RTP Corp.

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U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D. C. 20555-001

Reference: Reply to Notice of Violations, 99901372/2008-201-1 & 99901372/2008-201-2

Dear Sir/Madam:

This letter is a follow up to our May 23, 2008 reply to notice of violations 99901372/2008-201-1 & 99901372/2008-201-2 and subsequent teleconference on July 10, 2008 between the NRC's Dale Thatcher, Paul Prescott and Victor Hall, and RTP's Garfield Monfries wherein the NRC requested that RTP clarify the corrective steps that had been and will be performed in response to the NOV. Since then, our staff has been reviewing all corrective action programs that feed 10 CFR 21 from the past 5 years and evaluating deviations to identify defects and failures to comply associated with substantial safety hazards. The process is substantially complete and we expect to be in full compliance by August 15, 2008. To date, our evaluation of deviations has not identified any reportable defects.

The deviation evaluations are being conducted using a 10 CFR 21 Deviation Review Form which is part of our 10 CFR 21 implementing procedure AQ 5.01.3, "Deficiency Reporting (10 CFR 21)" and our corrective action procedure, AQ 6.01, "Corrective Action" that were revised in response to NOV 99901372/2008-201-1. This form along with any attachments will serve as objective evidence of the deviation review as required by 10 CFR Part 21, Section 21.51, "Maintenance and inspection of records." These records will be maintained for the duration specified in the Part 21 regulations. These records of deviation evaluations are the corrective actions to the issues noted in NOV 99901372/2008-201-2.

The new form guides the reviewers through the necessary evaluation steps which includes:

- identification of deviation;
- investigation of causal factors (linked to the CAR process);
- determining the affected products (commercial grade vs NEQ product);
- identification of where the deviation occurred (shipped vs unshipped product);
- review of the potential generic effects of the deviation on other NEQ products;
- determining if RTP is able to perform the deviation evaluation itself and/or within the regulatory timeframes;
- determining if the deviation is a defect and prompting report to the NRC and licensee.

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To prepare for the deviation evaluation, our staff reviewed the records of all NEQ product sales in the past 5 years and correlated this information with the records of the corrective action programs that feed the 10 CFR 21 over the same time period for those NEQ products as well as the equivalent commercial grade products. The non-conformances were then evaluated for deviations that could result in defects.

The following is a summary of one of the evaluations that we performed and the evaluation process is the same for each deviation that was reviewed:

> On 8/6/03, a 8-Channel Universal High Speed Wide Range Gate card was found to have the wrong capacitor part installed. This deviation was recorded as a non-conformance under our NCMR (non-conforming material) process. This deviation was identified on a commercial grade product that was produced for finished goods. Review of NEQ product sales indicated that on 8/23/03, two (2) each of the same card were commercially dedicated to NEQ products and shipped as part of a NEQ sales order, therefore it is feasible that this commercial grade gate card on which the deviation occurred was one of the two shipped NEQ cards. The reviewer found that this deviation was not a defect. The deviation was identified during manufacture and caught as part of our in-house inspection. Had it not been picked up by the inspector, the deviation would have been identified by other subsequent in-process inspections. In fact, the card would have failed the calibration test performed by test personnel as well as subsequent functional testing.
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> When reviewing the potential generic effect of this deviation on other NEQ products, it was found that any card produced under this process would have been similarly inspected and tested to identify deviations prior to shipment. This inspection and functional testing would have identified the deviation.
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> In the unlikely event that a product with this deviation had shipped, the deviation would have been identified by the licensee's systems integrator or licensee immediately since the affected capacitor serves channel 2 of the card and the readings from that channel would be noticeably different than the other seven channels on the card and the out-of-range signal generated would have been detected by the plant monitoring system during factory acceptance testing or at the licensee's facility.

Should our review of the remaining deviations identify any defect or failure to comply, we will report them in accordance with our 10 CFR 21 implementing procedure.

Sincerely,

S. Provanzano

Sal Provanzano
President
RTP Corp

CC: Director, Division of Engineering
Office of Nuclear Reactor Regulation