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U.S. Nuclear Regulatory Commission
Document Control Desk
Terry W. Jackson, Chief Quality Assurance Vendor Inspection Branch
Washington, DC 20555-0001

July 18, 2017

Dear Mr. Jackson

This letter is C&D Technologies' Response to NON-99901466/2017-201-01 identified during the NRC inspection conducted the week of May 1, 2017 at C&D's Attica, IN facility. The NON identifies two areas in which the Corporate Quality Systems Manager (QSM) audited functions apparently in his area of direct responsibility, namely nonconformances and Part 21 programs during the Blue Bell Internal Audit IA-BB-2015-01 issued on 4-23-2015.

The issue of auditor independence was addressed in CR16-21 action 3, issued in February 2016, and communicated to the NRC on February 19, 2016. In that CR, C&D committed to using external personnel to audit key aspects of our Appendix B and Part 21 programs, with reports issued directly to the CEO and General Counsel, in addition to the quality organization. These audits include control of non-conforming material and Part 21 discovery and reporting. C&D contracted third party vendors for audits in 2016 and 2017. The results of the 2016 audit were provided to the NRC during the inspection. Audit results for 2017 are available on request.

Additional changes have also been made to enhance auditor independence:

- For the 2017 Internal Audit, an Auditor Independence Matrix was used to ensure that members of the Audit team recused themselves from auditing their areas of responsibility.
- The Internal Audit checklist which encompasses both C&D's nuclear and commercial quality programs has been revised and contains detailed questions regarding implementation of Part 21 requirements.
- Training was administered to the Corporate QSM to ensure his understanding of the procedural requirements referenced in NON 99901466/2017-201-01.

In summary, C&D has corrected the deficiency identified in NON 99901466/2017-201-01 and the completed actions will prevent recurrence of the identified issues. Please feel free to contact me with any questions or if more information is required.

Sincerely,

Robert Malley
VP Quality and Process Engineering

Cc: A. Lauzon, President and CEO
D. Anderson, VP General Counsel
R. Malley, VP Quality and Process Engineering
J. Anderson, Chief Technical Officer
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Designate as original

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Review complete