

May 24, 2007

Mr. Ikuo Sato
Director
General Plant Manager of Muroran Plant
The Japan Steel Works, LTD.
Muroran Plant
4 Chatsu-Machi
Muroran, Hakkaido, Japan

SUBJECT: PILOT AUDIT REPORT FOR JAPAN STEEL WORKS QUALITY ASSURANCE
PROGRAM IMPLEMENTATION

Dear Mr. Sato:

On April 26, 2007, the United States (US) Nuclear Regulatory Commission (NRC) completed a pilot audit of the implementation of the Japan Steel Works (JSW) quality assurance program pursuant to the provisions of Part 21 of Titled 10 of the Code of Federal Regulations (10 CFR Part 21), "Reporting of Defects and Noncompliance", and selected portions of Appendix B to 10 CFR Part 50, "Quality Assurance Program Criteria for Nuclear Power Plants and Fuel Processing Plants". The enclosed pilot audit report documents the results of this activity, which were discussed on April 26, 2007, with members of your staff.

In part, the purpose of this activity was to conduct a pilot of the new vendor inspection program manual chapter and draft inspection procedure, "Routine Inspections of Nuclear Vendors." The audit allowed the NRC staff to become knowledgeable in the JSW scope of supply, manufacturing processes, and quality activities performed in support of safety-related and ASME certified components supplied to utilities in the US. Additionally, the audit provided an opportunity for the NRC staff to review the quality activities being applied to the fabrication of replacement reactor pressure vessel head and steam generator forgings for US operating reactors. The team members reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this pilot audit the NRC staff determined that the implementation of your quality assurance program and processes provides reasonable assurance that the components you are supplying to the US market meet ASME Code and NRC quality assurance requirements. The NRC staff provided clarifications on two aspects of your quality assurance program which are described in detail in the enclosed audit report. Your staff took prompt action to initiate procedural enhancements based on these clarifications before the end of the pilot audit.

I. Sato

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In accordance with 10 CFR 2.390, "Public inspection, exemptions, requests for withholdings" of 10 CFR Part 2, "Rules of Practice for Domestic Licensing, Proceedings and Issuance of Orders," a copy of this letter, and its enclosures, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS) (PACKAGE ML071360034) ADAMS is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). We appreciate your cooperation. Please contact Mr. John A. Nakoski of my staff at jan1@nrc.gov or 301-415-1068 if you have any questions regarding this letter.

Sincerely,

/RA/

Glenn M. Tracy, Director
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Enclosure: JSW Pilot Audit Report

cc w/encl:

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Office of New Reactors

Enclosure: JSW Pilot Audit Report

cc w/encl:

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