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October 28, 1996

US Nuclear Regulatory Commission
Attn.: Document Control Desk
Washington, D.C. 20555

RE: Reply to a Notice of Nonconformance

Dear Mr. Gallo:

Listed below is the Commercial Union response to NRC inspection report 99900632 and notice of nonconformance 96-01.

Description of Nonconformance 99900632/96-01-01

The ANI diary entries for the inspection activities performed at Amer Industrial Technologies (Amer) for October 13, 1995, through June 17, 1996 did not for the most part, include the inspection results, the type of observations made, and the requirements that prompted the activity.

Corrective Action:

ANIS reviewed the NRC audit findings with the ANI assigned to Amer Industrial Technologies. The ANI bound diary was reviewed with reference to CU QA manual requirements. The ANI was instructed to be more specific about the types of inspections made and the verifications performed. The ANI will document his inspection results, the types of observations made and the requirements that prompted the activity in future entries in the bound diary.

Preventive Action:

The ANIS conducted a training session with the ANI assigned to Amer to discuss the findings from the NRC report with specific emphasis on the requirements of CU QA procedure 4.4.17 and ASME QAI paragraph 0-3.2.18. The Manager, Codes and Standards will conduct a training session at the next scheduled staff meetings to discuss the purpose and maintenance of the bound diary. The ANIS was advised to review the ANI bound diary during each semi-annual audit of the ANI. This activity will be completed by November 1.

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Description of Nonconformance 99900632/96-01-02-A

The ANI issued two monitoring reports to Amer that were not noted in the bound diary and that had been distributed without documenting Amer's resolution plan for the discrepancies or the completion date.

Corrective Action:

The ANIS investigated the two monitoring reports in question and found one (dated 1/10/96) was documented in the AI bound diary for non-nuclear inspections.

The ANI will cross reference his monitoring reports with the entries in the bound diary. Monitoring reports not documented in the bound diary will be entered at the current date.

Preventive Action:

The ANIS will discuss the proper procedure for the distribution and documentation of monitoring reports with the ANI assigned to Amer. The Manager, Codes & Standards will conduct a training session at the next scheduled staff meeting to discuss the proper documentation of monitoring reports and CU shop inspection procedure 3.4 and 7.1.

The activity will be completed by November 1.

Description of Nonconformance 99900632/96-01-02-B

The CU QA manual and shop inspection manual did not establish measures that all job specific monitoring reports are closed before the ANI certifies the ASME manufacturers data report and authorizes application of the ASME mark.

Corrective Action:

The ANI assigned to Amer will be instructed to review the ANI bound diary to verify that all job specific monitoring reports were closed out prior to the signing of ASME manufacturers data report forms.

Preventive Action:

The CU QA manual and shop inspection manual will be revised to more explicitly state that all job specific monitoring reports must be closed prior to signing the manufacturers data report form. The next revision to CU QA manual and shop inspection manual will be issued December 15, 1996.

Description of Nonconformance 99900632/96-01-03

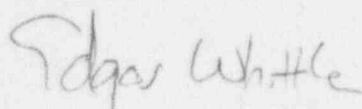
Commercial Union failed to describe, reference, or include activities and documents that are part of the quality assurance program implementation within the QA manual or the shop inspection manual for conducting the quality activities.

Corrective action:

The checklist used by the ANIS for the semi-annual nuclear shop audits and the semi-annual audit of ANI and the checklist used by the Manager, Codes & Standards to audit the ANIS activities, will be incorporated into the next revision of the CU QA manual.

An internal audit procedure was generated to document the internal audit of CU's QA program. The nuclear audit checklist will be referenced by that procedure and included in the forms section of the manual. The revised CU QA manual will be issued by December 15, 1996.

Very truly yours,



Edgar A. Whittle
Manager, Codes & Standards
Contract Inspection Services

EAW/mc

cc: Chief, Special Inspection Branch
Division of Inspection and Support Programs
Office of Nuclear Reactor Regulations