

This document "Conval Amended Reply to Notice of Violation 99901367/2009-201-01, is dated **September 29, 2009**.



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August 14, 2009

United States Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

Copy To:
Mr. John A. Nakoski
Mail Stop T-7F3
Washington, DC 20555

Subject: NRC Inspection Report No. 99901367/2009-201
Notice of Violation 99901367/2009-201-01

Reference: Amended Reply to a Notice of Violation

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

Dear Mr. Nakoski,

Conval hereby submits an amended reply to our letter dated June 26, 2009 for Notice of Violation 99901367/2009-201. The amended reply is the result of conferring with Ms Cleavenger, Mr. Deschaine and Mr. McIntyre via telephone on July 22, 2009. The changes are noted by lining through the deleted portions of the reply and italicizing the added information.

Conval's replies to Notices of Nonconformance numbers 99901367/2009-201-01, 99901367/2009-201-02, 99901367/2009-201-03, and 99901367/2009-201-04 remain unchanged from the June 26, 2009 Conval letter.

Notice of Violation 99901367/2009-201

1) Reason for the Violation:

Conval's interpretation of the definitions of deviation and defect as defined in 10 CFR Part 21 was incorrect. Conval understood "failure to comply" as included in the term deviation and defect and did not understand the correct use of failure to comply as a separate term.

Conval felt that reviewing the Reject Tag for corrective actions was adequate as it was implied that it included a review of the need for evaluation under Part 21.

2) Corrective Steps Taken and Results Achieved:

Procedure CP-0240 has been significantly revised to comply with the very specific language of the current version of 10 CFR Part 21. Included in the revision is the proper use of the terms “defect”, “deviation” and “failure to comply”. These terms have been incorporated into a revised procedure to clearly specify that deviations and other defined circumstances shall be evaluated, and that only defects and failures to comply will be reported to the NRC, should they prove to be a substantial safety hazard based on our evaluation. All terms have been defined precisely per Part 21, and in addition a definition has been added for Failure to Comply.

Extreme care has been taken to ensure that all definitions have been correctly used and invoked throughout the new procedure. The revision is dated June 24, 2009 and was issued on June 25, 2009. The result is that Conval has a procedure that accurately reflects the requirements of 10 CFR Part 21 that will serve as a basis for training of individuals and for evaluating deviations and failures to comply.

The Reject Tag form will be revised to include a space for the Quality Assurance Manager to document a review of the nonconformance to determine if an evaluation is required under 10 CFR Part 21. QP-0015 has been revised to specify the nature and extent of this review. Reject Tags processed between Feb. 8, 2008 and until the updated Reject Tags have been fully implemented will be reviewed by the Quality Assurance Manager for evaluation under 10 CFR Part 21 and this review will be documented in writing on the individual Reject Tag. ~~Amended 8-13-09: QP-0015 has also been revised to permit this as an optional measure as required.~~

3) Corrective Steps That Have Been Taken To Avoid Further Violations:

Key management personnel have been involved in preparing procedures for implementation of 10 CFR Part 21 requirements and have studied the Part 21 document in detail. This involved the President, Vice President Engineering, Quality Assurance Manager and Sales Supervisor. This group met several times to assure that all aspects of the procedure were being correctly reviewed and revised. Training sessions for all Conval personnel are being scheduled to train all personnel on the newly revised procedures.

The Reject Tag form is being updated to include space for documenting a review for Part 21 evaluation.

4) Date When Full Compliance Will Be Achieved:

Revision of procedure CP-0240 was completed on June 24, 2009 and issued on June 25, 2009. Training of Conval personnel in CP-0240 will be completed by July 31, 2009.

Procedure QP-0015 was revised on June 24, 2009 and issued on June 25, 2009. Training of affected personnel will be completed by July 31, 2009, Quality Department personnel will be trained by June 31, 2009.

The Reject Tag will be revised no later than June 30, 2009 and implemented immediately. In the interim The Quality Assurance Manager shall document his review of the Reject Tag for evaluation under Part 21 in writing. Full compliance will be completed once the existing Reject Tags are processed through the system and filed, Conval expects this to be complete by July 31, 2009. **Amended 8-13-09: Review of Reject Tags processed between Feb 8, 2008 and June 24, 2009 will be completed by August 31, 2009.** *Conval will conduct a review of reject tag records for deviations (departures from technical requirements) and failures to comply that for items that may have been supplied as basic components. This review will include records, as a minimum, from reject tags created from January 1, 1999 to June 30, 2009 and will be documented by the Quality Assurance Manager and completed no later than December 31, 2009. Reject tag records that require an Evaluation under 10 CFR Part 21 will be processed in accordance with Conval procedure CP-0240 titled Implementation of 10CFR21.*

Please feel free to contact this office should you require additional information or clarification of the information provided.

Thank you for your consideration.
Very truly yours,

Brian S. Nichols
Quality Assurance Manager
Conval, Inc.

Cc: F. Siver, Chairman, CEO, Conval
D. Curtin, President, Conval
D. Williams, Vice President Finance, Conval
M. Hendrick, Vice President Sales and Marketing, Conval
C. Sumner, Vice President Engineering, Conval
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