



PHOENIX STEEL CORPORATION

121 BRIDGE STREET
PHOENIXVILLE, PENNSYLVANIA 19460
(215) 935-5400

May 16, 1985

Mr. Edward T. Baker, III
Nuclear Regulatory Commission
Office of Inspection and Enforcement
Washington, D.C. 20555

Dear Ed:

Attached is a copy of the second letter sent from Phoenix to the nuclear tubular customers. This letter attempts to better define the extent of the light wall product and also explores the history of the product.

As you can see, the discovered conditions were not a significant proportion of the product shipped. We are continuing with our program of definition and the development of new inspection methods and feel strongly that the product will benefit.

Thank you for your valued assistance. Please contact me if I can provide any further information.

Sincerely,

Robert L. Brooks
Director Technical Services

RLB:ld

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PHOENIX STEEL CORPORATION

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May 9, 1985

Please reference my letter to you on March, 19, 1985 concerning the possible Phoenix Steel light wall tubular shipments as defined under 10CFR21 requirements.

We have now fully explored the claims referenced by the Nuclear Regulatory Commission and also detailed the other light wall claims for a significant period of production time. The attached information explains our results.

Table I shows the claims as discovered at one customer's as having been submitted and settled with Phoenix. Note that three of these are non-applicable: one for heavy wall (#1) and two for non-nuclear (#5 and #6). The balance of the claims resulted in 24' of rejection and replacement. All of this discovery occurred at a warehouse and we have never had a claim for nuclear material light wall at a site. Since all of the subject claims occurred in 1984, further investigation disclosed a total of 35'8" rejected for the entire year for nuclear light wall. Again, the total amount rejected was discovered at various warehouse inspection.

Table II details the results of the four items cited in the NRC report. These were assessed by minimum wall and actual wall found. The claims reports do not reflect the extent of the condition found, i.e., one area or an entire circumference, but mill experience indicates that only small areas of the circumference are normally found light with adjacent areas usually above the allowed minimum. Finally, the table shows the percentage below allowable minimum. Note that the most serious case was 5.5% below minimum and the least serious case was 0.8% below minimum, for an average below minimum of 3.1% for the total of the claims.

Table III describes the history of light wall field claims for the past six years. Due to record keeping changes, we cannot identify nuclear only, so the total percentage includes both commercial and nuclear light wall claims. Even with the commercial product included, the total history has always been less than 1/2 of 1% claims for light wall.

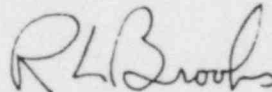
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In conclusion, we have established sizes, heat numbers and seriousness of the light wall conditions that were the subject of our 10CFR21 notification. All of these were discovered on warehouse inspection. We have also shown that nuclear light wall claims for 1984 represents a miniscule number and that combined nuclear and commercial claims for light wall product over the past six years is always less than 1/2 of 1% of total shipments.

Our evaluation of conditions now continue, and we are considering more severe inspection systems for nuclear product. We will keep you advised as we progress.

If there are any questions or comments, please address them to me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'RL Brooks', with a stylized, cursive script.

Robert L. Brooks
Director, Technical Services

RLB:tg

TABLE I
ORIGINAL CLAIMS DETAILS

	<u>Date shipped</u>	<u>Quality</u>	<u>Size</u>	<u>Heat No.</u>	<u>Details</u>
1.	10-83	SA106-B	8.625 x .322	83866, 94144	Heavy wall - used
2.	1-84	SA106-B	8.625 x .322	83965	Lt. wall .270" min.
3.	3-84	SA106-B	14.000 x .438	84282	Lt. wall .377" min.
4.	2-84	SA333-6	12.750 x .688	84166	Lt. wall .569" min.
5.	2-84	SA335-P5	8.625 x .322	51936	Non-nuclear Lt. wall .237" min.
6.	2-84	SA335-P5	8.625 x .322	51888	Non-nuclear Heavy wall - used
7.	3-84	SA333-6	12.750 x .688	84166	Light wall .597" min.

Total lost due to light wall = 24' (\$438)

(Two additional claims from 1981 were not identifiable because of lack of data and age).

Table II

ANALYSIS OF TABLE I CLAIMS

<u>No. *</u>	<u>Ordered Wall</u>	<u>Minimum Permitted</u>	<u>Minimum Found</u>	<u>% Below Minimum</u>	<u>Amount Lost</u>
2.	0.322"	0.282"	0.270"	4.3	15'
3.	0.438"	0.383"	0.377"	1.6	1'
4.	0.688	0.602"	0.569"	5.5	2'
7.	0.688	0.602"	0.597"	0.8	6'

*From Table I

The average percentage below permitted minimum was 3.1% for the above claims.

TABLE III
CLAIMS FOR LIGHT WALL

As % of Tons Shipped

1979	0.098
1980	0.189
1981	0.167
1982	0.486
1983	0.361
1984	0.122