

August 2, 2013

Greg Orff, General Manager
Cives Steel Company
Southern Division
102 Airport Road
Thomasville, GA 31757

SUBJECT: CIVES STEEL COMPANY, SOUTHERN DIVISION RESPONSE TO THE U.S. NUCLEAR REGULATORY COMMISSION INSPECTION REPORT NO. 99901419/2012-201, NOTICE OF VIOLATION, AND NOTICE OF NONCONFORMANCE

Dear Mr. Orff:

Thank you for your April 16, 2013, letter in response to the Notice of Violation and Notice of Nonconformance (NON) that were discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report (IR).

We reviewed your letter and found that it was responsive and acceptable in regards to most of the issues discussed in IR No. 99901419/2012-201. However, there are the following NONs that require clarification and additional information. Specifically, Cives's response to:

- NON 99901419/2012-201-02 stated that Cives procedure QP 16-01 was extensively revised, new forms were created, and training was given to all management to the revised procedure. Also, the response stated that a new form (Form 16-01-1, Action Request) was created and made available to the employees. Further, the response states that the Cives Quality Assurance (QA) Manager will perform a surveillance to evaluate Cives corrective actions. Please clarify if Cives employees were trained to the new revision and forms of QP 16-01. Also, please clarify who will perform surveillance of the QA Manager work since the QA Manager is the manager responsible for implementing the corrective action program at Cives.
- NON 99901419/2012-201-03 stated that Cives failed to establish and implement a program for inspection of activities affecting quality to verify conformance with Cives policies and procedures. However, your response to each of the four examples identified the deficiencies and what actions Cives took to correct them. However, your response to each of the examples failed to have a clear explanation or include what actions Cives will take to preclude repetition of similar findings. Please clarify your response to address these concerns.

CONTACT: Jonathan Ortega-Luciano, NRO/DCIP
301-415-1159

- NON 99901419/2012-201-05 stated that Cives failed to adequately implement its process to ensure that the persons performing QA functions have the authority and organizational freedom, including sufficient independence from cost and schedule when opposed to safety considerations. The response stated that Cives took immediate corrective action to separate the responsibilities and duties of QA and Quality Control (QC). As a result of the corrective actions Cives revised QP 01-01, "Quality Planning," and QP 01-01a, "Quality Planning Supplement," was created as a supplement to provide further specific procedural distinctions between QA and QC. However, your response failed to describe what changes Cives made to the organization and how these changes would be implemented by different individuals. Please clarify your response to address this concern.
- NON 99901419/2012-201-06 stated that Cives failed to prescribe and perform activities affecting quality in accordance with documented instructions, procedures, or drawings. The response stated that for each of the four examples corrective actions were taken. As a result of these corrective actions Cives created work instructions and conducted training to the applicable employees on these new procedures. However, your response failed to include the work instruction created and an explanation on how these instructions are going to resolve the NON, and if there are any other activities affecting quality that are not been performed in accordance with documented instructions, procedures, or drawings. Please clarify your response to address these concerns.

In accordance with Title 10 of the *Code of Federal Regulation* (10 CFR) 2.390 "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request that such material is withheld from public disclosure, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21 "Protection of Safeguards Information: Performance Requirements."

G. Orff

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Please contact Mr. Jonathan Ortega-Luciano via electronic mail at jonathan.ortega-luciano@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

Edward H. Roach, Chief
Mechanical Vendor Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99901419

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Docket No.: 99901419

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