

March 31, 2014

Mr. Kirt Richardson, Quality Assurance Manager
Babcock & Wilcox Canada Ltd.
581 Coronation Boulevard
Cambridge, Ontario, Canada, N1RV3

SUBJECT: BABCOCK & WILCOX CANADA'S RESPONSE TO THE U.S. NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT NO. 99900067/2013-201,
NOTICE OF NONCONFORMANCE

Dear Mr. Richardson:

Thank you for your February 11, 2014, letter in response to the Notice of Nonconformance (NON) that was discussed in the subject U.S. Nuclear Regulatory Commission (NRC) inspection report (IR).

We have reviewed your letter and found that it is not fully responsive to NON 9900067/2013-201-03. Specifically:

1. Your response to the NON stated that the reason for the NON was that Babcock & Wilcox Canada (BWC) failed to transfer objective evidence from the audit notes to the final report. As stated in the subject IR, the reason for the NON was because BWC inadequately qualified Bruck GmbH as a Qualified Material Organization based on Bruck's International Organization for Standardization 9001:2008 program. Please clarify your response.
2. Your response to the NON stated that BWC will review all suppliers of pressure boundary material and that those suppliers that do not hold an American Society of Mechanical Engineers certification will have their audit reports reviewed to satisfy BWC that sufficient objective evidence was taken into account for these audits. Is BWC referring to audits of suppliers with a quality assurance (QA) program that meet the requirements of Appendix B or a commercial supplier? Please clarify your response.
3. Your response to the NON stated that BWC will be using "newly created checklists" for all audits of Title 10 of the *Code of Federal Regulations* (10 CFR), Part 50, Appendix B suppliers (including all audits of non-Appendix B as well). If a supplier doesn't have a QA program that meets the requirements of Appendix B to 10 CFR Part 50, then it's a commercial supplier and a commercial survey should be performed, not an audit. Please clarify your response.

In accordance with 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."

Please contact Mr. Yamir Diaz-Castillo at 301-415-2228 or via electronic mail at Yamir.Diaz-Castillo@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

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

Docket No.: 99900067

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."

Please contact Mr. Yamir Diaz-Castillo at 301-415-2228 or via electronic mail at Yamir.Diaz-Castillo@nrc.gov, if you have any questions or need assistance regarding this matter.

Sincerely,

/RA/

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

Docket No.: 99900067

DISTRIBUTION:

- RPatel
- AJohnson
- KKavanagh
- ESanchez-Santiago
- ASakadales
- JOrtega-Luciano
- RRasmussen
- KRichardson@babcock.com
- Xuejun.Wei@cnsccsn.gc.ca

ADAMS Accession No.: ML14087A184 NRO-002

OFFICE	NRO/DCIP/MVIB	NRO/DCIP/MVIB
NAME	YDiaz-Castillo	ERoach
DATE	03/31/2014	03/31/2014

OFFICIAL RECORD COPY