

C O R P O R A T I O N

June 30, 1978

United States Nuclear Regulatory Commission  
East West Towers Building  
4350 East/West Highway  
Bethesda, Maryland 20014

Attention: Mr. Norman C. Moseley, Director  
Division of Reactor Construction Inspection  
Office of Inspection and Enforcement

Subject: NRC Audit Findings  
Docket Number 99900017/78-01

Dear Mr. Moseley:

This letter is in response to your letter on the subject Docket dated May 22, 1978 and received by us May 26, 1978. We have contacted your Mr. Potapovs and requested and received a one-week extension on the time for our reply to give us time to further review our position with our Authorized Nuclear Inspection Agency.

Regarding the specific findings of your April 10-13, 1978 audit, we are attaching our response, including steps taken to correct specific deficiencies, action to be taken to preclude recurrence and dates on which these will be completed.

Your letter concludes that your findings indicate our program described in our Quality Assurance Manual is inadequately implemented. Actually, in reviewing the findings on an overall basis, we feel that in general our program was being implemented in accordance with our personnel's understanding and interpretation of same. However, our Manual as written was subject to differing interpretations. In many instances, the cause of the findings was resolved by changing the wording in our Manual.

We have concluded that in many cases our Manual has gone into too much detail in specific areas. For the past nine months we have had an extensive effort to supplement the Manual with detailed written procedures. During the balance of this year we will be completely reviewing and revising our Manual and hopefully simplifying it so it will not be subject to varying interpretations.

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United States Nuclear Regulatory Commission  
June 30, 1978

Your most recent audit included six findings where we did not meet previous commitments for the time when proposed corrective action would be finalized with written procedures. In most cases, the corrective action had been implemented but the written procedures not issued on time. The severity of this type of problem had not developed during previous audits. We had an unusual situation in late 1977 and early 1978 whereby our Quality Assurance personnel were extremely overloaded in resolving problems, developing new written procedures, etc., which caused us to miss these commitments. We reviewed with you at our May 8 meeting some of the general problem areas on which we were working, including a complete review and revision of our weld procedures and a review and substantial change in our interface relationship with our Authorized Nuclear Inspector.

To prevent this situation from recurring, we are adding an additional qualified Quality Assurance Engineer who will be available August 1, 1978. In addition, we are instituting a punch list of actions committed in response to Quality Assurance audits which will be monitored by Management to assure that commitments are processed and completed on time. If for any reason it is not possible to meet commitments as originally made, we will contact the organization involved in advance and a new commitment date established.

With the rapid expansion of our Quality Assurance Department in the past two years, we had become severely handicapped because of congested office facilities. We have recently completed new and expanded office facilities for this department and moved into the new space June 26, 1978. These new offices also incorporate an office for our Authorized Nuclear Inspector which will more readily permit close liaison with him and give him more ready access to our records.

In reviewing your most recent findings, we are particularly concerned with the fact that six of these represent honest differences of opinion between Dravo and the NRC Auditors as to whether the findings are in fact deficiencies. These specific findings are A, D, I, K, M, and Q. Two of these findings are repeat findings, namely K and M. In some cases we have taken corrective action to clarify or revise our Manual or procedures but in some we have indicated no specific corrective action. We do not mean to be unresponsive. If it would seem advisable to get together to resolve these differences of opinion, we would welcome the opportunity at your convenience.

Regarding the commitment of our Management to maintain a fully implemented, effective Quality Assurance Program, you can be assured that there is such commitment. As we discussed at our meeting May 8, it is most disturbing to me personally that apparently some of your audit personnel do not agree that we have been exerting substantial effort and achieving significant progress during the past year to resolve our problems and refine our program. Hopefully, the results of their next visit will prove convincing.

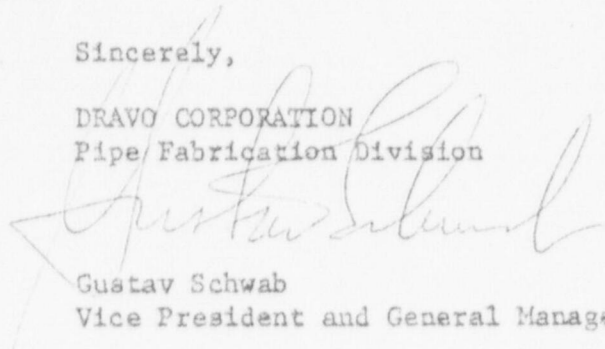
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United States Nuclear Regulatory Commission  
June 30, 1978

After you and your people have had an opportunity to review the details of our responses to your most recent findings, we would be pleased to get together to discuss any open areas.

Sincerely,

DRAVO CORPORATION  
Pipe Fabrication Division



Gustav Schwab  
Vice President and General Manager

GS:dr

Attachments

cc: Messrs.: U. Potapova  
D. M. Hunnicutt