

PROCEDURE FOR REPORTING
COMPLY IN RESPECT TO
REGULATION 19 CFR 21

PROCEDURE #NP-1-93

DATE: JANUARY 25, 1993



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PURPOSE

This procedure establishes the positive mechanism for initiating, evaluating, reporting to Ram's Responsible Officer and, in turn, reporting to the N.R.C. with the specified time limit any "Failures to Comply" with regulatory requirements, or "Defects" in "Basic Components" of a nuclear reactor facility that could create a "Substantial Safety Hazard."

DEFINITIONS

Basic Component - (When applied to Nuclear Power Reactors) It includes design, inspection, testing, or consulting services important to safety that are associated with the component hardware whether these services are performed by the component supplier or others. "Basic Component" goes down all tiers of the supply or procurement chain to all activities within the chain who have the capability to create a "Substantial Safety Hazard." "Basic Component" means a plant structure, system, component or part thereof necessary to assure:

The integrity of the reactor coolant pressure boundary

The capability to shut down the reactor and maintain it in a safe shutdown condition

The capability to prevent or mitigate the consequences of accidents which could result in potential offsite exposures comparable to those referred to in 10 CFR 100.11.

Defect - As applied to components for Power Reactors, is restricted to include those deviations in delivered components from technical requirements included in the procurement document that could, on the basis of an evaluation, create a "Substantial Safety Hazard." This also includes any condition or circumstance involving a basic component that could contribute to the exceeding of a safety limit as set forth in the operating license technical specifications.

Failure to Comply - Fails to comply with the Atomic Energy Act of 1954, as amended, or any applicable rule, regulation, order, or licenses of the N.R.C. relating to "Substantial Safety Hazards."

Substantial Safety Hazard - A loss of safety function to the extent that there is a major reduction in the degree of protection provided to the public health and safety. Criteria that are appropriate for determination of creation of a "Substantial Safety Hazard" include:

Moderate exposure to, or release of, licensed material.

Major degradation of essential safety-related equipment.

Major deficiencies involving design, construction, inspection, test, or use of licensed facilities or material.

To the extent that "Failures to Comply" or "Defects" in a security system can contribute to a "Substantial Safety Hazard" such "Failure" and "Defects" are within the scope of 10 CFR 21.

Deviation - A departure from the technical requirements included in a procurement document.

Operation - The operation of a facility or the conduct of a licensed activity which is subject to 10 CFR 21 and consulting services related to operations that are important to safety.

INITIATING THE REPORT OF A DEFECT OR FAILURE TO COMPLY

The initiating of the reporting of safety-related "Defect" or "Failure to Comply" shall be accomplished using the established nonconformance reporting system as outlined in our Quality Control Manual. Any Ram employee may initiate a Nonconformance Report by contacting the President or the Quality Control Manager if it is thought a safety-related "Defect" or "Failure to Comply" has occurred.

EVALUATION OF NONCONFORMANCE TO DETERMINE APPLICABILITY OF 10 CFR 21

All nonconformance shall be promptly routed to the Quality Control Manager, or his designee, to determine the applicability of 10 CFR 21, which shall be based on the following guidelines:

Determine the nonconformance is within the scope of a safety-related item as defined in our client's procurement document or as later established by Engineering.

Determine the nonconformance is on an item delivered to the purchaser for use. This would include items received and accepted from our suppliers and items shipped to our clients.

An item of hardware is not considered delivered to the purchaser until it is acceptable under receipt inspection, including review of vendor documentation.

Evidence shall be documented on the Nonconformance Report that 10

CFR 21 is, or is not, applicable and shall be initiated and dated by the Quality Control Manager, or his designee, with suitable explanatory notes if necessary.

This evaluation shall be accomplished in a timely manner, generally within 5 working days after receipt in Q.C. of the Nonconformance Report.

If it is determined that 10 CFR 21 is not applicable, the nonconformance shall be processed in its normal manner in accordance with our Quality Control Manual.

If it is determined that 10 CFR 21 is applicable, the nonconformance shall be promptly presented to the President, or his designee, for evaluation.

