

The date for this letter from the Japan Steel Works, LTD. (JSW) is
October 20, 2009

JSW
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ATTN : Document Control Desk,
U.S. Nuclear Regulatory Commission,
Washington, DC 20555-0001, U.S.A

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Page : 1 of 4

CC : Mr. John A. Nakoski,
Quality and Vendor Branch 2, Division of
Construction Inspection and Operational
Programs, Office of New Reactors


Subject : Reply to a Notice of Violation 99901364/2009-201-01
(NRC Vendor Inspection on July 8 – 10, 2009 at JSW)

We are pleased to stipulate our reply to the notice of violation in the following pages.

Your kind review would be highly appreciated.

Very truly yours,

Sept. 24, 2009



Prepared by
Deputy Manager of Quality
Assurance Group (QAG)

Sept. 24, 2009



Approved by
Manager of QAG.

<Content of the Violation>

Title 10, Section 21.21, "Notification of Failure to Comply or Existence of a Defect and Its Evaluation," of the Code of Federal Regulations (10 CFR 21.21), paragraph 21.21(a), requires, in part, that each individual, corporation, partnership, or other entity subject to 10 CFR Part 21, "Reporting of Defects and Noncompliance," shall adopt appropriate procedures to evaluate deviations and failures to comply associated with substantial safety hazards as soon as practicable.

In part, 10 CFR 21.21(d)(3)(i), requires that the responsible officer provide initial notification by facsimile to the NRC Operations Center at 301-492-8187 or by telephone at 301-951-0550, and that verification be made that the facsimile has been received by calling the NRC Operations Center.

10 CFR 21.21(d)(4), identifies specific information that shall be included in written notifications made to the NRC.

10 CFR 21.51 sets forth requirements for the maintenance of records related to 10 CFR Part 21 evaluations and notifications.

Contrary to the above, as of July 10, 2009, in-company Standard Procedure CSP-QA-15051, "Control Procedure of Reporting of Defects, Noncompliance, and Failures to Comply Pursuant to 10 CFR 21", Revision 5, dated January 19, 2009, did not provide adequate procedural guidance to meet the requirements of 10 CFR Part 21. For example:

1. CSP-QA-15051 did not provide guidance for the evaluation of deviations to identify defects that could cause a substantial safety hazard that could be reportable to the NRC, as required by 10 CFR 21.21(a).
2. CSP-QA-15051 did not provide guidance on how to make the initial notification to the NRC if a defect is identified, nor did it provide guidance for verifying that the initial notification has been received by calling back the NRC Operations Center, as required by 10 CFR 21.21(d)(3)(i).
3. CSP-QA-15051 did not provide guidance for the information that shall be included in the written notification, as required by 10 CFR 21.21(d)(4).
4. CSP-QA-15051 did not reflect the time frames of 10 CFR 21.51 for maintenance of records.

<JSW reply>

1. Reason for the violation

Our interpretation for the requirements of 10 CFR 21 was not enough.

2. The corrective steps that have been taken and the results achieved

Our in-company standard CSP-QA-15051 was revised to Rev.6 dated on Sept. 15, 2009, as follows.

- 1) The description of the evaluation procedure was corrected to comply with the requirements of 10 CFR 21 including Fig.1 "Summary of the evaluation flow" (as shown in the attached sheet 1) newly established.
- 2) The method for notification to NRC was added to comply with the requirements of 10 CFR 21.21(d)(3)(i).
- 3) The information that shall be included in the written notification was added to comply with the requirements of 10 CFR 21.21(d)(4).
- 4) The description of the maintenance of records was changed to comply with the requirements of 10 CFR 21.51.

3. The corrective steps that will be taken to avoid further violations

Refer to above para.2.

The revised in-company standard CSP-QA-15051, Rev.6 will be distributed to the Dept., Sect., and Grp. in JSW Muroran Plant concerned and its indoctrination and training will be performed soon.

4. The date when full compliance will be achieved

Refer to above para.2 and 3.

All nonconformities occurred to the products for USA plants after April, 2007 will be re-evaluated in accordance with the revised in-company standard CSP-QA-15051, Rev.6 by the end of October, 2009.

