

August 19, 2015

Mr. Matt Rossignol, Quality Manager
Chicago Bridge & Iron
366 Old Airport Road
Laurens, SC 29360

SUBJECT: CHICAGO BRIDGE & IRON'S RESPONSE TO THE U.S. NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT
NO. 99901432/2015-201 AND NOTICE OF NONCONFORMANCE

Dear Mr. Rossignol:

Thank you for your July 21, 2015, letter in response to the Notice of Nonconformances (NONs) that were 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 NONs 99901432/2015-202-01, 99901432/2015-202-02, and 99901432/2015-202-03. Specifically:

1. Your response to NON 99901432/2015-202-01 failed to address the examples as provided in the NON. Clarify your response as follows:
 - a. Describe what actions has CB&I Laurens taken to ensure that the chemical and physical testing of the seamless pipes performed by Welding Testing Laboratory to verify the critical characteristics were adequate and that the pipes would meet their intended safety function since a 10 CFR Part 21 Report was made to report the identified deviations.
 - b. In your response to NON 99901432/2013-201-04, dated December 18, 2013, CB&I Laurens committed to (1) perform a documented annual and semiannual evaluation of commercial suppliers providing items for commercial-grade dedication and (2) perform a documented review of the suppliers' Non Conformance Report (NCR) log to identify any developing trends that could be adverse to quality and initiate corrective action. Your response failed to address whether you have started to perform these two actions as committed to the NRC. If you have decided not to perform these actions, provide the justification for your decision.

- c. Your response describes the actions being taken by CB&I Laurens to address the overall deficiencies identified with the corrective action program. However, your response failed to include what actions were taken by CB&I Laurens to address the specific cited deficiencies which included:
 - i. Lack of objective evidence of the engineering evaluation performed to disposition the use-as-is determination associated with corrective/preventive action requests (C/PARs) No. 408 and the associated NCRs S2/V1219, S3/V1083, S3/V1103, and V4/1147.
 - ii. Lack of objective evidence and timely completion of the corrective actions associated with C/PAR Nos. 419, 499, 508, and 517.
- 2. Your response to NON 99901432/2015-202-02 failed to address several areas of concern to the NRC staff. Clarify your response as follows:
 - a. The response states, in part, that the "Extent of condition review of this issue included review of identified unsatisfactory conditions associated piping still at the Laurens facility, as no ASME Section III work was being performed at that time, and it was concluded that deficiencies with the performance of and inspection of ISI preparations does exist." Your extent of condition only included components that were still at the CB&I Laurens facility and did not address the components that had already been shipped. Provide the extent of condition review for the components that had already been shipped.
 - b. The response failed to include any corrective actions taken to address the ridges and valleys, and depressions of greater than 1/32-inch that did not meet the pre-service and in-service inspection surface condition requirements on pipe spool 8927-40-010-0031, serial number VS2-RNS-PLW-014-A. Your response should also include any corrective actions taken for other components that did not meet the pre-service and in-service inspection surface condition requirements.
 - c. The response states, in part, that the spool "had not yet received ISI inspections as indicated by the shop traveler, however UNSAT conditions, identified by purchaser Source Inspection were reviewed. This review determined that instances of ISI preparations being performed incorrectly and subsequently inspected and accepted were identified." Explain the statement "had not yet received ISI inspections as indicated by the shop traveler." The NRC notes that ISI programs are established at licensees and required inspections occur over a 10 year period time frame and are performed after the plant (or component) has commenced operation, and is not normally performed by a manufacturing vendor. In addition, confirm that CB&I Laurens visually inspected and accepted the surface area, since the statements above imply that this had not been performed.

3. Your response to NON 99901432/2015-202-03 states, in part, that "Extent of Condition reviews began immediately upon identification of the issues associated with C/PAR's 533 and 534. This included a review of Lead Auditor Qualifications, Vendor Qualifications, Commercial Grade Dedication Plans and the Qualifications of service providers such as M&TE Calibrations, pickling/passivating and heat treatment/solution annealing. This review also included a review of the Quality Assurance Manual and associated procedures that directed these processes." However, it did not address the specific examples cited. Describe details of the actions taken by CB&I Laurens to ensure that the services provided by the companies identified in the NON were adequate and that the components would still meet their intended safety function.

In accordance with Title 10 of the *Code of Federal Regulations* (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/ (RMcIntyre for)

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

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Edward H. Roach, Chief
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Docket No.: 99901432

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Letter to Matt Rossignol from Edward Roach dated August 19, 2015

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