Evaluation

Evidence of the evaluation shall be documented on the Nonconformance Report or as an attachment to the Nonconformance Report, suitably referenced. The evidence shall follow the guidelines below:

- (A) Sufficient information to describe the deviation
- (B) An analysis of the effect of such a deviation, if used
- (C) A conclusion based on the analysis as to whether the deviation could create a "Substantial Safety Hazard." The conclusion shall be initialed and dated by the President, or his designee.

The Evaluation shall be completed within 10 working days after receipt of all necessary information. Not to exceed 60 days from the Discovery of the nonconformance.

If the Evaluation of the identified deviation or failure to comply potentially associated with a substantial safety hazard cannot be completed within 60 days from "Discovery" of the deviation or failure to comply, an interim report is to be prepared and submitted to the Commission through the director or responsible officer or designated person. The interim report should describe the deviation or failure to comply that is being evaluated and should also state when the evaluation will be completed. This interim report must be submitted in writing within 60 days of discovery of the deviation or failure to comply.

If it is determined that the "Failure to Comply" or "Defect" could

create a "Substantial Safety Hazard," it is imperative at this point that, in order to avoid the stiff civil penalties, the Responsible Officer be promptly notified in writing by the President, or his designee, with complete back-up information.

If it is determined that the "Failure to Comply" or "Defect" could not create a "Substantial Safety Hazard," the nonconformance shall be processed in its normal manner in accordance with our Quality Control Manual. The Responsible Officer shall receive a copy of the evaluation, but the N.R.C. does not have to be notified.

REPORTS BY THE DIRECTOR OR RESPONSIBLE OFFICER

The Director or Responsible Officer of Ram Forge & Steel, Inc. is the President.

The President may authorize an individual to provide notification to the N.R.C., but this shall not relieve him of his responsibility under 10 CFR 21.

The Responsible Officer shall notify the N.R.C. within two (2) calendar days, either verbally or in writing, after information is received from the Quality Control Manager that a nonconformance has been evaluated and it has been determined that a "Failure to Comply" or "Defect" exists that could create a "Substantial Safety Hazard."

Initial notification by facsimile, which is the preferred method of notification, to the N.R.C. Operations Center at 301-492-8187 or by telephone at 301-951-0550 within two days following receipt of information by the President or responsible officer on the identification of a defect or a failure to comply. Verification that the facsimile has been received should be made by calling the N.R.C. Operations Center.

A written report shall be submitted to the appropriate N.R.C. office within five (5) calendar days after the information is obtained.

Notification by the Responsible Officer to the N.R.C. within two (2) calendar days is of the essence. If the Responsible Officer knowingly and consciously fails to provide this notice, he will be subject to a civil penalty in an amount not to exceed \$5,000 for each failure to provide such notice and a total amount not to exceed \$25,000 for all failures to provide such notice occurring within any period of 30 consecutive days. Each day of failure to provide the notice shall constitute a separate failure for the purpose of computing the applicable civil penalty.

The information required on the written report shall include, but not be limited to, the following information to the extent known:

Name and address of the individual informing the N.R.C.

Identification of the facility, the activity, or the "Basic Component" supplied.

Identification of the firm constructing the facility or supplying the "Basic Component" which "Fails to Comply" or contains a "Defect." (The firm could very well be one of Ram's sub-suppliers, if Ram did the evaluating.)

Nature of the "Defect" or "Failure to Comply" and the safety hazard which is created or could be created by such "Defect" or "Failures to Comply."

The date on which the information of such "Defect" or "Failure to Comply" was obtained.

In the case of a "Basic Component" which contains a "Defect" or "Fails to Comply," the number and location of all such components in use at, supplied for, or being supplied for one or more facilities or activities subject to 10 CFR 21.

The corrective action which has been, is being, or will be taken; the name of the individual or organization responsible for the action; and the length of time that has been, or will be taken to complete the action.

Any advice related to the "Defect" or "Failure to Comply" about the facility, activity, or basic component that has been, is being, or will be given to purchasers or licensees.

