materials, however, performance guarantees are not part of the contractual arrangements

As a fabricator, PCC is generally opposed to the potential of NOV's and penalties issued by the NRC. We typically have no responsibilities and involvement in developing the design configurations for the various spent fuel packagings. Further, we are audited by the licensee, designer and NRC for conformance with all applicable quality specifications. Our relationship with our customers (e.g. designer) is an arms length business relationship where our selection is based purely on our competitiveness in the marketplace.

SPECIFIC

Section 72.146 (a) and (b)

The most troublesome paragraph of the proposed rule is Section 72.146 (a) and (b). The current procurement process for spent fuel packagings intentionally precludes the involvement of the fabricator in the development of specifications, drawings, procedures and instructions that might strictly conform to the front end design

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and licensing activities. The fabricator currently bases his manufacturing planning documentation upon the adequacy of a customer provided specification package. For instance, the fabricator may or may not utilize customer provided drawings for manufacture. In case where the fabricator generates his own drawings, the designer and licensee might require their review and approval. Currently, there is no typical or common approach between the designers and licensees with regard to the development and approval of manufacturing documents.

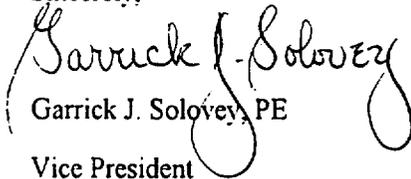
In summary, the fabricator develops a competitive pricing proposal based upon a designer provided specification/drawing package. He is requested to provide a firm fixed price proposal. This is generally the first time the fabricator sees this documentation and has had minimal previous interaction with the designer. Therefore, by the nature of this business and the method of procurement the proposed rule cannot be practically or effectively applied. The designer has typically avoided bringing in the manufacturer until he receives a firm contract from the licensee. On this basis, it becomes the responsibility of the designer to communicate the intent of the packaging requirements through the specification/drawing package to the eventually selected fabricator.

CLOSING REMARKS

PCC understands the intent of this proposed rule, but does not understand how the fabricator can be held to the same standards as the designer. The fabricator has very little influence over the design or licensing process. Furthermore, we find this to be a significant liability in cases where the designer can attempt to push their responsibility down to the fabricator. Specifically, a situation could arise where the designer has not completed a meaningful manufacturability and design review of his product. Finally, this market tends to be significantly price driven by the licensee forcing a vendor relationship between the designer and fabricator. This is a significant barrier to early communications and involvement by the manufacturer.

Please contact me with any questions.

Sincerely,


Garrick J. Solovey, PE
Vice President



Form PCC-ML-050490

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