Reports shall be submitted to the Director of the Region IV Office of the N.R.C. in five (5) copies and three (3) copies sent to the Director, Office of Inspection and Enforcement in Washington, D.C. Their addresses and phone numbers are as follows:

Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555
Phone 301-951-0550
Fax 301-492-8187

U.S. Nuclear Regulatory Commission, Region IV
611 Ryan Place Drive, Suite 1000
Arlington, Texas 76011

Phone 817-860-8100
Fax 817-728-8100

MAINTENANCE OF RECORDS

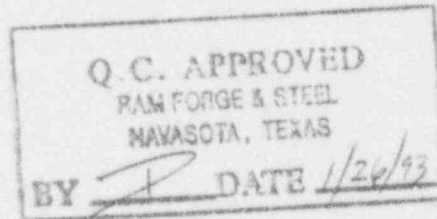
The maintenance of the 10 CFR 21 records shall be the responsibility of the Quality Control Manager.

The records necessary to assure all safety-related "Defects" or "Failures to Comply" have been evaluated in accordance with 10 CFR 21 shall consist of the conclusion of the evaluation stated on the Ram Nonconformance Reports and the Responsible Officer notifications to the N.R.C.

SOP 37

Minimum Wall Thickness--ELBOWS

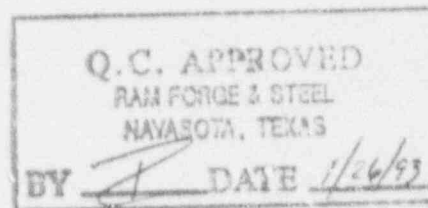
- 1) SCOPE This procedure is designed to prevent the inadvertant shipment of unde wall elbows.
- 2) FINISHING If any area of Production (ie. sandblasting, grinding) has any abnormal surface areas or requires excessive removal of surface area which could cause minimum wall thickness to become suspect, they are required to alert their department supervisor immediately. The supervisor will document the questionable area on the shop drawing attached to the shop order and initial. The department will then alert the Quality Control Department to disposition the piece in question.
- 3) EVALUATION The Quality Control Department will concur with management and agree upon available options to confirm that the wall thickness of the questionable piece is within the requirements of the fitting specification.
- 4) INSPECTION (A) The fitting will be inspected through the use of calibrated micrometers throughout the questionable areas and recorded on the "Certified Drawing" with attachments as required.
(B) If an unconfirmable situation still exists, the Quality Control Manager will see that a purchase order to our outside testing source is issued to confirm the actual wall dimensions throughout the area of concern.
- 5) DISPOSITION The fitting will be dispositioned per Section 22 of the Ram Q.C. Manual.
- 6) RECORDS Records will be per Section 25 of the Ram Q.C. Manual.



SOP 38

Nuclear Carbon Steel Elbows

Ram Forge & Steel, Inc. will require a UT wall thickness check on every ASME Section III CARBON STEEL light-wall elbow order. A purchase order will be issued per Section 12 of our Ram Q.C. manual, to our approved outside testing source. The results of this test will be part of the document package, subject to the requirements of Section 25 of our Ram Q.C. manual.



NO. A-87139

PURCHASE ORDER

RAM FORGE & STEEL, INC.

P.O. BOX 592
NAVASOTA, TEXAS 77868

DATE: January 20, 1993

REQUIRED: QUARTERLY

REF: FORGE SHOP FURNACES

TO: THERMO-TEMP INSTRUMENTS, INC.
813-A WOODCREST
HOUSTON, TEXAS 77018 PH. 695-1939

QUANTITY	DESCRIPTION	PRICE
	WORK ORDER FOR QUARTERLY CALIBRATION OF FORGE SHOP FURNACES & CHART RECORDERS	

NOTE: PURCHASE ORDER COVERS 1993 (ANNUAL)
10 CFR-21 APPLIES
10-CFR-50 APPENDIX B APPLIES
CALIBRATION CERTIFICATES MUST REFERENCE

CONF. TO CHUCK OSTERHAUS

BY: P. CRADDOCK